

NEC Modern Slavery and Human Trafficking Statement

This Modern Slavery and Human Trafficking Statement (this “Statement”) is made pursuant to section 54(1) of the UK Modern Slavery Act 2015, by NEC Corporation (“NEC”, or the “Company”) and its consolidated subsidiaries within the scope of the aforementioned Act, namely, NEC Europe Ltd., NEC (UK) Ltd., NEC Software Solutions UK Limited and Netcracker Technology EMEA Limited (together with NEC, the “Companies”).

This Statement outlines the initiatives made by the Companies in the year ended 31, March 2025 (“Fiscal 2025”¹), to prevent modern slavery and human trafficking from occurring in the Companies’ supply chains or business.

This Statement was approved by the Board of Directors of NEC on September 30, 2025.

a) The NEC Group’s structure, business and supply chain

NEC was founded in 1899 and is headquartered in Tokyo, Japan.

The NEC Group, consisting of the Company and its consolidated subsidiaries, has 104,194 employees (as of 31, March 2025), and annual turnover for Fiscal 2025 of 3,423.4 billion yen.

For more information on the NEC Group's business, please see the corporate profile².

The NEC Group promotes IT services, social infrastructure and other businesses based on its purpose "NEC creates the social values of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential."

The NEC Group procures components, electronic equipment, software, maintenance, and other solutions from suppliers around the world. The percentage of its consolidated procurement amounts were 66.3% for Japan, 13.0% for Asia, 11.1% for North America, 8.4% for EMEA (Europe, the Middle East and Africa) and 1.2% for Central and South America in Fiscal 2024.

b) The NEC Group’s policies in relation to slavery and human trafficking

The NEC Group has placed respect for human rights as one of the Principles of the NEC Way³ and also in the NEC Group Code of Conduct⁴, which clearly states that each

¹ All other fiscal years are referred to in the same manner.

² <https://www.nec.com/en/global/about/profile.html>

³ <https://www.nec.com/en/global/sustainability/management/nec.html>

⁴ https://www.nec.com/en/global/about/pdf/necway/nec_code_of_conduct.pdf

and every officer and employee of the NEC Group needs to comply with these principles.

In addition, the NEC Group supports the International Bill of Human Rights, the International Labour Organization (ILO) Core Labour Standards, the UN Guiding Principles on Business and Human Rights (UNGPs), the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the Ten principles of the UN Global Compact⁵, and other internationally recognized national laws and regulations in the relevant region. The NEC Group Human Rights Policy⁶, which is applicable to all officers and employees of the NEC Group, including fixed-term contract employees, temporary employees, and part-time employees, states that where national laws in the relevant jurisdiction conflict with internationally recognized human rights, the Company will seek ways to respect the principles of internationally recognized human rights. The NEC Group also encourages its suppliers, business partners, and customers to understand this Policy and share its commitment to respecting human rights. Furthermore, suppliers are required to comply with the "NEC Group Procurement Policy"⁷ and "Guidelines for Responsible Business Conduct in Supply Chains"⁸

c) The NEC Group's due diligence process in relation to modern slavery and human trafficking in its business and supply chain

(1) Promotion framework

- The CEO oversees the initiatives based on the NEC Group Human Rights Policy.
- The Company discusses risks related to human rights on a regular basis at a Risk Control and Compliance Committee.
- The CFO, who is in charge of sustainability promotion at NEC, presents regular reports on the status of the initiatives for respecting human rights to the Board of Directors.
- The Board of Directors monitors the progress of the initiatives.
- Please see below for initiatives implemented by the Companies other than NEC,
 - NEC Europe Ltd. and NEC (UK) Ltd.
https://uk.nec.com/en_GB/emea/about/policy/modern_slavery_and_human_trafficking_statement.html

⁵ NEC became a signatory to the UN Global Compact in 2005.

⁶ https://www.nec.com/en/global/sustainability/pdf/human_rights_en.pdf

⁷ <https://www.nec.com/en/global/purchasing/renshiki-a2.html>

⁸ https://www.nec.com/en/global/purchasing/data/en2_sc_csr_guideline_4e.pdf

- NEC Software Solutions UK Limited
<https://www.necsws.com/modern-slavery-statement/>
- Netcracker Technology EMEA Limited
<https://www.netcracker.com/modern-slavery-statement.html>

(2) Human rights due diligence process

- The Company conducts human rights due diligence (the “Human Rights DD”) according to the UNGPs, with a focus on those human rights issues that it has determined as salient. The Company sets activity targets and KPIs, manages progress, conducts transparent disclosure, and submits reports to the Board of Directors in a timely manner.
- The Company assesses impacts on human rights appropriately to heighten the effectiveness of the Human Rights DD. Further information on the history of the impact assessments can be found here.
<https://www.nec.com/en/global/sustainability/social/humanrights.html>
- From Fiscal 2022, NEC has identified the following human rights issues as salient. Each salient issue is assigned to a department responsible for the Human Rights DD.
 - New technologies and human rights (AI and human rights)
 - Human rights risks related to geopolitical situations and conflicts
 - Labour in supply chains
 - Employee safety and health

d) The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk

- Business

(1) Promotion framework for employee safety and health

The Company examines modern slavery and human trafficking issues that may affect employees under the agenda of “Employee safety and health” which is one of the salient human rights issues. The Corporate Human Rights Promotion Committee, established in 1997, discusses and develops systems, and implements basic activities and promotes in-house training on human rights awareness, including elimination of discrimination and prevention of harassment.

(2) Document check

In order to strengthen management related to occupational health and safety (OH&S) and to confirm the actual status of efforts to respect human rights, the Company conducts

periodic annual written surveys at our global sub-subsidiaries including Japan. In Fiscal 2025, the Company expanded the scope of the survey and conducted written surveys of 48 domestic subsidiaries and 49 subsidiaries outside Japan. (In Fiscal 2024, 28 domestic subsidiaries and 15 subsidiaries outside Japan responded.) Survey items are developed with reference to JEITA's Responsible Business Conduct Guidelines and the Responsible Business Alliance (RBA) Code of Conduct. In the Fiscal 2025 survey, although there were eight companies that had not been made aware of the NEC Group Human Rights Policy, the Company has confirmed that there are no significant risks regarding child labour, freedom of association, collective bargaining rights, etc. across all companies surveyed.

- Supply chains

- (1) Promotion framework for sustainable procurement

At NEC, the Chief Supply Chain Officer (CSCO) is responsible for sustainable procurement across the entire NEC Group, and decisions are made through a decision-making body chaired by the head of procurement in the SCM Strategy Division.

For affiliated companies outside Japan, NEC works with procurement managers at regional headquarters in North America, Latin America, Europe, and ASEAN and major local subsidiaries directly controlled by NEC to conduct periodic operational reviews in line with their annual activity policies and plans, and to promote sustainable procurement in accordance with the culture and business practices of each country, as well as with the basic policies and guidelines mandated by NEC.

The NEC Group has identified the following six priority risks for supply chain management: human rights and labour, occupational health and safety, environment, product quality and safety, information security, and fair trade and ethics. Measures conducted in Fiscal 2025, are described in (2) to (5) below.

- (2) Signing of Declarations by Suppliers

The NEC Group ensures implementation and compliance with its policies by requiring suppliers to enter into master contracts and to submit declarations stating their commitment to the Guidelines for Responsible Business Conduct in Supply Chains ("declarations").

In the Mid-term Management Plan 2025, the Company has included "supply chain sustainability" as one of the "materiality" which are priority management themes from an ESG perspective that the Company needs to adopt to reinforce non-financial (ESG/future financial) evaluation methodologies to underpin the sustainable growth of

companies and society. The Company aims to acquire declarations from suppliers accounting for 75% of the total procurement amount by the end of Fiscal 2026 as an indicator of “supply chain sustainability”. As of the end of Fiscal 2025, the Company has obtained declarations from approximately 14,000 suppliers in and out of Japan, covering 87% of our consolidated procurement value. The Company aims to continue to obtain declarations from suppliers covering at least 75% of procurement value in subsequent years.

(3) Document check

The Company asks its suppliers to conduct self-assessments, “Sustainable Procurement Self-assessment,” to assess the status of supplier compliance with the Company’s requirements and initiatives. The assessment covers checks on human rights, OH&S, the environment, fair trade, and other, as well as details on the acceptance of foreign technical intern trainees and the handling of human rights issues by Tier 2 suppliers and further upstream. Measures conducted in Fiscal 2025, are as follows:

- The Company received responses from 1,206 out of the 1,354 tier 1 companies contacted.
- Each supplier’s efforts were evaluated on a five-point scale (A, B, C, D, Z) for each inspection theme—human rights, OH&S, the environment, fair trade, and other—based on their “score rate” and “critical points”⁹ evaluation criteria. The Company has provided feedback sheets to all of the suppliers that responded, indicating their score for each inspection theme and comparison to the average score for each procurement category, and shared the evaluation results with them.
- 36 suppliers received a Z rating, indicating the existence of potential risks. Among these suppliers, 24 suppliers were rated Z in the human rights inspection theme. Through supplier engagement, such as NEC’s understanding of the conditions and provision of correctional guidance, the Company will support suppliers that received the Z rating, with the aim of completing the correction of identified issues during the first half of Fiscal 2026.
- For suppliers identified with high-risk items for correction in the fiscal 2024 surveys, the Company provided corrective guidance and follow-up until correction was completed.

⁹ “Critical points” are questions that NEC has identified as potential risks, in light of the Guidelines for Responsible Business Conduct in Supply Chains, issued by NEC, and other regulations, if initiatives remain unaddressed.

(4) On-site Assessment

Since Fiscal 2019, the Procurement Division has implemented the Supplier Visit Record (SVR) initiative, in which sustainable procurement requirements, such as those related to human rights, labour, OH&S, and the environment, are assessed when visiting suppliers in high-risk regions. The results are recorded and accumulated. In Fiscal 2025, 93 records were collected, and no issues were identified.

(5) Third Party audits and second-party audits conducted by NEC based on a risk-based due diligence approach

The Company is taking the following steps in accordance with OECD Due Diligence Guidance for Responsible Business Conduct:

- Step 1: Collect and evaluate information on each risk from the perspectives of the ICT sector, regions, and business characteristics, based on The ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights, the International Trade Union Confederation (ITUC)'s 2020 ITUC GLOBAL RIGHTS INDEX, other external research reports, and internal analysis of the Company's procurement structure.
- Step 2: Identify high-priority business domains while referencing results of international NPO BSR's evaluations of human rights impact. The risks identified are human rights risks to workers in manufacturing processes at plants of suppliers outside Japan (including outsourced production), human rights risks to foreign technical intern trainees in manufacturing processes at plants of suppliers in Japan, risk of long working hours in software development, and OH&S risks during construction, maintenance, and inspection.
- Step 3: Map suppliers related to the above risks, evaluate the nature and scope of potential impacts, and conduct third-party audits by an external auditing firm specializing in human rights and occupational health and safety, as well as second-party audits conducted by NEC, for selected suppliers (22 companies from Fiscal 2022 through Fiscal 2025). Incidents of nonconformance identified in these audits (for example, long working hours or inadequate evacuation routes, etc.) are evaluated and ranked according to the four categories (1. Response not required, 2. Items for improvement, 3. Items for improvement; high priority, 4. Items for correction) from the viewpoints of human rights and OH&S under Japanese law and global standards. The Company provides feedback to suppliers and requests corrective action. For suppliers identified with high-risk items for correction in the Fiscal 2024 audit, the Company provided corrective guidance and follow-up until

correction was completed.

- **Grievance Mechanism**

To minimize and prevent adverse impacts on human rights arising from our business activities, and to strengthen our commitment to respecting human rights, the Company has developed the Compliance Hotline and the HR Hotline, which were integrated to the NEC Compliance & Integrity Hotline in October 2024, as a remedial mechanism to respond promptly and sincerely to human rights violations and improve the situation. This hotline accepts reports not only from the NEC Group employees, but also from temporary employees and business partners, and reports can be made anonymously. The identity of whistleblowers who contact the hotline and the nature of their reports are guaranteed confidentiality by the personnel in charge. In addition, whistleblowers will never suffer retaliation for having made a report. In the unlikely event that such retaliation takes place and is confirmed, necessary corrective measures will be taken. The NEC Group will immediately and accurately investigate the facts and the causes of the incident and strive to take appropriate measures to resolve the matter. In addition, the Company has participated in the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) at the investigation stage, a cross-industry initiative launched by the JEITA and the Business and Human Rights Lawyers Network (BHRL), an association of lawyers.

e) The effectiveness in ensuring that modern slavery and human trafficking is not taking place in the NEC Group's business or supply chains, measured against such performance indicators as it considers appropriate

The Company uses the following as important indicators to measure the effectiveness of our initiatives:

- Types of complaints and the number of submissions received through the NEC Compliance & Integrity Hotline (previously Compliance Hotline and HR Hotline)
- Results of the "Sustainable Procurement Self-assessment" and actual conditions survey
- Information on procurement suppliers accumulated through on-sight assessment (SVR)
- Third-party and second-party audits and the progress of correction

In Fiscal 2025, based on the above indicators, the Company evaluated effectiveness of its initiatives towards human rights risks as follows:

- NEC Compliance & Integrity Hotline (formerly Compliance Hotline and Human

Resources Hotline) did not receive any concerns or reports related to modern slavery or human trafficking.

- Through supplier engagement, such as NEC's understanding of the conditions and provision of correctional guidance, the Company will support 24 suppliers that received the Z rating in human rights inspection theme in the Fiscal 2025 survey, with the aim of completing the correction of identified issues during the first half of Fiscal 2026.
- There were no issues related to "human rights" and "OH&S" on the information collected through SVR.
- For suppliers identified with high-risk items for correction in the Fiscal 2024 surveys, the Company provided corrective guidance and follow-up until correction was completed. The Company will implement corrective measures for nonconformities identified by third-party and second-party audits in Fiscal 2025.

f) The training about modern slavery and human trafficking available to NEC Group's staff and its suppliers

The Company provides the following training to prevent modern slavery and human trafficking:

- For employees
 - E-learning "Business and Human rights training" is held annually, and the attendance is required for all the employees at the Company and some of its subsidiaries and affiliated companies.
 - NEC conducted a human rights workshop for senior procurement staff at NEC and its consolidated subsidiaries in Japan to deepen their understanding of human rights issues in the supply chain.
 - NEC provided training on sustainable procurement to procurement staff (or in some companies, all employees) at its regional headquarters and major local subsidiaries outside Japan.
- For suppliers
 - The Company disseminated information to main strategically important supply chain partners about its sustainable procurement policies and measures at exchange meetings with 200 strategic supply chain partners, and at the Sustainability/Information Security Sessions with 1,839 companies participating.
 - The Company held a workshop, with the support of an external lecturer, that allowed participants to experience the "risk identification" process of Human

Rights DD based on the Japanese government's Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains. Thirty-two of NEC's critical suppliers¹⁰ participated in this workshop.

The Company is a member of BSR and working group on Human Rights DD and supply chain run by the Global Compact Network Japan. By actively participating in external discussions on the latest trends and examples from other companies, NEC improves and enhances initiatives on global human rights issues.

g) Looking ahead, NEC's plan

The Company will continue to:

- conduct self-assessment checks of working practices and health and safety for NEC Group employees.
- strengthen measures to combat excessive work for employees of the Company and its consolidated subsidiaries in Japan.
- strengthen risk assessment and identification through risk-based document inspections and expanded audits of the suppliers of the Company and its principal consolidated subsidiaries, as well as to promote ongoing improvements and measures for upstream suppliers.
- make transparent disclosure of Human Rights DD processes and efforts.



Osamu Fujikawa

Member of the Board,

Representative Executive Officer, Corporate EVP and CFO

NEC Corporation

30 September, 2025

¹⁰ "Critical suppliers" are the NEC Group's suppliers who account for a large procurement amount, suppliers of rare products, and suppliers who cannot be easily replaced and focuses on engaging in sustainable procurement measures.