

# Uncompromising Integrity and Respect for Human Rights

NEC subscribes to “Uncompromising Integrity and Respect for Human Rights” as one of the Principles of the NEC Way. Furthermore, NEC aims to establish compliance within its corporate culture by ensuring that each officer and employee treats compliance as his or her own responsibility and practices conduct in accordance with the NEC Group Code of Conduct.

In addition, our risk management activities include properly understanding risks that have an impact on our business and taking preventive measures efficiently and effectively, including against compliance violations.

In fiscal 2020, we selected the four risks listed below as “Priority Risks” and devised measures to address them. For fiscal 2021, we identified the following risks: “risks regarding inadequate accounting processes at subsidiaries abroad,” “risks regarding management of confidential information,” “risks regarding privacy infringement related to new technologies” and “risks regarding harassment.” We are taking countermeasures against them.

## Priority Risks in FY2020

- 1 Risks regarding labor management
- 2 Risks regarding human rights issues arising from new technology
- 3 Risks regarding bribery
- 4 Risks regarding information security

## Risks Regarding Labor Management

At NEC, the workers union and management cooperate to implement flexible working styles, prevent overwork, and promote time off from work, while observing the relevant legal systems in each country.

In April 2019, NEC Corporation and affiliated companies in Japan renewed their work hours management systems and took other steps to properly grasp work hours and rigorously manage overtime

work in line with the revision of the Labor Standards Act. We have put systems in place to enable early identification of potential risks and implementation of countermeasures as needed to prevent any incidents arising due to working hours.

 For further information, please refer to Sustainability Report 2020 “Creating a Diverse Work Style Environment.”

## Risks Regarding Human Rights Issues Arising from New Technology

Since the formulation of the Companywide principles, we have promoted initiatives to incorporate this way of thinking into relevant businesses.

Moreover, we hold web training and study sessions, along with

discussions with experts, so that we can act appropriately with respect for human rights in business operations.

 For further information, please refer to Sustainability Report 2020 “AI and Human Rights.”

## Risks Regarding Bribery

NEC Corporation has created an “Anti-Bribery Manual for Business Divisions, Etc.” that stipulates the roles of general managers and specific methods for preventing bribery. These roles and methods include bribery risk assessment regarding the division’s business and operations and due diligence regarding third parties employed in the Company’s business activities. In fiscal 2020, we revised the

manual and added a section that stresses the importance of continued monitoring due to the possibility of risks related to retained parties or partners changing with the passage of time.

 For further information, please refer to Sustainability Report 2020 “Promoting Fair Commercial Transactions.”

## Risks Regarding Information Security

As information threats continue to evolve daily, information security, along with cyber security, has become one of NEC’s “materiality”–priority management themes from an ESG perspective, in our sophisticated IT-based society.

To protect information assets, NEC is taking the following

approach: implementing anti-cyber attack measures, providing secure products, systems and services, and promoting information security in collaboration with business partners.

 For further information, please refer to Sustainability Report 2020 “Information Security and Cyber Security.”