

Ensuring Compliance and Risk Management

NEC considers “compliance” to not only mean compliance with the law, but also in the wide sense to include compliance with socially accepted norms and common sense. Likewise, our “risk management” activities include properly understanding risks that have an impact on the company’s business, and taking preventive measures efficiently and effectively, including compliance violations.

NEC positions compliance at the foundation of management, and recognizes compliance and risk management as priority themes “Materiality” which are essential for corporate governance. We, including the top management, will continue to promote these company-wide efforts.

Establishing “NEC Compliance Day”

In fiscal 2017, NEC Corporation received notification of three violations of the Antimonopoly Act from the Japan Fair Trade Commission. On November 18, we received an on-site inspection in regard to transactions for wireless digital emergency firefighting equipment. To keep these events fresh in mind and reconfirm the importance of compliance for each individual, we have decided to make November 18 “NEC Compliance Day.”

In the period around NEC Compliance Day, NEC Corporation and its domestic consolidated subsidiaries held workplace roundtable meetings on themes such as preventing fraudulent accounting and compliance with the competition law. These provided opportunities for individual employees to consider compliance themselves. On the day, the President, the Chief Compliance Officer (CCO) and all general managers (approximately 130 people) of NEC Corporation, and the Presidents of domestic consolidated subsidiaries communicated messages to employees reaffirming the importance of compliance.

Fostering a Corporate Culture that Makes Compliance a Top Priority through Face-to-Face and Dialogue-Based Educations

As part of NEC’s effort to ensure compliance, we annually conduct an online education course on compliance, and moreover, we conduct fair trading education including multiple case studies for employees mainly working in divisions undertaking public sector projects every year. In fiscal 2018, in addition to these education programs, NEC also worked to ensure compliance with the competition law by conducting 140 face-to-face education programs for employees of NEC Corporation and its domestic consolidated subsidiaries to

communicate the facts, including the background to the three bid-rigging incidents caused by NEC Corporation. Furthermore, we also conducted dialogue-based education for upper management personnel at sales divisions throughout Japan, mainly regional headquarters and branches. We conducted a discussion on the organizational management for practicing compliance and reconfirmed how we should behave.

Measures to Prevent another Competition Law Violation

In fiscal 2018, NEC transferred and changed the employees who had had long-term responsibility for the same governmental agency-related customers to prevent competition law violations. We also conducted special courses for employees who had not been able to be applied for their assignment reasons and so forth, confirming

important points of the competition law in person. In addition, we conducted internal audits, email monitoring, and other steps, identifying nascent infringements of the competition law and acting quickly to counter them in cases that will likely cause a risk.



For further information, please refer to Sustainability Report 2018 “Compliance and Risk Management”