Initiatives to Ensure Respect for Human Rights Such as Privacy Policies and Measures Aligned with Societal Expectations

Amid the rapid spread of smartphones and other mobile devices driven by advances in ICT, public interest in respect for human rights, personal information protection, and privacy considerations is also growing. Failure to consider these issues would be a serious risk for NEC as a provider of safe, secure, efficient, and equal products and services. On the other hand, by considering these issues we can provide highly reliable services and solutions to society, including our customers.

NEC therefore positions these personal information protection initiatives and “Privacy policies and measures aligned with societal expectations” as part of its “materiality,” a selection of priority management themes from an ESG perspective, and places the highest priority on respect for human rights in its business operations.

Promoting Business Operations Placing the Highest Priority on Consideration for Privacy and Respect for Human Rights

While social implementation of AI and utilization of biometrics and other data (“AI utilization”) enrich our lives, it may also lead to human rights issues such as the invasion of privacy and discrimination, depending on how it is utilized. In addition to responding to the General Data Protection Regulation (GDPR) that came into force in the EU in May 2018, NEC also seeks to maximize social value as well as to minimize the negative impact on society, by developing and providing products and services that consider privacy issues, which can be perceived differently depending on country, region or culture, and human rights issues, such as discrimination problems that may be aggravated by the use of AI.

In promoting business operations related to AI utilization, in fiscal 2019 we established the Digital Trust Business Strategy Division as an organization to create and promote strategies based on respect for human rights, and in April 2019 we formulated the NEC Group AI and Human Rights Principles (“the Principles”). The Principles will guide the NEC Group’s corporate officers and employees in recognizing respect for human rights as the highest priority in each stage of our business operations in relation to AI utilization and enable them to take action accordingly.

Internal Awareness Raising and External Cooperation and Collaboration

In business operations related to AI utilization, to raise awareness and understanding about consideration for privacy and respect for human rights, we undertook proactive initiatives to raise internal awareness and to promote external coordination and collaboration.

To raise awareness internally, we conducted an online education program, and invited external experts (specialists such as university professors and lawyers) to give lectures on themes of AI and data utilization, privacy, and human rights. We also held dialogues through panel discussions and question and answer sessions. In external cooperation and collaboration, we held dialogues on the themes of AI utilization, privacy, and human rights with experts (specialists such as university professors, lawyers, and so forth) including a discussion on the theme of social value created by NEC Safer Cities (p. 18).

In addition, in our individual proposal activities and promotion activities, the Digital Trust Business Strategy Division played a leading role in providing individual advice and support to each business division to ensure that their activities are highly acceptable to society. Thus, the entire NEC Group works together to promote its business operations while placing the highest priority on consideration for privacy and respect for human rights.

Initiatives to Prevent Modern Slavery

As part of its initiatives to prevent modern slavery, NEC has published a statement on measures to prevent modern slavery based on the UK Modern Slavery Act.

Section 54 of the Act requires UK corporations as well as foreign commercial organizations that meet certain criteria to publish a statement on measures to prevent modern slavery within the organization and across its supply chain. With the approval of the Board of Directors, NEC Corporation published a statement on behalf of the NEC Group in fiscal 2019.

Our main initiatives in fiscal 2019 are as follows.

Initiatives within the NEC Group

Lectures were held by external experts for executives and global business management, and online training was conducted for all corporate officers and employees. Into these lectures, we incorporated the background and objectives of the UK Modern Slavery Act and NEC Corporation’s response, and took steps to deepen understanding of the act within the Company.

Initiatives across the NEC Group’s Supply Chain

At CSR/Information Security Measures briefings for suppliers, we explained the objectives and content of the UK Modern Slavery Act, as well as revisions made to the NEC Group Procurement Policy and Supply Chain CSR Guidelines based on the act and the Company’s response, and we requested prevention of modern slavery.

With cooperation from around 200 major suppliers, we conducted a human rights survey to confirm the status of initiatives on respecting human rights in relation to labor, including prevention of forced labor. We incorporated inspection points relating to the presence of forced labor for Supplier Visit Records (SVR), which involve onsite inspection of the status of compliance with sustainable procurement requirements at suppliers.

Dealing with Issues throughout the Value Chain

In 2015, NEC formulated the NEC Group Human Rights Policy to guide its initiatives on issues related to consideration of privacy and respect for human rights. Under this policy, we will promote initiatives on respecting human rights across the entire value chain from procurement to sales through dialogue and consultation with stakeholders and by implementing human rights due diligence.

In fiscal 2019, a task force comprised of the Legal Division, Procurement Division, Human Resources Division, and

Sustainability Promotion Division formulated a companywide framework for implementing human rights due diligence. We comply with the UN’s Guiding Principles on Business and Human Rights and have started work on evaluating the human rights impact of our main businesses, and those of our consolidated subsidiaries.

Looking ahead, we will identify key human rights issues based on the results of the human rights impact evaluation and examine schemes for addressing these issues, among other measures, as we continue to implement human rights due diligence.

For further information, please refer to Sustainability Report 2019 “Personal Information Protection and Privacy,” “Respect for Human Rights,” and “Supply Chain Management.”