CSR Activity Report 2013

NEC discloses Activity Reports for each fiscal year on its website.
Detailed reports on each activity and results for fiscal 2013 are presented here.

CSR Annual Report 2013 (Activity Report)

Top Message

CSR Management

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Corporate Governance

- Internal Control (Compliance and Risk Management)
  - Main Activities and Results (Fiscal 2013)
  - Objectives and Achievements

- IR Activities
  - Main Activities and Results (Fiscal 2013)
  - Objectives and Achievements

Build reliable information and communications infrastructure

- Traffic Management Systems for Ensuring the Safety and Security of Expressways

Address Climate Change and Environmental Preservation

- Biodiversity Preservation Programs at the Abiko Plant
- Annual Environmental Report 2013

Establishing a Safe and Secure Society

- Ensuring an Information Exchange Network in Disaster-hit Regions with a Robust Inter-Public Facilities Hotline System
- NEC Technologies Play a Part at the FIFA World Cup
- NEC Internet Safety Classes

Include Everyone in the Digital Society

- Viewing the Solution of Social Issues as a Growth Opportunity, Creating New Business Models
- Tackling Sub-Saharan Social Issues and Promoting Regional Development with Solutions
- Helping China's Elderly Lead Graceful Lives

Earn customer trust

For Customers

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Universal Design Friendly to Humans and the Earth

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Ensuring Quality and Safety

For Communities

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Empower our people

Promoting Diversity

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Human Resources Development

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Health & Safety

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Communication With Employees

- Main Activities and Results (Fiscal 2013)

Strengthen risk management and enforce compliance

Fair Trading

- Main Activities and Results (Fiscal 2013)

Respecting Human Rights

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Information Security

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements,Privacy Protection Measures

Partnering With Suppliers

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Business Continuity

- Main Activities and Results (Fiscal 2013)
- Objectives and Achievements

Stakeholder Engagement

- Stakeholder Review
- Stakeholder Communication

Consistency With International Initiatives

- Global Reporting Initiative
- Global Compact
- ISO26000

External Ratings and Evaluation

Related Contents

- CSR Activity Report 2014

CSR Management

Main Activities and Results (Fiscal 2013)

CSR-driven management initiatives during fiscal 2013 are outlined below under each of the three basic policies.

1. Strengthen Risk Management and Enforce Compliance

The reinforcement of risk management and compliance have been high-priority issues within NEC's CSR-driven management approach since April 2004, when NEC took steps to strengthen the CSR promotion framework (such as by establishing the CSR Promotion Unit and the CSR Promotion Committee). In April 2007, NEC revised the promotion framework to upgrade risk management and compliance across the NEC Group. These measures included establishing the Risk Control and Compliance Committee and the Risk Control and Compliance Division as a dedicated division. NEC Corporation selects priority risks that may significantly impact the NEC Group's continuity, and implements countermeasures focused on these risk factors.
Please refer to the following links for information about main activities during fiscal 2012.

- Internal Control (Compliance and Risk Management)

- Fair Operating Practices

- Partnering With Suppliers

- Respecting Human Rights

- Business Continuity

- Information Security

2. Contribute to Solving Social Issues Through Business Activities

To ensure the sustainable development of customers, society and the NEC Group, it is important for operating divisions within the NEC Group to help actively solve issues faced by society and customers through their respective business activities, while harnessing these activities to sharpen NEC's competitive edge.

- NEC's Seven CSR Initiatives

- Build reliable information infrastructure

- Address Climate Change and Environmental Preservation

- Establish a Safe and Secure Society

- Include Everyone in the Digital Society

To promote the creation of common value, NEC believes that it is crucial to foster employees' sensitivity to society. Based on this approach, NEC is pressing ahead with the following activities.

(1) CSR Convention 2012

▪ Held in the NEC Headquarters auditorium on July 24, 2012. Attended by 407 individuals, including 12 NEC officers and employee-award recipients.

As part of NEC CSR AWARDS 2012, Mr. Endo, NEC President, presented the Grand Awards and Special Quick Response Award. In addition, a keynote address was given by Mr. Takashi Tsuchiya, President of The Ogaki Kyoritsu Bank, Ltd.
n the NEC Headquarters atrium, a photo exhibition was held to present the activities of the NEC "TOMONI" Project, an initiative to support the recovery from the Great East Japan Earthquake.

CSR Convention 2012

Presentation of NEC CSR AWARDS Grand Awards
　【Environment Category】
(Japan) Development of energy-efficient server/storage capable of operating at an external ambient temperature of 40ºC

▪ NEC
▪ NEC Computertechno, Ltd.

　【Customer Satisfaction Category】
(Japan) Call center customer satisfaction enhancement activities for East Japan Railway Company (JR East)
▪ NEC Networks & System Integration Corporation
(Overseas) CS improvement activities based on customer feedback on multi-media products (projectors, monitors, etc.) in the Indian market
▪ NEC India Pvt. Ltd.

　【Social Contribution】
(Japan) Donation of herbal candles and folded cranes with flower seeds for the victims of the Great East Japan Earthquake in Fukushima
▪ NEC Soft, Ltd.

(Overseas) Support for areas affected by flooding in Thailand
▪ NESIC (Thailand) Ltd.

　【Special Quick Response Award】
▪ Measures to continuously improve turnaround time (response time) by the entire business division
▪ NEC
* No applicable overseas Group companies

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

The CSR and Environmental Management Promotion Division 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. (IISE is an NEC Group think tank that conducts surveys and research focused on issues and future trends brought about by advancement in IT, and makes recommendations to society based on its findings.)
In fiscal 2013, a seminar based on the theme of "Possibilities for ICT Business in an Aging Society" was held on February 8, 2013 at NEC Headquarters.

3. Promote Communications With Stakeholders

(1) Activities by stakeholder group

Individual divisions within NEC use a variety of methods to communicate on a daily basis with a range of stakeholders, including customers, shareholders and other investors, suppliers, NPOs and NGOs, local communities, and employees. For details on communications with each targeted stakeholder group, please visit the web pages listed below.

- ▸ Customers

- ▸ Shareholders and other investors

- ▸ Suppliers

- ▸ Local communities and NGOs/NPOs

- ▸ Employees

- ▸ The environment

(2) Comprehensive stakeholder communications

- ▸ Editorial Policy

Response to evaluation by SRI research, media and other organizations

Each year NEC receives questionnaires from numerous SRI research, media and other organizations to assess CSR-related activities. We treat these as important requests for CSR-related information from society as a whole. After completing the questionnaires, we present issues to the relevant divisions and encourage them to make improvements in order to make ongoing internal improvements and enhance the results of external evaluations of NEC.
Please see the following "External Ratings and Reviews" section for details on external rating and reviews in fiscal 2013.

＜Main External Evaluation Results＞
Inclusion in 4 major SRI indices

Inclusion in SRI funds (investment trust products, etc.)
▫ Nikko Eco Fund
▫ Sumishin SRI Japan Open-Good Company
▫ Nihon SRI Open-Kizuna (Ties) and others

CSR Media Ranking
▫ Included in "Global 100 Most Sustainable Corporations in the World": 95th place
▫ Fortune magazine's "The World's Most Admired Companies" Industry CSR Ranking (2012): 10th place in industry
▫ Included in East Asia 30 at the Asia Future Forum for a third consecutive year

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

As a supplier, NEC receives various requests from customers (companies and government agencies, etc.) to address CSR-related issues relating to supply chain management, including human rights, occupational health and safety, the environment, and corruption prevention measures, through such means as questionnaires as well as demands to observe customer codes of conduct that apply to suppliers. NEC believes that it is important to respond properly and promptly to such requests, particularly from the perspective of customer satisfaction. In fiscal 2012, NEC actively responded to such requests from customers based in Japan and overseas, and in the process convinced these customers that NEC is a trustworthy partner.

Stakeholder engagement

- ▸ Stakeholder Communication

Disclosure of CSR-related information to employees

From November 2010, a Web-based in-house magazine for NEC Group employees in Japan "NEC LIFE" began carrying CSR-related articles in a section entitled "CSR: Gateway to Humans and the Earth." The articles give employees information about global CSR-related trends, NEC activities, external evaluation and other topics, providing information for use in daily business and helping to boost motivation.
In fiscal 2013, NEC increased employees' understanding by providing clear explanations of various issues, including conflict minerals, CSR procurement, the CSR Report, and the "TOMONI" project supporting post-quake recovery efforts in the affected regions.

"NEC LIFE"(English Version), a global Web-based in-house magazine for NEC Group employees

Monitoring and Improvement

NEC regards the CSR Web site (NEC 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 (compliance, risk management, business continuity, information security, the environment, human rights, diversity, human resources development, occupational health and safety, customer satisfaction, quality, universal design, and social contributions, etc.) in the previous year, and clarifies issues, leading to new objectives for next year. In line with this approach, we believe that ensuring the steady execution of the PDCA (Plan-Do-Check-Act) management cycle is vital to enhancing CSR management.

n fiscal 2013, NEC established new medium-term CSR management objectives for each element.
In line with this approach, we believe that ensuring the steady execution of the PDCA (Plan-Do-Check-Act) management cycle is vital to enhancing CSR management.

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 2014.

Please follow this link to view the stakeholder review webpage.

External Ratings and Reviews

The main results of external ratings and reviews of NEC's CSR-related activities for fiscal 2012 are listed below. Please refer to this page for details of NEC's inclusion in SRI (Socially Responsible Investment) indices and SRI funds (mutual fund, etc.).

Participation in Activities of External Organizations

United Nations Global Compact

In 2005, NEC became a signatory to the United Nations Global Compact. The Global Compact commits enterprises to uphold ten principles of business activities relating to human rights, labor, the environment and anti-corruption.
NEC frequently participates in activities as a member of the Global Compact Network Japan, the local UNGC network in Japan.
In fiscal 2013, NEC Europe Ltd. and NEC (China) Co., Ltd. participated in local UNGC networks in their respective regions.

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, please follow this link.

▶ Approach to CSR Management

▶ Objectives and Achievements

CSR Management

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, Achievements and Progress, and Degree of Completion

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

Medium-Term Objectives	▪ Establish a global CSR promotion network (in Japan and five regions overseas) ▪ Promote the dissemination of information (CSR reports, etc.) throughout the NEC Group on a consolidated basis, and enhance external evaluations ▪ Enhance ISO 26000-based activities ▪ Promote businesses that contribute to the realization of "an information society friendly to humans and the earth"
Fiscal 2013 Objective 1	▪ Continuously implement stakeholder reviews based on the ISO 26000 approach and make continuous improvement in key issues (including human rights, diversity, occupational health and safety, supply chain CSR)
Achievements and Progress	▪ NEC saw steady progress on every key issue. (For details, please see achievements and progress for each activity.)
Degree of Completion	Achieved
Fiscal 2013 Objective 2	▪ Develop a platform for Group-wide and global expansion (including information gathering and dissemination on a consolidated basis).
Achievements and Progress	▪ NEC appointed CSR Promoters to regional management companies (regional headquarters) in five key overseas regions, namely EMEA, China, APAC, North America, and Latin America, and clearly defined their respective roles.
Degree of Completion	Achieved
Fiscal 2013 Objective 3	▪ Continuously promote CSR-based business operations (initiatives to solve social issues faced by communities and measures in the environmental and energy fields).
Achievements and Progress	▪ NEC created social businesses (community development support systems) in the earthquake-hit regions, among other activities.
Degree of Completion	Achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-term Objectives	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	▪ 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.).
Fiscal 2014 Objective 2	▪ 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.
Fiscal 2014 Objective 3	▪ 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.

Internal Control (Compliance and Risk Management)

Main Activities and Results (Fiscal 2013)

Compliance

Education and Awareness-Raising Programs

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.

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 2013. 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 2013, approximately 31,000 employees at 37 NEC Group companies participated in the training, with 97% 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 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. Moreover, once a year, the Company holds the NEC Business Ethics Forum. In 2012, NEC President Nobuhiro Endo gave the keynote address at the twelfth NEC Business Ethics Forum, where he stressed that the conduct of every employee is crucial to promoting compliance under the theme of "Ethics as the Foundation for Conduct."

NEC is also striving to improve internal communications. A section of the NEC intranet is dedicated to the latest compliance issues. NEC has posted more than 150 realistic case studies of possible incidents on this intranet site titled " What Would You Do If You Were Involved?" (in Japanese only). This initiative continuously raises compliance awareness by familiarizing employees with case examples of ethical and legal issues that could arise during everyday work. In addition to disclosure on the intranet, NEC distributes booklets containing 150 case studies to new employees each year for training purposes. The booklets are also used as educational materials for training employees upon promotion to management posts.

At certain overseas NEC Group companies, the booklet is being used as a reference for internal training purposes. 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.

Furthermore, NEC distributes "Compliance News," a monthly internal e-mail newsletter covering topics related to risk and compliance both within and outside the company.

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 consolidated subsidiary NETCOMSEC Co., Ltd. recorded and billed an excessive amount of working hours to certain contracts with Japan's Ministry of Defense. NETCOMSEC reported this and was suspended from participating in requests for proposals for future contracts with Japan's Ministry of Defense. Taking this incident very seriously, the NEC Group is making a concerted effort to once again rigorously enforce and further strengthen compliance to prevent a repeat of this kind of incident in the future.

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 transcripts of the NEC president's keynote address at the NEC Business Ethics Forum to overseas subsidiaries. (Since fiscal 2013, NEC has made these transcripts available in Chinese, Portuguese, Spanish and Russian, in addition to Japanese and English as before.) 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.

In 2004, NEC established the NEC Group Code of Conduct for overseas consolidated subsidiaries. Through various measures, NEC has striven to rigorously enforce compliance at overseas Group companies.

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 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 in October 2011, with the view to developing and building systems to address this issue. NEC is also working to increase knowledge of this issue through implementing measures such as continuously providing training.

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 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. At the same time, the Corporate Auditing Bureau has established the Compliance Hotline to provide a system that is easy for all employees to consult in 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 officers and employees, but also NEC Group companies and suppliers in Japan.

In fiscal 2013, the number of cases reported to the Compliance Hotline contact points reached 82. 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, Australia, Europe 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 2013, a large number of respondents noted that compliance has become well entrenched within the company. 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.
he 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 improvements and remaining issues, schedules and other matters, and by issuing instructions as necessary on the direction of improvement measures.
NEC Corporation believes that one issue going forward is to continuously enhance the quality of risk management activities, which vary across internal divisions and its subsidiaries.
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.

Participation in Activities of External Organizations

Business Ethics Research Center

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 strive to absorb knowledge of examples of the ethics activities of various companies, while introducing examples of NEC's ethics activities.

Business Ethics Research Center

Caux Round Table-Japan

NEC Corporation has been a member of this committee since it was established in 2000. 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

▶ 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 Objectives

Medium-term Objective	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. - 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	In Japan, internal control systems and their operation have improved. However, certain issues remain unresolved overseas. Accordingly, NEC will continue to implement various measures to resolve these issues. - Promote PDCA cycles for internal control systems - In Japan, continuously implement annual web-based compliance training, while maintaining and improving the training completion ratio - Overseas, continuously conduct compliance education and awareness raising activities led by regional headquarters - Continue to encourage broader use of the Compliance Hotline - Continue to implement risk management activities focused on priority risks

▶ Policies and Rules,Framework

▶ Main Activities and Results (Fiscal 2013)

IR Activities

Main Activities and Results (Fiscal 2013)

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 2013, 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.
We provide the means for shareholders to exercise their votes when they are unable to attend a shareholder meeting on the day it is held-in addition to voting by mail, shareholders may also exercise their votes over the Internet.

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 2013, NEC held management-led earnings presentations (4 presentations a year; including presentations in April and October 2012 by the president of NEC), a Smart Energy Business Briefing (July 2012), a presentation on Research & Development at NEC (December 2012) and a Storage Battery Business Briefing (February 2013).
- 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 2013, 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 IR Library, Financial Data, Stock and Bond 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, 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.
- On our webpage for individual investors (Japanese site only) we post announcements of briefings for individual investors and reports on briefings. We also post presentation materials handed out at the briefings, along with main questions and answers.
- 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 message from the president, NEC's management strategies, business trends by segment and financial statements.
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 World Index
- SAM Bronze Class
- FTSE4Good Global Index
- Ethibel Excellence (universe)
- MS-SRI Morningstar Socially Responsible Investment Index

Major SRI funds in Japan

Eco Partners – Midori no Tsubasa (Green Wings)	As of January 2013
Fukoku SRI (Social Responsible Investment) Fund	As of April 2012
Daiwa Eco Fund	As of February 2013
Mitsubishi UFJ SRI fund--Family Friendly	As of November 2012

Others

NEC's investor relations (IR) website has earned acclaim, receiving the 2012 Grand Prize Award for Best Corporate Internet IR (4 companies) from Daiwa Investor Relations Co., Ltd. for a second consecutive year in November 2012. In addition, NEC's IR website ranked 11th overall (previously 5th) in the 2012 Excellent Corporate Website Ranking for all listed companies by Nikko Investor Relations Co., Ltd. Furthermore, NEC's IR website was also ranked 11th overall (previously 9th) in the Gomez IR Website Ranking 2013 by Morningstar Japan K.K., as announced in April 2013.

- ▶ Policies

- ▶ Objectives and Achievements

IR Activities

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, 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 the Mid-Term Growth Plan "V2012"
Fiscal 2013 Objective 1	Continuously provide information regarding management reforms (promotion of restructuring and transformation to an enterprise focused on cash flows)
Achievements and Progress	NEC endeavored to enhance direct dialogue with investors and securities analysts.
Degree of Completion	Mostly achieved
Fiscal 2013 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

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-Term Objective	Proactively provide information to shareholders and investors based on Mid-term Management Plan 2015
Fiscal 2014 Objective	Step up disclosure of information centered on the Mid-term Management Plan 2015

▶ Policies

▶ Main Activities and Results (Fiscal 2013)

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.
Here, we present the traffic management systems that underpin the foundation of the transportation network.

Traffic Management Systems for Ensuring the Safety and Security of Expressways

Leveraging Years of Expertise and Advanced Technological Prowess to Build Expressways with Customers

The Shin-Tomei Expressway opened in April 2012. The new route has dispersed traffic and eased congestion between Tokyo and Nagoya, contributing to more efficient and safer driving.
NEC delivered a traffic control system to Central Nippon Expressway Company Limited (NEXCO Central) before the new expressway opened.
NEC has supplied traffic management systems to expressway operators since 1984. To date, deliveries have been for the Tomei Expressway, the Meishin Expressway, the Hokuriku Expressway, the Tohoku and Joban Expressways, and the Chuo Expressway. Our cutting-edge traffic management systems are the fruit of accumulated expertise and advanced technological capabilities and tackling various systems operations challenges in the field through collaboration with customers.

The Tomei Expressway and Shin-Tomei Expressway (from NEXCO Central website)

Systems That Drivers and Operators Can Trust

In Japan, there are more than 70 million registered vehicles. In support of this motorization, Japan has a nationwide network of expressways, social infrastructure that is essential for trucks to transport massive volumes of cargo and for cars to travel efficiently. Traffic management systems function around the clock, 365 days a year so drivers using these expressways can travel safely, securely, and comfortably. These systems play crucial roles such as gathering road and other data from sensors and emergency telephones installed along roads, communicating with and giving instructions to expressway control centers, and providing traffic information to drivers.
NEXCO Central, NEC's customer, has positioned the supply of real-time traffic information, which has so far been difficult to achieve, as a pivotal concept in the development of new traffic management systems. With the Tomei Expressway, the collection of road data and the supply of traffic information have so far been conducted at roughly five-minute intervals. The project sought to reduce the interval to about one minute, or five times quicker than today. As a result, drivers can obtain more realistically reliable information with few time lags.
It is essential to build a comprehensive information environment in which personnel at expressway control centers housing traffic control systems can accurately assess road conditions based on information gathered in real time, with information being efficiently shared and confirmed in the center. One vital priority is to make networks more robust and highly reliable so systems can remain operational even after major disasters.

Road information boards installed at an intersection
of the Tomei Expressway and Shin-Tomei Expressway

Facilitating Real-time Information Provision with High-speed Processing of Big Data

Expressways already deploy traffic counters, rain, wind, and other weather information sensors, seismographs, boards that inform drivers about traffic conditions, and other facilities.

The Shin-Tomei Expressway offers vastly improved devices for inputting and outputting information. For example, traffic counters are positioned at intervals of one kilometer, compared with two-kilometer intervals on the Tomei Expressway. Furthermore, data are collected every minute on the Shin-Tomei Expressway and Tomei Expressway. For this, much greater processing power is required.

The collected data are processed immediately, and delivered to drivers almost in real time through various means, specifically road information boards, highway radio transmissions, vehicle information and communication system (VICS)*-enabled car navigation systems, service area information terminals, and other means.

At NEXCO Central's Tokyo control center, NEC servers perform integrated, high-speed processing of this big data.

*VICS (Vehicle Information and Communication System): an information and communication system that communicates congestion, traffic restrictions and other road traffic information in real time and displays text and graphics on car navigation systems and other in-vehicle devices.
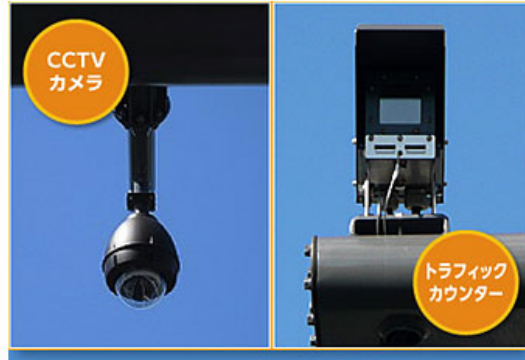
CCTV camera, traffic counter

Traffic information provided by service area information terminals

A Grandstand View of Tomei and Shin-Tomei Expressway Road Conditions on a Giant Screen

At its Tokyo control center, NEXCO Central installed a 4 meter by 18 meter display that comprises 64 46-inch LCDs (4 rows high, 16 columns wide). This is one of the largest screens in Japan for an expressway traffic management system.

Screens show conditions on the Tomei Expressway, Shin-Tomei Expressway, and related motorways that the center controls. They also show at a glance and in real time where accidents, congestion, weather changes, earthquakes, or other phenomena have occurred. The screens can also be used to confirm the information displayed on road information boards.

Traffic controllers keep tabs on constantly changing information on screens, issuing accident response and traffic restriction instructions as needed to locations.

When developing this giant screen, NEC focused on conducting systems integration mindful of the operators. To this end, NEC took steps such as enhancing design completeness by constructing a full-scale mock-up of the display on company premises and having traffic controllers actually evaluate the user friendliness of the screen.


The giant screen at the control center

Quick and Stable Collection, Processing and Provision of Various Information via Optical IP Networks

The networks underpinning new traffic management systems are being revamped so they can gather, process, and rapidly deliver vast amounts of information.
The new networks linking sensors, road information boards, and emergency phones installed along roads with expressway control centers and other facilities utilize IP technology and optical data transmission technology capable of high-speed, large-capacity communications. The former networks have been replaced with cutting-edge optical IP networks that can exchange a comprehensive range of information, such as data, voice communications and camera images.
The use of ring networks with built-in redundancy creates a framework in which communications remain stable even if failures occur through high-speed switching to operational communications pathways.
We are also constructing backup systems so if the Tokyo control center goes down in a major disaster, counterpart centers can take over its expressway control tasks.
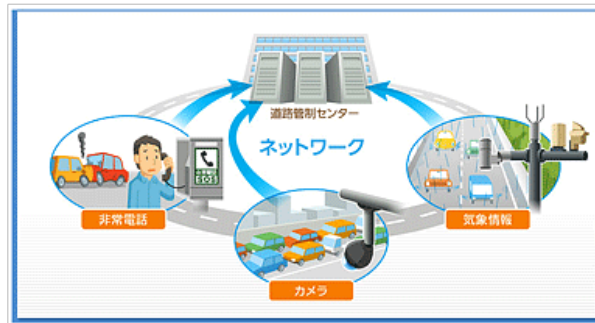
Network
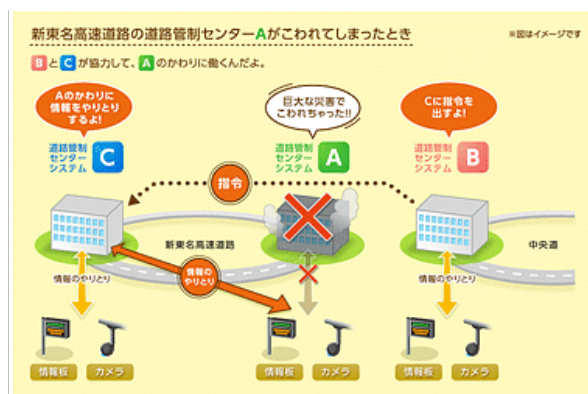
Backup systems

Aiming to Realize Safe, Secure and Comfortable Transportation Infrastructure

It is said that effectively harnessing Big Data and networks can contribute to resolving the various issues arising from motorization, including increases in traffic accidents, congestion, and air pollution.   In this sense, the traffic management systems we have presented have the potential to expand not only throughout Japan, but also around the world going forward.
NEC will take even more advantage of its expertise in utilizing Big Data and networks to pursue the challenge of creating new value through such means as developing advanced congestion prediction systems. In doing so, NEC aims to help realize safe, secure, and comfortable transportation infrastructure.

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.

Biodiversity Preservation Programs at the Abiko Plant

NEC's Abiko Plant is located in a rich natural environment, centered on four ponds. The area around the ponds is home to a brook damselfly (Copera tokyoensis), which is an endangered species. Also inhabiting the ponds are exotic fish that threaten native species and are upsetting the environmental balance.
NEC collaborated with the Teganuma Pond Aquatic Life Research Society in completely draining one of the ponds to remove numerous exotic fish. Employees and their families took part in an initiative to set up a biotope to protect the brook damselfly.
In fiscal 2013, Around 300 people participated in 4 flora and fauna observation events.

Brook damselfly

Before pond draining

After pond draining

2 months later

Left: 3 bluegill;
right: largemouth bass

Annual Environmental Report 2013

NEC published the NEC Annual Environmental Report 2013, which reports on the NEC Group's environmental activities and achievements for fiscal 2013.

Establishing 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.
Here, we spotlight how we are helping establish a society where people can lead safer and more secure lives. Examples include an inter-public facilities hotline system and an ICT system for the World Cup stadiums.

Ensuring an Information Exchange Network in Disaster-hit Regions with a Robust Inter-Public Facilities Hotline System

Delivery to Elementary and Junior High Schools and Other Public Facilities in Iwate Prefecture's Rikuzentakata City

The Great East Japan Earthquake damaged the public network in Rikuzentakata City, causing communication difficulties stemming from cable severances and extreme line overload. This greatly affected communications between such public facilities as elementary and junior high schools and other public facilities that served as shelters.
After disasters and other emergencies occur, fax-based communications become vital for handling evacuee rosters, and sending handwritten maps and messages in their original state, and providing massive volumes of visual information that is difficult to convey orally.
NEC delivered a robust disaster hotline system for communications between Rikuzentakata City's elementary and junior high schools and other public facilities. The system combines an IP announcement broadcasting system with the existing public network. This setup has established proper phone and fax communication between local public facilities even if a disaster occurs.
So that school staffers can use it without confusion during emergencies, the system functions as a regular contact network between elementary and junior high schools.

Municipalities around Japan have drawn from the experience of the Great East Japan Earthquake in reinforcing and rebuilding means of conveying and sharing information that is vital in disasters. Schools and other public facilities not only secure the safety of students and staffers but also function as disaster centers and shelters for residents, making it essential to maintain more robust information and communications infrastructures.
NEC will take advantage of its advanced wireless technologies, disaster information systems, and other knowhow to promote the use of this system going forward. NEC will also propose the system to hospitals, nursing care facilities, and community centers, as well as to elementary and junior high schools around Japan that serve as disaster refuges, thereby contributing to community safety and security.

Overview of an Inter-public Facilities Hotline System
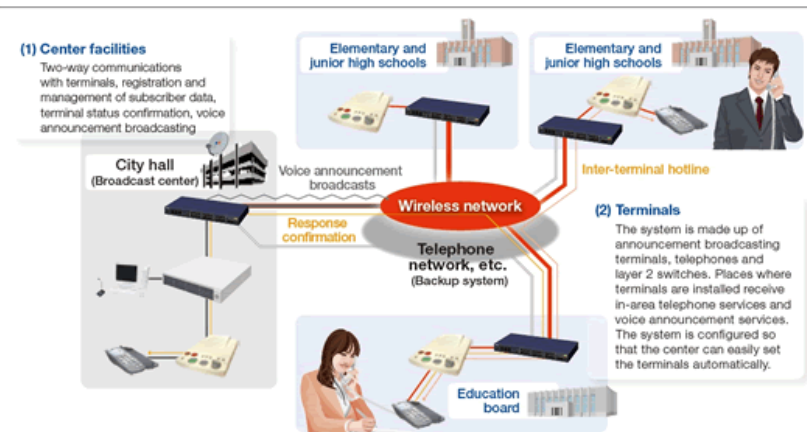
Network equipment is installed
on an elementary school building

An elementary school building
after the installation of
network equipment

NEC Technologies Play a Part at the World Cup

Supporting Stadium Construction and Smart City Plans for the World Cup

The World Cup, an international football tournament held every four years, will be hosted by Brazil in 2014 in 12 cities around the country. And Brazil is also gearing up for the Summer Olympic Games in 2016. Stadium construction and other tournament preparations are progressing at a fever pitch in the host cities, and NEC is heavily involved in a number of construction projects.

NEC is in charge of building ICT systems at 4 of the 12 official World Cup stadiums and at 1 quasi-official stadium. The stadiums all boast state-of-the-art designs that incorporate advanced technology as well as sustainability, environmental and safety considerations. They will be leading examples of sporting facilities in Latin America. n Brazil, which is undergoing rapid economic growth, the smart city concept is being developed in urban districts, starting with the areas around the stadiums, to help ensure development continues in the host regions even after this large-scale national event is over. NEC will be involved in this project as well and plans to support the creation of mechanisms for contributing to sustained growth while limiting environmental impact through the establishment of smart services that include ICT development and network infrastructure.

Building Stadiums Where Entire Families Can Enjoy Watching Matches Safely

NEC has an extensive track record in Latin America, specifically in ultra-compact microwave transmission systems, digital broadcasting transmitters and public safety projects that make use of fingerprint authentication. In this new field of football stadiums, we will comprehensively provide a variety of our signature ICT-related solutions. Dramatic improvements to spectator safety and comfort resulting from ICT-embedded designs will allow entire families to enjoy watching matches together with peace of mind.

Initiatives at Itaipava Arena Fonte Nova in Salvador City

NEC is responsible for the ICT systems to be installed in the renovated Itaipava Arena Fonte Nova, which is located in Salvador in eastern Brazil and has a capacity of roughly 48,000 spectators. We will build systems for a complete ICT infrastructure that will include an IP network that can simultaneously handle voice, data and video, a high-speed, large-capacity wireless network, jumbo display screen and more. Using this infrastructure, a range of information will be communicated and displayed in the stadium, and a security system, stadium management system, disaster preparedness system and other systems will be established with centrally controlled security cameras, a first for a stadium in the state of Bahia, where Salvador is located. The jumbo display screen and extensive digital signage will be utilized for outdoor advertising and to display a variety of information.

Initiatives at Grêmio Stadium in Porto Alegre

The new stadium for the football powerhouse Gremio built in Porto Alegre in southern Brazil is a multi-purpose facility and one of the premier stadiums in Latin America with cutting-edge design features and the latest in advanced technology. This large stadium meets FIFA standards with seating for 60,000 people, while also being designed for sustainability and environmental sensitivity. It is the first privately managed stadium in Brazil to earn LEED certification from the U.S. Green Building Council.

NEC's role is to improve the stadium's safety and convenience by developing a security solution with 246 security cameras, a fire detection system, stadium management system and other systems. These new security systems are expected to enable even more spectators to view football matches with total peace of mind. In addition, we are also in charge of designing and building an integrated ICT infrastructure for comprehensive management of an IP data network, communications network, sound system and more.

Developing Smart Cities After the Major Event

Smart city projects, a bid to create safe, secure and intelligent cities through the fusion of energy and ICT, are starting to gain momentum worldwide. NEC already has a track record of public safety installations in 30 countries, plus we have solutions that utilize RFID and other sensing devices, smart houses and energy storage systems being tested in countries around the world, and other environmental and energy solutions. Demonstration projects are taking place not only in Japan, but around the world in countries like China, Australia, the U.S. and Italy. Based on this experience, we are making proposals in line with local needs for smart city projects in emerging countries in particular, where the concept is making strides.

Initiatives at Itaipava Arena Pernambuco in Recife

The new Itaipava Arena Pernambuco with a capacity of roughly 44,000 people was built in Recife in eastern Brazil for the upcoming World Cup. The state of Pernambuco is conducting an urban planning project to develop the area surrounding the new stadium into a next-generation smart city that will continue to grow even after the event is over. NEC, in partnership with local companies and based on a memorandum of understanding signed in the presence of the state governor, has proposed construction of an intelligent energy system and ICT infrastructure that will support construction of various commercial and housing facilities. The goal in building this next-generation urban infrastructure with ICT is to enable Recife to continue to develop as a state hub for sightseeing and distribution.

Harnessing ICT to Respond to Local Community Needs

NEC established NEC Latin America S.A., a regional headquarters for operations in the region, in São Paulo in April 2011. The company oversees local affiliates in six Latin American countries (Brazil, Argentina, Mexico, Colombia, Chile and Venezuela) and provides needed solutions in a timely manner through mutual utilization of management resources while delving deeply into local needs. We believe that providing ICT solutions and smart city solutions for stadiums in Brazil is the first step in making a difference in local communities throughout Latin America. Going forward, we intend to further accelerate such initiatives in a broad range of fields, including cloud services, femtocells, LTE and other communications systems.

NEC Internet Safety Classes

NEC inaugurated NEC Internet Safety Classes in 1999 as part of its social contribution initiatives, the goal being to ensure that children can use the Internet safely and securely. NEC conducts the classes in collaboration with NPO Eparts, to help safeguard children from online dangers.
By using computers to write on bulletin boards or on chat sites, children learn how to deal with the leakage of personal information and with character assassination and other forms of online bullying. They also learn from case study simulations of computer virus infections, phishing, and other issues, and how to protect themselves.
A total of 417 children took part in 9 classes nationwide in the year under review (since the inauguration of this program, about 25,000 children have attended a total of about 200 classes).

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.
The section presents the challenges of resolving poverty in India, the efforts of NEC Africa (Pty) Ltd. to tackle social issues, and solutions for managing elderly care facilities to overcome looming issues as China's population ages.

Viewing the Solution of Social Issues as a Growth Opportunity, Creating New Business Models

Using Japanese Technology to Help Solve Poverty in India

NEC is proceeding with trials toward commercializing an agricultural business in India with two aims. One is to help impoverished women in rural India to escape poverty by generating incomes from cultivating top-quality Japanese strawberries. The other is to establish support for agriculture as a business for NEC.
The business partners in this initiative are the Institute of Cultural Affairs Japan, an NPO that is helping to improve living standards in rural India, and GRA Inc., an agricultural production organization that helped the town of Yamamoto in Miyagi Prefecture recover from the devastation of the Great East Japan Earthquake by using ICT to grow high-quality strawberries. A test facility on the outskirts of Pune, Maharashtra, in western India has started steady shipments of strawberries.

NEC is providing greenhouses, various sensors and other equipment for the test facility as well as information that is essential for developing cultivation expertise that matches local environmental conditions through cloud services.

Trainees expressed great interest in harvesting strawberries for the first time

Realized with Speed as a Social Business

This project began with the initiatives of NEC on Miyako Island, a remote island in Okinawa Prefecture, Japan. The island in recent years has witnessed its natural environment, including its coral reefs, being gradually destroyed, and one of the major causes has been problematic soil runoff from sugarcane fields into the ocean. NEC explored the potential of developing agricultural structures using abandoned schools and airports into a powerful industry that could replace sugarcane production, and felt that this idea could be used to improve living conditions in India's farming villages.
But then came the Great East Japan Earthquake and the project was suspended as efforts were directed toward assisting in the disaster region. It was here that NEC met with the GRA Inc., completely by chance. Strawberry farmers with 50 years of experience and expertise teamed up with IT engineers involved in helping the disaster-hit region recover from the massive damage inflicted by the tsunami to create facilities for high-quality strawberry cultivation in a short period of time. NEC quickly joined forces with the Institute of Cultural Affairs Japan and GRA and in just two months commenced strawberry farming in India.
With this kind of alliance, in the case of normal business, it takes a great deal of time for decisions to be made. The reason why this project was able to get off the ground so quickly was the sense of social mission among all three parties—the desire to solve a social problem—so we were able to forge an extremely open relationship.

Hiroki Iwasa
Representative Director and CEO, GRA Inc.

Effortlessly Fusing Simple Production Facilities and Advanced Cultivation Expertise

With this project, everything that was needed for commercialization, from land provision to greenhouse construction and strawberry cultivation, harvesting and shipping, would basically be performed by local residents. It was important for the community itself to possess the awareness and responsibility required of a business owner. Ultimately, our role in helping the project succeed was to provide ICT technologies and agricultural expertise.

Strawberries have been cultivated in India for some time, but they have typically been grown outdoors, and unlike Japanese strawberries they are hard and sour and so have not been popular. This project is using a Yamamoto strawberry variety that is renowned for its deliciousness and high quality. The strawberries are grown in fully enclosed greenhouses to reduce vulnerability to disease and insect damage associated with outdoor farming and minimize the use of agrochemicals.

The greenhouses use simple cooling devices incorporating water pads to maintain proper temperatures. Instead of soil, the growing beds comprise coco peat, from crushed coconut shells. The essential nutrients for growing are supplied automatically by a sensor-based management system. Furthermore, an ICT setup was deployed so villages could swiftly obtain cultivation guidance remotely directly from agricultural technique specialists in Yamamoto when unsure about decisions on cultivation methods.

Using ICT to easily link simple production facilities and advanced cultivation expertise has enabled rural women to grow high-quality strawberries without needing expertise and a large initial investment.

Harvesting strawberries
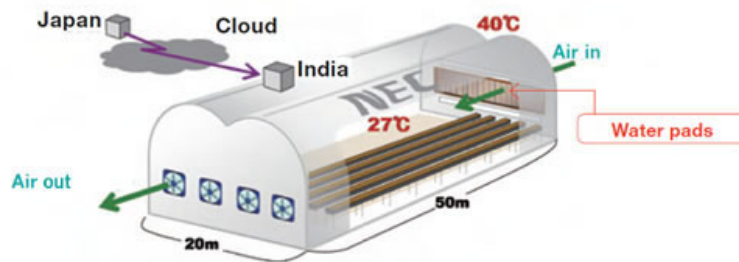
Solving Problems While Creating New Markets

Traditionally, agricultural produce had to go through many intermediaries before shipping to market in India. Such an approach damaged a lot of produce, resulting in large distribution losses. The lack of a direct sales route from villages to city markets wasn't solely to blame. Another reason was that conventional growing techniques meant that farmers couldn't make a commitment to sell their crops to end users because they were unable to estimate the timing and volume of harvests. NEC resolved this problem by using ICT to manage cultivation, thereby ensuring planned harvesting of produce and stabilizing quality and using direct contracts to enable direct deliveries to luxury hotels in Pune. The hotels can thereby consistently sell fresh and tasty strawberries to wealthy customers.

There are two merits for NEC in supporting the development of markets for high-quality produce through its agricultural solutions. The first is that this approach is a means to people escaping from poverty. The second is that creating markets can generate new business opportunities for NEC. For social contributions to produce their intended results, the sustainability of projects as businesses is essential. In this sense, we feel the project is well on its way to commercialization. We believe our initiatives in India can also be applied to the project on Miyako Island. For NEC, a company striving to become a "Social Value Innovator," it will be a litmus test.

Trainees enjoy the delicious taste of the high-quality Yamamoto strawberry variety

Tackling Sub-Saharan Social Issues and Promoting Regional Development with Solutions

Active in Africa Since 1963, Now in 52 Countries

The Tokyo International Conference on African Development (TICAD) is held every five years with the participation of African countries, development partner countries, and a host of organizations that include international institutions and the private sector. The latest conference, held June 1-3, 2013 in Yokohama, was spearheaded by the Japanese government and co-sponsored by the United Nations, United Nations Development Programme, The African Union Commission and The World Bank. It was fifth such conference, the first of which was held in 1993.

At this official event, NEC exhibited security solutions that incorporate fingerprint authentication and facial recognition technologies that are among the most precise in the world, as well as space solutions, which collect detailed data via satellite and use advanced analytical technology to assist in forecasting and situational assessments for environmental monitoring, resource exploration and meteorological and disaster monitoring. These technologies are expected to solve a range of social issues in Africa as well as contribute to the region's business development. NEC has been involved in social infrastructure development in 52 African countries, going back to 1963, from communications and broadcasting to postal services. Many NEC products—phone exchange equipment, satellite earth stations, microwave communications facilities, broadcasting equipment and more—continue to be valued and used all over the continent even today. In post-apartheid South Africa, we provided a national ID system that uses world-class fingerprint identification. The system is used for identification in various settings, including public services such as election registration and pension supply-and-demand management, and it has helped to improve the lives of the South African people.


An NEC employee gives an explanation to H.E. Mrs. Natalia Pedro da Costa Umbelina Neto, Minister of Foreign Affairs, Corporation and Communities of the Democratic Republic of São Tomé and Príncipe

Establishment of a Regional Headquarters for Sub-Saharan Africa in 2011

In 2011, NEC split its overseas business unit into five regions: Greater China, APAC (Asia-Pacific), EMEA (Europe, Middle East, and Africa), North America, and Latin America. We now develop global operations through regional headquarters established in each of these five regions. To promote local business leadership, we are accelerating the transfer of authority to local overseas subsidiaries while appointing more local staff to management positions. The goal is to drive business expansion through speedy decision-making.

In conjunction with these efforts, NEC Africa (Pty) Ltd. was established in Johannesburg, South Africa, to serve as the headquarters for business development in 49 countries in Sub-Saharan Africa. Operations got underway in December 2011. Under its umbrella, we established NEC Nairobi as a liaison office for East Africa in Kenya and NEC West Africa Limited in Nigeria to handle the West African region. The companies are strengthening business development throughout Sub-Saharan Africa.

The major countries of the Sub-Saharan region, which include South Africa, Nigeria and Kenya, are politically stable and expect to see demand growth for communications infrastructure associated with more widespread use of mobile phones as well as accelerated development of security-related social infrastructure as their economies develop going forward.
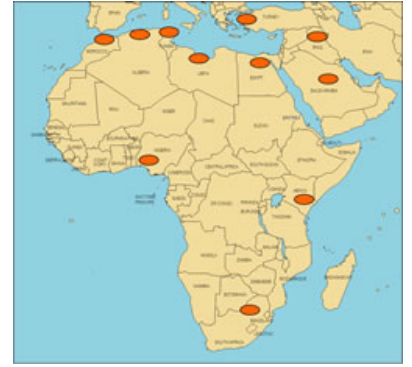
Contributing to Regional Communities by Training Local Engineers

At NEC Nairobi, the focus is primarily on developing communications-related infrastructure for mobile phone operators in East Africa. From the very start, we have hired local engineers and developed them as an SE team, thereby created a structure for meeting the various needs of the region. Recently, the team has also provided technical guidance at the request of customers, which not only helps to ensure the stable operation of the communications infrastructure, but also helps deepen community trust in NEC and build friendships through locally rooted activities. The team partners with NEC West Africa as well to support its consultation and sales activities in the West African region.

The precursor of these initiatives was the national ID system development project in South Africa. Over a period of 14 years from 1999, NEC trained many local engineers involved in instituting, managing and operating the system, helping launch their careers. By putting down roots in the region and continuing to engage with it as a business, we are also helping to supply the human resources needed by society.

National ID System

Technical guidance is given
to local engineers

Providing Solutions for Solving Problems in a Diverse Society

Region by region, Africa is ethnically and linguistically diverse. For example, South Africa alone has 11 official languages. Because of this diversity, mutual communication is a must, and NEC is able to demonstrate its strength in this area. NEC is working in this region to develop infrastructure that includes PASOLINK and communications facilities for transmitting mobile phone signals and is thereby helping eliminate poverty caused by the digital divide and contributing to societal stability through the promotion of mechanisms that facilitate effective communication.

Last year, NEC Africa launched a dedicated public safety team with a view to future business development. With monitoring and access control that incorporates our world-class facial recognition technology, we hope to broadly contribute to African communities by providing high value-added solutions for realizing a safe and secure society.

The president of NEC Africa meets with his staff.

Helping China's Elderly Lead Graceful Lives

Providing Comprehensive Administrative Solutions for Elderly and Nursing Care Facilities

People aged 65 or over account for 8.5% of China's population. Estimates suggest that they will represent 11.7% of the total by 2020, making China an aging nation. There is an urgent need therefore to ensure safe and secure lifestyles for elderly citizens.

NEC aims to improve the efficiency of facilities management and nursing care operations and to provide high-quality elderly care services drawing on ICT, sensors, and tablets.

To start with, NEC has supplied comprehensive administrative solutions for elderly care services and nursing care facilities to the Huichen Senior Service Group, a leading elderly care entity in China.

Nursing home residents use a card key incorporating a contactless IC chip to access all services and facilities. The card can be used for entry and exit management, location checks, and facility service guide displays, and facility usage records. Caregivers can use tablets to check resident medical records and prescription information, manage diets, and place orders. Thanks to these services, elderly people can lead lives with peace of mind in the facilities.

Goals down the track include providing remote diagnoses by checking digitized medical information. NEC is determined to contribute to the creation of a digital society where people can lead prosperous lives by providing solutions for elderly and nursing care facilities in China.

The wireless system control room of the Huichen Senior Service Group

Tablet device for ordering

For Customers

Main Activities and Results （Fiscal2013）

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 related business divisions.

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. Around 2,000 offices were surveyed in fiscal 2013. The survey is designed to find out how these clients evaluate NEC, with responses reflected in future improvement initiatives.

In fiscal 2013, in addition to these activities, NEC conducted a fresh analysis of the results of customer satisfaction questionnaires for the past five years to explore the question of "What are customers seeking from NEC?" The analysis revealed that customers have the highest expectations for NEC in terms of "improving response speeds" in the basic activities category and "providing proactive proposals that lead to the creation of customer value" in the customer value enhancement category.

In response, NEC has set "making first responses to customer (or internal) inquiries within 24 hours" as a Company-wide goal. To this end, NEC has focused on implementing quick response initiatives.

Responding Faster

Quick Response Initiatives

Workplace Roundtables Held

NEC conducted Workplace Roundtables to explore measures necessary to implement quick responses at each worksite and execute those measures. Roundtables were held at each worksite including back office departments with no direct contact with customers. (2,273 teams and 28,457 people participated in this initiative.)

NEC received many positive comments from participating employees, including: "I feel that the roundtables were highly constructive because we were able to discuss and develop an awareness of fundamental issues that we are susceptible to as an organization, from the perspective of quick responses." and "At the roundtables, we shared information on the fact that many people feel that responses from the staff members who fielded their inquiries are not fast enough. This gave me the chance to reconsider my own responses from my counterpart's standpoint." NEC believes that these roundtables have improved every individual's awareness of the need for quick responses

This in-house poster promotes quick response initiatives

Quick Response Award Established

To achieve its "CS No.1" goal, NEC established the NEC CSR AWARDS 2012 Quick Response Award. This award recognizes activities by divisions, projects, teams and individuals that achieve outstanding performance through the execution of quick responses.

An example of awards

Special Quick Response Award Initiatives to Shorten Customer Inquiry-to-Response Time IT Software Business Department, NEC Corporation

Recipients receive the president's award at the CSR Convention

The IT Software Business Department offers product support services by working closely with the Customer Support Center (CSC), which serves as the contact point for inquiries, and internal product development and maintenance divisions. Given that support must be provided for a wide array of products, with more than 3,000 employees involved, the challenge was to provide responses that satisfy customers in a timely manner.

In doing so, the most important factor was to enhance the technical knowledge and skills of CSC staff. If a greater share of responses could be handled by the CSC staff alone, quick responses could be provided to customers, while lessening the burden on development divisions by reducing the number of inquiries forwarded to them. Guided by this thinking, the entire business division worked to shorten the inquiry-to-response time.

As a result, the rate of first responses within 24 hours improved from 82.2% in fiscal 2010 to 86.9%, and the rate of effective responses within 24 hours improved from 62.7% in fiscal 2010 to 64.2%.

Comment from Award Recipient

Our activities stand out because they involve participation by the entire organization, which is made up of more than 3,000 people; entrenchment of an organizational culture that attaches importance to responding quickly to inquiries; and systematic management of progress against ambitious targets that are constantly set one notch higher. Looking ahead, we will remain focused on quick responses as we strive to make further enhancements. (Mr. Nobuyuki Nihira, IT Software Business Division)
*Post is as of the receipt of the award.

Company-Wide Activities

Workplace Roundtables have identified requests for shortening the time needed to search for internal product and service contacts. In response, NEC expanded and upgraded search functions by unifying product information and enhancing the product database as part of the "One NEC production visualization" drive. Efforts were also focused on strengthening contact points for projects straddling multiple divisions and enhancing related support frameworks.

NEC will verify the achievements of these initiatives through customer satisfaction surveys in fiscal 2014, and will reflect the results in efforts to further strengthen activities going forward.

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

Education and Training to Foster a Customer-Oriented Mindset — What NEC Places Importance on —

It is crucial to ensure that all employees adhere to the "Better Products, Better Services" motto, which is one of the NEC Group Core Values, so NEC can realize its goal of being a leading global company under NEC Group Vision 2017. Furthermore, NEC believes that CS awareness and a customer-oriented mindset are cultivated by continuously deepening employees' recognition of the importance of CS. Accordingly, in fiscal 2013, NEC worked to reinforce and expand its existing education and awareness programs to further strengthen this recognition among employees.

NEC considered what was necessary for the sort of CS that is truly appreciated by customers and encapsulated this in the Universal CS Mind, whose five keywords express the key points for realizing customer satisfaction. These are based on past success stories, and customer feedback.

These five keywords are speed, communication, hospitality, proactiveness, and professionalism.
Besides Japan, NEC has also conducted CS education and training overseas beginning with the Asia-Pacific in April 2012.
This education and training has been extended to the EMEA (Europe, Middle East, Africa), North America and Latin America. (52,000 participants)

Participants provided comments including, "The training reminded me that CS is determined based on the customer's standards. I want to take extra care on a daily basis not to become complacent with merely fulfilling my duties by the book;" and "I felt that awareness and action by everyone, including business partners, are needed, and that CS must be properly and systematically executed by NEC as a whole." At the same time, many participants said "I would like to learn from more specific examples of successes and failures." In response, NEC launched an internal "CS No. 1 Activities" portal site to present such examples, along with quick response initiatives.

Building a Customer-Oriented Organization Through the Ability to "Take Notice"

The ability of people to take notice of issues has a crucial bearing on improving CS and quality. NEC has developed a systematic training program focused on "taking notice" for the purpose of reducing human error and enhancing communication skills. Since fiscal 2008, this training has been provided within the Group, and has been attended by roughly 7,000 people.

NEC has received many comments from participants stating that they would like to continuously receive training to ensure that the training does not end with just a single training session. Accordingly, NEC began developing and conducting "Re-mind Courses" centered on review and case study work. There is particularly strong demand for the training course on reducing human error, which is part of the training program focused on "taking notice." By nurturing instructors and customizing content, NEC has implement training featuring highly compelling content tailored to worksite needs.

In fiscal 2013, NEC gave a presentation based on the theme of "Initiatives to Reduce Human Error from a Human Factors Standpoint" at "Quality Forum 2012" hosted by the Union of Japanese Scientists and Engineers in November 2012. NEC presented its initiatives to reduce human error, and was commended highly by participants who noted that "the presentation was highly instructive." (Photo: At the presentation)

NEC has found that neglect of basic quality has led to serious incidents in recent years. In fiscal 2014, NEC will develop training programs that enhance organizational capacity through the power of taking notice, while elevating this concept as an integral part of its organizational culture.

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

CS Improvement Activities at Call Center for East Japan Railway Company (JR East) (Japan)　NEC Networks & System Integration Corporation

Initially, NEC operated large numbers of contact points for each region in the JR East service area, and because of this the customer had to search for the correct contact point. To solve this problem, NEC adopted one telephone number for all the contact points so that all calls are put through to the Customer Support Center. As a result, station staff don't have to deal with these inquiries, which has reduced their workload at train stations, allowing them to utilize their time more effectively for ensuring the safety of railway passengers.

Furthermore, in call center operations, the company focused efforts on training to ensure that customer service representatives could provide support as railway professionals. The training content covers knowledge of railways, operating rules and other related topics. The company implemented measures such as improving response rates and postings of personnel.

Comment from award recipient

In the course of training call center personnel, we translated complicated operational rules into an easy-to-understand manual, to ensure that call center personnel could function as railway professionals. By pooling everyone's knowledge, we surmounted issues one step at time, and helped to enhance JR East's service quality. (Yasushi Kashiwa, Office Service Business Department, NEC Networks & System Integration Corporation) *Post is as of the receipt of the award

(Overseas) Improvement Activities Reflecting Customer Satisfaction Surveys of the Multimedia Product Group NEC India Pvt. Ltd.

Besides IT and network solutions, NEC India also handles projectors, monitors, and other multimedia products. In a challenging market environment, this subsidiary has made NEC one of the leading projector brands in India.

In 2011, NEC India conducted its first customer satisfaction survey of multimedia products, finding that 46% of respondents were "dissatisfied." The company thereafter set about classifying the causes of such dissatisfaction into five themes and undertaking improvement initiatives. In fiscal 2013, for example, the company increased the number of service centers from 6 to 66. It also shortened replacement part delivery times from 45 days to 15 days by directly obtaining replacement parts from Japan, not via Singapore as before.

Furthermore, to ensure that customers continue to choose NEC, the company took a range of measures besides merely eliminating sources of dissatisfaction. These measures included extending the projector maintenance period by 1 year to 3 years, and regularly placing calls to customers to obtain their feedback. The company also undertook quick response initiatives to resolve all issues within two working days.

These efforts translated into far better customer satisfaction in 2012. In that poll, dissatisfaction dropped from 46% to 16%, while satisfaction climbed from 14% to 69%. Many customers also expressed their thanks via email and verbally.

Comment from award recipient

India is an expansive country, with many different languages spoken in each region, and transportation difficulties in remote areas. Against this backdrop, we came up with improvement measures based on customer satisfaction survey results. Owing to these measures, customer satisfaction improved from 14% in 2011 to 69% in 2012. We are delighted that many customers also expressed their thanks via e-mail. (Pooja Dhir, NEC India Pvt. Ltd.) *Post is as of the receipt of the award.

▶ Basic Policy,Framework

▶ Objectives and Achievements

For Customers

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, 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 2013 Objective 1	Execution of improvement initiatives based on CS surveys and opinions received from consumers: Enhance ability to address problems, improve responses and improve proposal-making capabilities.
Achievements and Progress	Enhanced ability to address problems: NEC raised awareness by repeatedly implementing training on ways to reduce human error, using highly relevant content matched to frontline operations. This was achieved by developing instructors and customizing training content. However, NEC's ability to address problems has yet to improve significantly according to the results of surveys conducted by external agencies. Improved responses: NEC's responses improved according to the results of surveys by external agencies, owing to worksite meetings and improvement activities targeting Company-wide issues. Improved proposal-making capabilities: Led by the example of sales division leaders, sales and SE personnel worked as one to conduct improvement activities. Specifically, improvement plans were formulated to alleviate individual customer dissatisfaction, and detailed follow-up measures were implemented. As a result, customer evaluations of NEC's proposal-making capabilities improved.
Degree of Completion	Mostly achieved
Fiscal 2013 Objective 2	Establish a customer-based corporate culture: Foster a customer-oriented mindset among employees so that all Group activities in Japan and overseas are based on customer needs.
Degree of Completion	NEC held training seminars to foster a customer-oriented mindset in step with the development of a global network of five regional headquarters. These seminars were attended by approximately 52,000 employees. In group training in Japan, NEC upgraded traditional training seminars to foster a customer-oriented mindset. These seminars were held 19 times during the year and were attended by 452 employees. In fiscal 2013, NEC also offered Web-based training using 29 case studies. With an access count of approximately 170,000, this training helped to foster a CS-oriented mindset.
Degree of Completion	Mostly achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New 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.
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.

Design Friendly to Humans and the Earth

Main Activities and Results (Fiscal 2013)

Universal Design Products

Developing a User-Friendly Projector (ViewLight Series)

NEC Display Solutions, Ltd. develops projectors within the NEC Group. The company develops products that meet a wide array of needs, ranging from small, portable projectors to large projectors for professional use at cinemas and other locations.

With small projectors used in conferences and classroom instruction at schools, NEC Display Solutions goes beyond pursuing high performance to develop projectors with creative touches that make them easier to use and markings easier to read.

For example, when developing projectors used in elementary schools, NEC Display Solutions listens to feedback from the teachers who operate projectors, the students they teach, and school IT personnel who select IT equipment, among others. The company also observes how projectors are actually used in the classroom.

Through these activities, NEC Display Solutions learned that the projectors were being used in an unsafe manner. When not projecting any images, the projectors were being covered by thick paper or draped with cloth to block the projector's bright light. In response, the company changed the lens cap to a slide-door mechanism. This allowed the projector's light to be easily blocked while also upgrading the product by better ensuring safety. The company was told that projectors had too many buttons to operate and seemed difficult to operate, and that it was hard to tell whether units were on or off. Accordingly, the company organized the buttons into groups and made the power switch larger, making it easier to see whether the switch is turned on or off.

In addition, some elementary schools had put stickers with illustrations on corresponding connection ports and cables so that the schoolchildren could find the right connection ports. Therefore, the company modified the projectors by, for example, adding connection port markings to the top panel of the devices.

Pre-survey → Post-survey
Lens cap changed to slide-door mechanism

Buttons organized into groups

Power switch made larger, making it easier to see whether it is on or off

In these ways, the company conducted development based on the concept of creating user-friendly projectors that would reduce users' workload and any concerns about using projectors. As a result, the projectors received high marks from users, and were presented with a Gold Award by Hardware Magazine, a popular trade magazine on IT equipment in Singapore.

Remote Captioning Support System for Students Hard of Hearing

In Japan, there are about 340,000 people who are hard of hearing, around 17,000 of whom are children of senior high school age or younger.

Based on an idea formulated by an employee of NEC System Technologies, Ltd. this support system enables captioning to be provided for people hard of hearing from remote locations. It was developed by researchers specializing in accessibility.

Captioning refers to the process of listening on behalf of people hard of hearing and conveying the content of the communication as text information in a notebook or on a PC screen. In Japan, there are almost 10,000 people who provide captioning. These support activities are basically carried out in pairs of two people, and require specialized expertise in stenography and data entry through typing. However, there is a dearth of such supporters since almost all of them are volunteers. And the captioning writers may be far away from classrooms, or may be unable to come to a classroom during class hours. These conditions created the need to develop a system that would allow remote captioning to be provided.

In response, NEC System Technologies developed a system that links classrooms and captioning writers at a distance over the Internet, allowing captioning writers to provide captioning by listening to the teacher's voice over the Internet and sending the captioning to the classroom, where it is displayed on the PCs of students in the classroom.

The company repeatedly modified the system based on interviews with hard-of-hearing students and captioning writers. Particular emphasis was put on ensuring the system could function in real time and stand up to the rigors of practical use, given that this was captioning for classroom instruction. For example, when a captioning writer misses something that a teacher says, a function called "Refrain" allows captioning writers to return to the preceding "paragraph break" by pressing a certain key. Another function allows captioning writers to ask the teacher a question using their headsets. A function that matches requests for support from schools and guardians with the registration of participating supporters is also available.

The system was put through its paces in trials in actual university classes, along with a service evaluation. Looking ahead, NEC System Technologies aims to put this technology into practical use and expand its application to other fields.

This system is being developed with assistance from the National Institute of Information and Communications Technology and the Ministry of Internal Affairs and Communications.

Examples of Other Initiatives

"User-centered design" certification system

To promote UD within the NEC Group, NEC has an internal system in place to enable staff to obtain certification in user-centered design development methods. A special test assesses related practical knowledge gained over a period of about one year. An evaluation panel of internal and external experts is overseeing the testing and certification process. As of March 2013, a total of   646 staff had obtained this qualification since the system began in November 2011.

Furthermore, the Japanese NPO Human Centered Design Organization certifies a specialist external qualification in human-centered design. Utilizing this qualification system, five specialists working in the NEC Group were awarded this qualification in fiscal 20132. To date, a total of 5 specialists from the NEC Group have been awarded this qualification.

Universal design support framework

Working in close cooperation with related business divisions in the NEC Group, we have designed and developed a support framework for projects that require universal design principles and "user-centered design," with the aim of improving the process of developing products and services that incorporate universal design principles.

The NEC Group's software divisions conducted consultations on enhancing the usability of business systems. As a result, the software divisions obtained feedback from customers including "the system is now easier to operate because the screens change in the order of the flow of our operations," and "the user-friendliness of our business system has improved by reconfiguring menus and setting up short-cuts."

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) at NEC Corporation. In fiscal 2013, 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 3,320 employees.

Furthermore, we held in-house seminars for participants to study various "user-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 2013 Results

	Times	Division / Occupation
Universal design training (Web-based)	1	NEC Group employees (3,320 employees)
Seminar for product planning and development personnel	6	NEC Group employees (approx. 326 employees)
"User-centered design" in-house certification holders	Year-round	NEC Group employees (419 employees)

Stakeholder Communication

Presenting NEC product examples through external lectures and seminars

We present examples of the NEC Group's universal design initiatives at external lectures and seminars in Japan, as well as international conferences, 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.

Stakeholders have expressed opinions suggesting a strong need for production innovation and process innovation at the operational frontlines. For example, by enhancing the user-friendliness of systems manufactured in-house, stakeholders are seeking to improve business efficiency while reducing the time needed to learn how to operate these systems. In response, NEC fed back this information to its internal development divisions, and has put this feedback to good use in developing vertical LCD panels and proposing new screen designs.

Disseminating Information

NEC has disseminated information externally by publishing its policy and goals with respect to Web accessibility when renewing the NEC website. In addition, NEC revamped its webpage for introducing product designs. On this webpage, NEC presents universal design and "user-centered design" initiatives undertaken to date

Participation in activities of outside organizations

NEC is playing an active role as a board member of the International Association for Universal Design (IAUD). In fiscal 2013, NEC sponsored and exhibited at The 4th International Conference for Universal Design in Fukuoka 2012, which was held in Fukuoka, Japan. Furthermore, as the chair of the IAUD Certification Committee,NEC hosted the first "UD Certification-Beginner's Level" (Seminar & Certification Exam) in conjunction with the international conference.

Furthermore, Mr. Kazuo Okamoto, Chairman of the IAUD Certification Committee, praised NEC by noting that launching the UD Certification was a major achievement in itself, as part of IAUD's initiatives to further popularize and realize universal design.

Her Imperial Highness Princess Yoko visits the NEC booth at The 4th International Conference for Universal Design in Fukuoka 2012.

▸ Policy,Framework and process

▸ Objectives and Achievements

Design Friendly to Humans and the Earth

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, 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 2013 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	Design guidelines for user interface (UI) screens for enterprise systems were prepared. Development of rules for improving the design quality of packaged software has begun. Proposals were made related to internal development processes concerning accessibility and usability. Studies on standardizing internal rules on user-friendliness and quality assurance have begun.
Degree of Completion	Mostly achieved
Fiscal 2013 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 collection of case studies was prepared by compiling specific examples of development processes based on "user-centered design" and their effectiveness. The collection was shared with relevant divisions, including the responsible officers. These efforts to foster greater understanding among the development divisions of the benefits of "user-centered design," such as improved development efficiency and customer satisfaction, have raised awareness of the importance of these activities.
Degree of Completion	Achieved
Fiscal 2013 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; develop e-learning materials, and training for new employees and development personnel, etc.)
Achievements and Progress	- Seminars for employees engaged in product planning and development, such as new employees, software engineers, and hardware technicians, were held XX times, in an effort to promote "user-centered design" within the Group. - The "user-centered design qualification certification system" was continuously implemented, with 419 individuals obtaining this qualification.
Degree of Completion	Mostly achieved
Fiscal 2013 Objective 4	Promote adoption of information on universal design and "user-centered design" activities within the NEC Group, and actively disseminate this information externally (exhibit at the 4th International Universal Design Conference in 2012)
Achievements and Progress	Information on the NEC Group's initiatives was disseminated by presenting its "user-centered design" activities at lectures, seminars and other events in Japan, including by sponsoring and exhibiting at The 4th International Conference for Universal Design in Fukuoka 2012. Views on user-friendly design-related needs were obtained from event participants and were fed back to NEC's internal divisions. Policy and objectives with respect to web accessibility were published on the NEC website. Efforts were made to enhance the disclosure of information by renewing the webpage for introducing product designs.
Degree of Completion	Achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-Term Objective	Create 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. (Revise and develop design rules, and develop accessibility criteria for the whole of NEC.)
Fiscal 2014 Objective 2	In an effort to promote adoption of universal design and "user-centered design" within the NEC Group, study the effectiveness of using concepts in actual projects and strive to undertake related cross-development.
Fiscal 2014 Objective 3	To improve skills of development personnel in the area of "user-centered design," revise and upgrade the content of internal training materials and organize seminars held by guest instructors from inside and outside the NEC Group.
Fiscal 2014 Objective 4	Promote adoption of information on universal design and "user-centered design" activities within the NEC Group, and also actively disseminate this information outside the Group.

* Related Link : NEC's universal design

‣ Policy,Framework and process

‣ Main Activities and Results (Fiscal 2013)

For Communities

Main Activities and Results (Fiscal 2013)

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).

Please refer to the web site below for information on other activities. Related link.

NEC "TOMONI" Project (Reconstruction Support Activities)

In fiscal 2013 as well, the NEC Group acted as One NEC in pursuing togetherness with people in disaster-affected regions under this project, 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.

In April 2012, former members of the NEC Blue Rockets team conducted a volleyball clinic at the Bayside Arena of Minamisanriku Town to interact with local people.
In February and March 2013, local experts and NEC Group employees participating in volunteer activities engaged in a lively dialog about what NEC can do for disaster-affected regions.

February 2013 dialog

March 2013 dialog

Former member of Japan senior men's national volleyball team Hideyuki Otake coaches volleyball to children in Minamisanriku

Since March 2011, we have provided ongoing support for the Fukkoichi reconstruction program, a monthly market in Minamisanriku Town, Miyagi Prefecture. In January 2013, the Minamisanriku Fukkoichi reconstruction program executive committee, which organizes the market, presented NEC with a letter of appreciation for ongoing support efforts.
In November 2012, NEC initiated a herb garden in Hadenya, Minamisanriku Town, to help revive the community and generate employment opportunities.

NEC received a letter of appreciation from the Minamisanriku Fukkoichi reconstruction program executive committee

NEC has created a herb garden in Hadenya

NEC believes that participation in volunteer activities has nurtured employees with a higher degree of social sensitivity and fostered teamwork, along with enhancing the trust of stakeholders, namely those living in the disaster-affected regions.
For example, research laboratory employees participating in volunteer activities conducted an experiment to watch over elderly individuals living in temporary housing and help revitalize communities based on needs in disaster-affected areas.

On March 8, 2013, immediately before the second anniversary of the Great East Japan Earthquake, Katsuyoshi Kuriya, an advisor to the NPO Lambs, held an employee seminar at NEC's Head Office, titled, "Entering the Third Year of Restoration After the Great East Japan Earthquake; The Situation and Issues in Affected Areas in the Second Year and Expectations Toward NEC."

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

We implemented 25 programs between April 2012 and March 2013 to support people with disabilities, children, and the elderly.
In the Tokyo metropolitan area with the aim of supporting disaster-hit areas. And in affected areas programs included the NEC Galileo Club, which offers hands-on science classes for children, and the NEC IT Workshop for Mothers.

NEC Social Entrepreneurship School

In fiscal 2013, we collaborated with social entrepreneurs on two projects.

The first of these projects was with Cross Fields, an NPO whose members graduated from the fiscal 2012 NEC Social Entrepreneurship School. Cross Fields provides corporate employees opportunities to use their skills in helping resolve local social issues with local people. The employees are sent for certain periods to NPOs in developing and emerging countries. Cross Fields developed and runs this program.
In fiscal 2013, NEC research laboratories harnessed this Cross Fields program to create new businesses that resolve social issues in developing and emerging countries.

The second collaborative project was with GRA, an NPO that is helping communities to recover from the Great East Japan Earthquake. GRA cultivates strawberries in Yamamoto, Miyagi Prefecture, which was once a major strawberry-producing location.
In fiscal 2013, GRA deployed NEC's agricultural ICT cloud service and remote conference system. By leveraging advanced agricultural ICT research and innovations, GRA aims to help restore the economy of the Tohoku region by improving the incomes of strawberry farmers.

NEC Social Entrepreneurship School Business Supporters, Pro Bono

In 2010, NEC launched NEC Social Entrepreneurship School Business Supporters, a Pro Bono program.
he 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 2013, we supported various organizations undertaking social entrepreneurship efforts to help restore the Tohoku region following the Great East Japan Earthquake. These entities included the Ishinomaki Revival Support Network and the Flattohoku Project. Support entailed helping social entrepreneurs to communicate better (including by improving websites) and strengthening customer relationship management (including donor management).

The requirements for volunteers in disaster-affected regions have changed from removing debris to restoring communities and industries and creating employment opportunities. People in these regions thus look for corporate volunteers to undertake activities that draw on business-specific skills and resources.
We will continue to foster restoration from the Great East Japan Earthquake by strengthening our program.

NEC Make-a-Difference Drive (MDD)

Based on the motto of "Think Globally, Act Locally," the "NEC Make-a-Difference Drive" is a corporate citizenship program directed at local communities in which all NEC Group employees participate on a global basis.

Based on the slogan "Nature, Education, Community" that uses the letters in the company name for the three key words, NEC MDD has happened every year since 1999. Through NEC MDD, NEC Group employees around the world volunteer to 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 2013, there were 17 participating countries, with roughly 127,407 participants on a cumulative basis volunteering a total of 124,861 hours of their time. At the same time, the entire NEC Group worked to implement biodiversity preservation programs, resulting in participation by 8,425 individuals.

In fiscal 2014, 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.

	Fiscal 2011	Fiscal 2012	Fiscal 2013
Number of participants	174,478	132,075	127,407
Volunteer time (hours)	153,871	128,783	124,861

Awards are given for particularly outstanding MDD activities, based on criteria such as business relevance, the sustainability of activities, and the plan's novelty. The best activities are recognized through two Grand Awards (social contribution category) as part of the CSR Awards—one for an NEC Group site in Japan and one for an overseas site.

Related link : 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 2012, the criteria for evaluating CSR activities from society's and NEC's points of view were improved to provide a more concrete assessment of the results. NEC pressed ahead with "selection and concentration" of CSR activities through such means as allocating resources for these activities to the NEC "TOMONI" Project. The new evaluation criteria are as follows:

Point of view for evaluation	Evaluation criteria
Society's point of view	▪ Public interest: Social inclusion (consideration for socially vulnerable groups), etc. ▪ Effectiveness: Output, outcome and impact, etc.
NEC's point of view	▪ Strategy: Collaboration with NPOs ▪ Effectiveness: Contribution to business, contribution to human resources development, and improvement in corporate image, etc.

▶ Basic policy, Four Medium-Term Themes for Social Contribution Activities, Achievements of Social Contribution Activities

▶ Objectives and Achievements

For Communities

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, Achievements and Progress, and Degree of Completion

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

Medium-Term Objective	Promote programs that contribute to solving social issues based on the following themes ▪ Eliminating the Digital Divide ▪ Nurturing diverse human resources ▪ Addressing climate change and environmental protection
Fiscal 2013 Objective 1	Promote the NEC "TOMONI" Project (reconstruction support activities) ▪ Execute support measures focused on people with disabilities, children and the elderly
Achievements and Progress	Every month, we provided ongoing support for the Fukkoichi (produce market) reconstruction program carried out in Miyagi Prefecture's Minamisanriku Town, as part of efforts to help rebuild industry and create jobs in the disaster-hit areas. Also, we ran social contribution programs, such as the NEC Galileo Club, 25 times in the affected areas and elsewhere.
Degree of Completion	Achieved
Fiscal 2013 Objective 2	Promote innovative activities that support both business activities and human resources development ▪ Encourage top management support ▪ Expand best practices of business collaboration internally (utilize in-house seminars and other means)
Achievements and Progress	We exchanged information with the general managers of the social contribution departments of 10 Group companies. We also conducted in-house seminars for promoting business collaboration with NPOs, particularly in the field of post-quake reconstruction.
Degree of Completion	Achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives
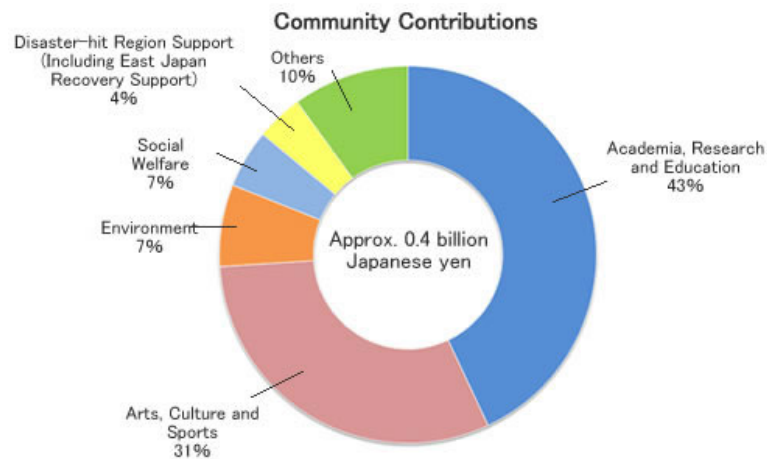
New Medium-Term Objective	Promote programs that contribute to solving social issues based on the following themes ▪ Establish a Safe and Secure Society ▪ Address Climate Change and Environmental Preservation ▪ Include Everyone in the Digital Society ▪ Nurturing diverse human resources
Fiscal 2014 Objective 1	Promote beneficial impacts of social contribution programs on business activities ▪ Strengthen disclosure of information ▪ Conduct in-house lobbying activities and encourage greater involvement by others
Fiscal 2014 Objective 2	Invigorate NEC MDD ▪ 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
Fiscal 2014 Objective 3	Expand global activities ▪ Plan a new global social contribution program ▪ Expand existing programs globally

Community Contributions

In fiscal 2012, the NEC Group's total social contribution expenses were approximately 4 billion 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)

Community Contributions

Disaster-hit Region Support (Including East Japan Recovery Support) 4%
Others 10%
Social Welfare 7%
Environment 7%
Academia, Research and Education 43%
Arts, Culture and Sports 31%

Approx. 0.4 billion Japanese yen

FY2011	FY2012	FY2013
Approx. 0.5 billion Japanese yen	Approx. 0.5 billion Japanese yen	Approx. 0.4 billion Japanese yen

▶ Basic policy, Four Medium-Term Themes for Social Contribution Activities, Achievements of Social Contribution Activities

▶ Main Activities and Results (Fiscal 2013)

Promoting Diversity

Main Activities and Results (Fiscal 2013)

Promoting global recruitment of human resources

NEC employed around 15 international students a year on average from 2006 to 2012. In 2012, NEC conducted activities with the aim of having non-Japanese recruits account for 10% of the planned total number of new graduate recruits. As a result, in fiscal 2014, 47 non-Japanese individuals (representing around 13% of all new recruits) joined the Company as new graduate recruits.

Furthermore, NEC has a system that allows new graduate recruits who do not graduate in March, as is typically the case with Japanese universities, to join the Company in October instead. These recruits include those studying at overseas universities, those with overseas study abroad experience, and international students from abroad. In this manner, NEC has created an environment for recruiting people who possess a diverse array of values.

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. In the second half of fiscal 2013, NEC Group job interviews were held in the Tokyo and Osaka areas. In other initiatives, we provide assistance such as consultations with NEC Group companies on a case-by-case basis. At the end of fiscal 2013, the ratio of employees with disabilities was 1.91% at NEC Corporation and 1.88% 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 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

NEC is implementing measures to promote a better work-life balance by focusing on the premises of a good work-life balance, including reforming work styles and reducing extensive working hours. In addition, as a new initiative, NEC has commenced "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 the 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. In other areas, NEC will present on its website examples of improvement both inside and outside the company, the status of activities, and information useful to improving work styles, including training.

▶ Policy,Framework and Systems

▶ Objectives and Achievements

Promoting Diversity

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, 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	Achieve the statutory ratio of employees with disabilities at all NEC consolidated subsidiaries in Japan
Fiscal 2013 Objectives	(1) Ratio of employees with disabilities NEC Corporation: Maintain a ratio of employees with disabilities at the 2% level Domestic consolidated subsidiaries: Achieve the statutory ratio of employees with disabilities at all consolidated subsidiaries (2) Recruitment of non-Japanese individuals (new graduate recruits)：Conduct recruitment activities targeting non-Japanese recruitment at 10% of the planned total number of recruits.
Achievements and Progress	(1) Ratio of employees with disabilities ・NEC Corporation achieved the statutory ratio of employees with disabilities (1.8% in fiscal 2013) (NEC Corporation's ratio of employees with disabilities: 1.91%) ・The ratio of employees with disabilities at domestic consolidated subsidiaries was approximately 1.9% on average. (2) Recruitment of non-Japanese individuals (new graduate recruits) ・The NEC Group recruited 47 non-Japanese individuals, representing more than 10% of the planned total number of recruits.
Degree of Completion	Some progress

Promoting a healthy work-life balance

Medium-Term Objective	Further promote a healthy work-life balance
Fiscal 2013 Objective	Further strengthen efforts to reduce extensive overtime
Achievements and Progress	・Reductions in average overtime hours and the number of employees who worked long hours, and the usage of annual paid leave days were largely unchanged
Degree of Completion	Some progress

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

Promoting a healthy work-life balance

New Medium-Term Objective	Entrench a healthy work-life balance
Fiscal 2013 Objective	(1) Further promote activities for reducing extensive overtime hours

Promoting diversity in the workplace

New Medium-Term Objectives	(1) Promote women's success in the workplace ・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. (2) People with disabilities ・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	(1) Promote women's success in the workplace ・Launch a promotion organization ・Conduct career development and support seminars ・Develop and implement diversity training courses (for newly appointed managers, etc.) (2) People with disabilities 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: ・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. (3) Recruitment of non-Japanese individuals ・Conduct new graduate recruitment activities targeting non-Japanese recruitment of 50 individuals, representing 15% of the planned total number of recruits.

Data

Ratio of employees by region as of March 31, 2013 [Scope: NEC Corporation and Consolidated Subsidiaries]
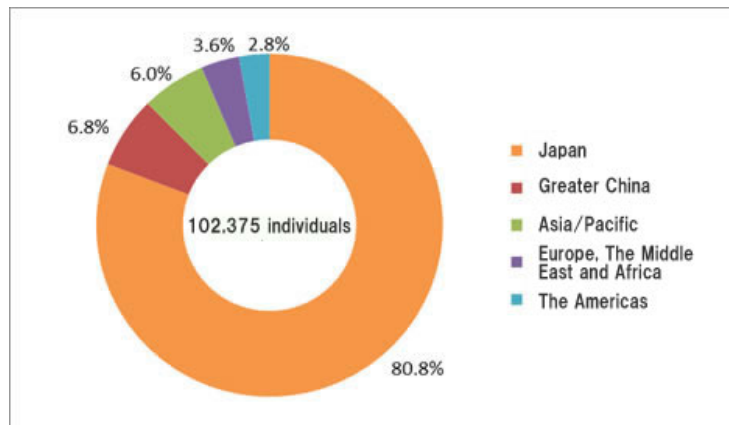
Workforce by gender [Scope: NEC Corporation]

	FY2011	FY2012	FY2013
Male	19,641	19,663	19,195
Female	4,294	4,305	4,166
Total	23,935	23,968	23,361

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

Fiscal Year	FY2011	FY2012	FY2013
Managers	372(4.8%)	368(4.7%)	366(4.9%)
General manager or higher	75	86	92

Number of people utilizing systems [Scope: NEC Corporation]

	FY2011	FY2012	FY2013
Childcare leave	436	415	409
Childcare reduced working hours	773	772	770
Nursing care leave	24	28	28
Nursing care reduced working hours	23	18	18

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

FY2011	FY2012	FY2013
76%	78%	73%

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

	FY2011	FY2012	FY2013
NEC Corporation	1.99%	2.04%	1.91%
Domestic consolidated subsidiaries (average)	1.83%	1.91%	1.88%

▸ Policy,Framework and Systems

▸ Main Activities and Results (Fiscal 2013)

Health & Safety

Main Activities and Results (Fiscal 2013)

From fiscal 2013, the foregoing fundamental principle and policies will be shared across the NEC Group, with the aim of strengthening corporate governance and the NEC Group's platform for OH&S activities, in addition to activities within the Company. At the same time, NEC is striving to enhance the quality of OH&S activities at various NEC Group companies, by clearly indicating the scope and methodology of OH&S activities through the addition of an OH&S category to the NEC Group Management Policy, which has been established separately.

Occupational Health and Safety (OH&S)

NEC Corporation conducts OH&S activities at the business site level. The Company that addresses companyCompany-wide OH&S issues as well as specific issues reflecting unique conditions faced by individual Group companies and business sites.
As part of plans to introduce OH&S management systems across the entire NEC Group, NEC has been working to acquire the OHSAS 18001 certification, an international OH&S management system specification. NEC has already obtained this specification at the Sagamihara plant, the Abiko plant, the Tamagawa plant and the Fuchu plant.
In addition, in April 2012, NEC established the NEC Group Occupational Health & Safety Management Rules, which set forth basic rules for the NEC Group's OH&S activities. Based on these rules, NEC is working to introduce OH&S management systems at NEC Group companies.
Furthermore, NEC is considering obtaining OHSAS certification or implementing equivalent systems as necessary, focusing on companies with production lines or exposure to similar risk, including overseas Group companies.

OHSAS 18001 Specification Certificate

Health Management (Industrial Health)

Prevention of Health Impairment Due to Overwork

NEC manages workplaces to make sure that workers are not working too many hours based on agreements between labor and management. Specifically, such efforts include using a work management system to ascertain the number of hours employees are working on a daily basis at worksites and personnel affairs divisions, and automatically issuing a monthly an alarm e-mail from the system around the middle of each month to workers who may be working long hours.
For employees who have worked long hours, based on the Comprehensive Program for the Prevention of Health Impairment Due to Overwork by the Ministry of Health, Labour and Welfare, we use a Web-based interview sheet (health check sheet) to ascertain accumulated fatigue. The Health Care Centers select employees for compulsory follow-up on the basis of the working hours (long hours) and health check (regular checkup and metabolic syndrome examination) data, and have them consult with an industrial physician/health professional, and restrict work hours, among other measures.

Mental health care initiatives

NEC Corporation positions mental health care as a key health care priority. Accordingly, NEC conducts measures focused on prevention and is creating healthy workplaces by maintaining the mental health of employees.
In February 2005, NEC Corporation introduced the Mental Health Support Program. This program consists of three elements: 1) early stage support focused on early identification and treatment of mental disorders; 2) follow-up support for people receiving treatment for mental disorders; and 3) a return-to-work support program that helps people on leave make a smooth return to work.

In fiscal 2011, NEC worked to enhance initiatives to help employees on leave smoothly return to work. This was achieved by clarifying the process and standards for determining whether an employee on leave may return to work through revision of the return-to-work support program. By making these sorts of programs known As a result, early stage consultations from individual employees and their worksite supervisors have increased, instilling a stronger recognition of mental health care within NEC.

Since fiscal 2012, NEC has been implementing primary care training for management-level employees as a prevention measure. This training program is designed to enable management-level employees themselves to consider how to provide care and manage their staff in order to prevent mental health impairment and disorders, including increasing communication, building even better human relationships, and developing worksite environment conducive to consultation. These considerations formed the basis for the participants to devise future action plans.

Moreover, NEC has put a system in place where employees and their supervisors can promptly consult with someone when they notice an irregularity, comprising consultation desks both in-house and outside the company. The in-house consultation desks are staffed by industrial physicians and health professionals using dedicated internal telephone lines called the "Mental Health Consultation Hotline" installed at the health care center of each business site. The external consultation desk is provided by a specialist external institution based on an agreement with the NEC Health Insurance Association. It provides a system for employees themselves as well as their families (dependents) to consult on mental health via the telephone and other means.

NEC Health Innovation21 Activities

NEC Corporation has focused attention on metabolic syndrome since 2004. For employees* with many risk factors for cerebrovascular or heart disease, we have provided lifestyle improvement advice.
Furthermore, from April 2008, partly in response to Specified Health Examinations and Specified Health Guidance accompanying the amendment of laws, we have been enhancing NEC Health Innovation21 (NHI21), a program of activities designed to prevent metabolic syndrome.

* Persons who have four or more of the six risk factors (obesity, high blood pressure, hyperlipemia, diabetes, smoking, and age) in the danger range, based on questions and test results from health examinations.

Looking at achievements from fiscal 2009 to the end of fiscal 2013, NEC made significant strides particularly in the area of metabolic syndrome. NEC achieved a metabolic syndrome reduction rate of 15.8%, far surpassing the target established by the Ministry of Health, Labour and Welfare in this area. In addition, NEC achieved a 5% reduction in the men's smoking ratio.

From fiscal 2014, besides initiatives centered on metabolic syndrome countermeasures implemented to date, NEC plans to implement mental and physical health enhancement measures for each age group. These measures will include mental health countermeasures, cancer prevention measures, and dental (oral hygiene) care.

Major Employee Training and Awareness Raising Initiatives in Fiscal 2013

- 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.

	FY2011	FY2012	FY2013	FY2014 (target)
NEC frequency　(*1)	0.89	Actual：1.09 (0.36)	Target：0.40 Actual：1.01 (0.14)	0.40
Nationwide manufacturing sector(100 or more employees) frequency rate	1.13	1.05	—	
NEC severity rate　(*2)	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	0.10	0.08	—	

(*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

▶ Fundamental Principle,Framework

▶ Objectives and Achievements

Health & Safety

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, Achievements and Progress, and Degree of Completion

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

Medium-Term Objectives	▪ OH&S: Introduce and operate OH&S management systems within the NEC Group. ▪ Health management : Achieve a Specified Health Examination implementation rate of 80% (Ministry of Health, Labour and Welfare numerical target: 80%) in fiscal 2013 and a Specified Health Guidance completion rate of 50% (Ministry of Health, Labour and Welfare numerical target: 45%) in fiscal 2013.
Fiscal 2013 Objective 1	▪ Introduce OH&S management systems at NEC Group companies
Achievements and Progress	▪ Occupational Health & Safety Management Rules were established based on the OHSAS 18001 specification. These rules apply to NEC Group companies, including overseas companies. ▪ An OH&S category was added to the NEC Group Management Policy, which applies to NEC Group companies, including overseas companies.
Degree of Completion	Achieved
Fiscal 2013 Objective 2	Health management : Achieve a Specified Health Examination implementation rate of 99%; and a Specified Health Guidance completion rate of 45%.
Achievements and Progress	▪ Achieved a Specified Health Examination implementation rate of 99% ▪ Achieved a Specified Health Guidance completion rate 40.5%
Degree of Completion	Some progress

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-Term Objectives	▪ 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	Make preparations to put OH&S management systems into operation at NEC Group companies.
Fiscal 2014 Objective 2	Metabolic syndrome improvement rate 15% Cancer screening rate 30%

▸ Fundamental Principle,Framework

▸ Main Activities and Results (Fiscal 2013)

Human Resources Development

Main Activities and Results (Fiscal 2013)

In fiscal 2013, we implemented the following measures based on the four key themes of our medium-term HR development targets (fiscal 2011 to fiscal 2013).

Medium-term HR development targets (fiscal 2011 to fiscal 2013)
- Cultivate human resources who will execute the "C&C Cloud Strategy"
- Cultivate human resources who will advance global businesses
- Cultivate human resources across organizational boundaries
- Enhance worksite capabilities by enhancing management skills

Development of Training System for NEC Group Key Position (GKP) Candidates

Revisions to NEC Management Academy (Pool-2 Training)

In fiscal 2013, we implemented the following measures based on the four key themes of our medium-term HR development targets (fiscal 2011 to fiscal 2013).
The program is comprised of management lectures, business strategy classes and sessions on 360 degree self-assessments and leadership, as well as group-based and individual business research and proposals. It is designed to nurture a leadership perspective and mindset in these management candidates, and strengthen the knowledge and skills they will need to manage and create business.
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. In the first follow-up session, discussions were held on the theme of the "Next Medium-Term Management Plan and New Business Innovation." From fiscal 2014, NEC plans to hold joint follow-up sessions with the NEC Management Academy graduates from previous years.

Redevelop Tier-specific Training Programs to Reinforce Management Capabilities

Continuation of the 100 Day Plan Training Program for Newly Appointed Business Unit Managers

NEC has continued to hold a new 100 day plan training program for newly appointed business unit managers, with the goal of quickly developing strong leaders capable of devising their own vision and driving business. In fiscal 2013, new business unit managers began training with a one-to-one discussion with the president of NEC, and continued their training for approximately 100 days, with work including a reevaluation of their own businesses and organizations, and restructuring of business plans. The process of polishing their organizational strategies and plans gave these leaders opportunities for discussions with course instructors and with their subordinates. Furthermore, in fiscal 2013, NEC held two Business Unit Manager Information Exchange Sessions in August and February. These sessions were attended by all business unit managers, not just new managers. The sessions were highly meaningful because they provided business unit managers with the opportunity to share issues and speak openly with each other across organizations, with the view to driving the NEC Group's growth. Themes that could not be fully discussed at these events due to time limitations are actively being discussed via V Café (an SNS for business unit managers).

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 2013, NEC expanded this program mainly for overseas subsidiaries responsible for systems integration and software development, including NEC Telecom Software Philippines Inc. In fiscal 2014, NEC plans to continue expanding this program, primarily targeting overseas subsidiaries in the Asia-Pacific and greater China. NEC also plans to continue expanding the number of personnel eligible for the program.

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

Program overview

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. In fiscal 2013, NEC enhanced how it matches trainees with training sites by revising the process for selecting individuals for this program, and put communication infrastructure in place facilitate communication between participants stationed overseas.

To date, NEC has sent a total of 66 employees to 26 countries, and plans to continue offering this program every year going forward.

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.

EI-ONE GRAND PRIX

In fiscal 2011, NEC started the voluntary EI-ONE Grand Prix program ("EI" is from the Japanese word "eigo," meaning "English.") to encourage all employees to enhance their global communication skills and develop a global mindset. In fiscal 2013, NEC provided employees with an extensive range of online content that can be easily used during the commute and at home, in order to encourage greater self-study and regular practice. Measures were also taken in line with the degree of proficiency and the study environment of each employee, including a contest to compete for the most-improved TOEIC score. As before, NEC continued to host a range of events, including Diversity Café, which is coordinated with the help of foreign nationals working at NEC, and designed to encourage global communications across divisions and better understanding of foreign cultures. Furthermore, participants win points based on team and individual study activities and on participation in the various seminars and events, and teams compete for total points won during the program, further encouraging participants to study.

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 Learning, 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.

▸ Policy,Framework,Systems

▸ Objectives and Achievements

Human Resources Development

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, Achievements and Progress, and Degree of Completion

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

Medium-Term Objectives	▪ Cultivate human resources who will execute the "C&C Cloud Strategy" ▪ Cultivate human resources who will advance global businesses ▪ Cultivate human resources across organizational boundaries ▪ Enhance worksite capabilities by enhancing management skills
Fiscal 2013 Objective 1	Build and develop an overall training system for developing management leaders focused on NEC Group Key Position candidates
Achievements and Progress	▪ In fiscal 2012, NEC started establishing Key Positions and clearly identifying successors on a global basis. ▪ The NEC Management Academy was held from February to September 2012. ▪ NEC earned high marks for initiatives designed to quickly train management personnel.
Degree of Completion	Achieved
Fiscal 2013 Objective 2	Redevelop tier-specific training designed to rapidly train management personnel
Achievements and Progress	▪ NEC continued to implement the 100 Day Plan training program for newly appointed business unit managers, and received high marks for this initiative to support new business unit managers in taking up their duties. ▪ NEC continued to implement training for newly appointed general managers, and received high marks for this initiative to support the appointment of general managers.
Degree of Completion	Achieved
Fiscal 2013 Objective 3	Make Global Professionals more visible
Achievements and Progress	NEC established a common global human resources and skills framework and expanded the framework primarily to overseas subsidiaries conducting systems integration and software development, including NEC Telecom Software Philippines, using a Web-based human resources management tool. In preparation for expanding the scope of overseas subsidiaries to be targeted in fiscal 2014 and beyond, NEC is currently conducting joint reviews with subsidiaries in the Asia-Pacific region and greater China.
Degree of Completion	Mostly achieved
Fiscal 2013 Objective 4	Upgrade and expand the development of the global Web-based training platform
Achievements and Progress	▪ NEC reformulated its Learning Management System (LMS), a common worldwide training management system that serves as a global HR development platform for One NEC. The system was launched for use overseas in June 2011 and in Japan in April 2012.
Degree of Completion	Achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-term Objectives	- 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
Fiscal 2014 Objective 2	Enhance the systematic training of young employees
Fiscal 2014 Objective 3	Make Global Professionals more visible
Fiscal 2014 Objective 4	Upgrade and expand the HR development platform to achieve global business expansion

▶ Policy,Framework,Systems

▶ Main Activities and Results (Fiscal 2013)

Communication With Employees

Main Activities and Results (Fiscal 2013)

One NEC Survey

The fiscal 2013 survey, conducted in July through September 2012, obtained responses from 54,347 people, representing 84% of all employees polled. The survey identifies the extent to which each employee "embraces core values" and "feels motivated," 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 fiscal 2013 survey, conducted in July through September 2012, obtained responses from 54,347 people, representing 84% of all employees polled. The survey identifies the extent to which each employee "embraces core values" and "feels motivated," 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.
In addition, the European Forum was held in November 2012 in Europe.

▶ Policy,Framework

Fair Trading

Main Activities and Results (Fiscal 2013)

When the Competition Law Compliance Policy and Rules for Contacts with Competitors, and the Basic Rule on Anti-bribery were established in October 2011, group training was held a total of 50 times for approximately 2,000 NEC employees, including corporate officers and upper level managers, in order to ensure full awareness of them. Continuing to perform this kind of training is critical to rigorously promoting fair trade.

Group training was also conducted internally in fiscal 2013 related to competition law compliance and corruption prevention. Approximately 950 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 27 times in total for 11 companies during fiscal 2013. Some 1,200 corporate officers and employees participated.

Overseas, we are committed to conducting fair trade training through our regional headquarters. In the U.S. and Europe in particular, the training is conducted for NEC Group companies in each region using e-learning and other tools in an effort to further raise the awareness of corporate officers and employees at NEC Group companies overseas regarding the promotion of fair trade.

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, but 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 2013, over 90% 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 2013, close to 90% of overseas subsidiaries* had created the regulations.

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

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

▶ Basic Policy, Policies and Regulations

Partnering With Suppliers

Main Activities and Results (Fiscal 2013)

Communication With Suppliers

On-site CSR Assessments of Suppliers Implemented

To date, NEC has conducted written surveys targeting suppliers using the Supply-Chain CSR Check Sheet, which is based on guidelines published by the Japan Electronics and Information Technology Industries Association (JEITA). In fiscal 2013, NEC prioritized human rights and occupational health and safety, areas which written surveys had revealed as being inadequate, in launching the CSR-PMR (CSR Process Management Review) assessment. This on-site CSR assessment program is designed to improve supplier management practices by addressing inadequacies. In fiscal 2103, NEC chose one domestic and one Chinese manufacturing contractor to conduct a trial of the CSR-PMR assessment. CSR staff, procurement staff, and local CSR personnel formed a team to conduct this multi-faceted assessment, which included interviews with the employees of these suppliers. A key feature is that assessments are not entrusted to third parties, but are conducted by trained NEC employees who visit suppliers and their sites for direct observations and face-to-face 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. In fiscal 2014, NEC is preparing to expand the on-site assessment program beyond China to manufacturing contractors in Thailand and India. Furthermore, NEC will accelerate the training of local assessors who are essential to conducting employee interviews as part of the CSR-PMR assessment.

New Year Business Partner Forum

NEC's 2013 New Year Business Partner Forum was attended by 397 executives of 195 domestic and overseas suppliers. At the event, NEC's president and vice president explained NEC's business policies and policies on supply chain strategies, and sought the understanding of suppliers toward its CSR management practices. Particular emphasis was put on requesting suppliers to improve quality and reliability. These are top priorities for NEC, for which social infrastructure is a key business base.

Education and Training

Education and training for purchasing staff

NEC strives to maintain proper business execution by holding regular training sessions on procurement transactions for the purchasing staff of NEC Corporation and the NEC Group. We conducted training based on an annual plan prepared in advance. 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 plans to continue providing the same training.

e-learning training for onsite contracting and dispatch staffing

NEC conducts web-based training when it accepts employees from partner companies through on-site contracting or dispatch staffing. The training is designed to ensure that managers at each workplace understand the relevant requirements. By the end of fiscal 2007, NEC had completed training of all management personnel. Since fiscal 2008, all newly appointed management personnel have taken part in e-learning training every year. In fiscal 2013, NEC revised the training program following the enforcement in October 2012 of the amended Worker Dispatching Act. From fiscal 2014, NEC will provide e-learning training to all newly appointed management personnel using new e-learning materials reflecting legal amendments.

Training on the Subcontracting Act for Compliance Promoters

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 fiscal 2013, NEC provided training for Compliance Promoters specialized in the Subcontracting Act in September 2012, in an effort to upgrade their level of knowledge and skills. Furthermore, at the discretion of the Compliance Promoters, training on the Subcontracting Act was expanded to within the purchasing divisions of each company in order to rigorously enforce legal compliance.

Initiatives Addressing Individual Issues

Promoting green procurement

Since fiscal 1998, NEC has operated a green certification system based on the Green Procurement Guidelines that covers 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, China RoHS and European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Regulation, we continuously conduct chemical substance content surveys covering purchased items. On the other hand, measures to counter global warming are also an urgent priority. In fiscal 2013, NEC began calculating carbon emissions for purchased items.
In fiscal 2014, NEC plans to begin environmental impact reduction activities at upstream suppliers under Scope 3. Specifically, NEC plans to gauge the environmental impact of the entire supply chain by monitoring parameters such as the electricity usage of software contractors.

Strengthening information security

As a systems integrator of information systems that serve as crucial social infrastructure, NEC views strengthening and rigorously enforcing information security management as one of its top priorities. Purchasing divisions put particular emphasis on managing and raising the awareness of software contractors and other outsourcing partners.

To date, ongoing activities have included holding briefings on CSR and information security measures (15 briefings held in 10 locations across Japan, attended by about 1,800 companies); organizing seminars for information security instructors (attended by about 1,900 people from around 1,300 companies); conducting assessments of implementation status through document and on-site inspections (about 2,000 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. This information has been distributed to the information security divisions of approximately 2,100 companies.

Addressing the Issue of Mineral Resources that Fuel Conflict

Certain mineral resources, such as gold, columbite-tantalite (coltan), cassiterite, and wolframite, mined in the Democratic Republic of the Congo in Africa and adjoining countries have been reportedly used to help finance armed groups. These mineral resources may thus be responsible for triggering a rash of problems including tribal conflict, human rights abuses, and environmental destruction. In fiscal 2012, NEC clarified its policy for the Group as a whole. The Group's policy is to ensure that no mineral resources obtained illegitimately in conflict regions shall be procured or used in NEC's products. The NEC Group has also sought the understanding and cooperation of its suppliers in this regard by establishing the Conflict Mineral Guideline (for Suppliers).
Certain mineral resources, such as gold, columbite-tantalite (coltan), cassiterite, and wolframite, mined in the Democratic Republic of the Congo in Africa and adjoining countries have been reportedly used to help finance armed groups. These mineral resources may thus be responsible for triggering a rash of problems including tribal conflict, human rights abuses, and environmental destruction. In fiscal 2012, NEC clarified its policy for the Group as a whole. The Group's policy is to ensure that no mineral resources obtained illegitimately in conflict regions shall be procured or used in NEC's products. The NEC Group has also sought the understanding and cooperation of its suppliers in this regard by establishing the Conflict Mineral Guideline (for Suppliers). In fiscal 2013, 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. Furthermore, 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.

Promoting Business Continuity Plan (BCP)

Amid the increasing complexity and sophistication of supply chains, NEC must fulfill its social responsibility to continuously supply goods and services as a company providing information and communications systems that serve as crucial social infrastructure. To this end, actions on two fronts are vital. NEC must implement preparedness measures while suppliers must promote business continuity plans (BCPs).
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 difficult-to-obtain materials, etc.)," which is gathered by each procurement division from suppliers, on an information-sharing database accessible to the entire company. 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.

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. Furthermore, to remember the lessons learned from the Great East Japan Earthquake, NEC verified its BCPs through a Company-wide disaster response drill conducted in March 2013.
In fiscal 2014, NEC will work to enhance its ability to respond to disasters by using multiple suppliers, while improving its information sharing database.

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.

▸ Policy and Guidelines、 Promotion Framework

▸ Objectives and Achievements

Partnering With Suppliers

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, 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 2013 Objective 1	Formulate the on-site CSR assessment program for suppliers (human rights, labor, the environment and anti-corruption)
Achievements and Progress	▪ The on-site CSR assessment program (CSR-PMR assessment) was established. ▪ Assessments in Japan (one company) and overseas (one company) were conducted.
Degree of Completion	Achieved
Fiscal 2013 Objective 2	Promote activities in concert with the industry to address the conflict mineral issue, while disseminating information within the Group and tackling this issue
Achievements and Progress	▪ Activities were continued as a member of the Responsible Mineral Procurement Study Group of JEITA. ▪ Efforts were made to establish a response framework in coordination with sales divisions and business divisions. ▪ Responded to 100% of JEITA survey requests from customers.
Degree of Completion	Achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-term Objective	Create a framework for suppliers to promote CSR independently
Fiscal 2014 Objective 1	Expand the on-site CSR assessment program for suppliers to the Asian region
Fiscal 2014 Objective 2	Begin surveying CO_2 emissions and other parameters of software contractors

▸ Policy and Guidelines、Promotion Framework

▸ Main Activities and Results (Fiscal 2013)

Respecting Human Rights

Main Activities and Results (Fiscal 2013)

The NEC Group, which aims to expand business globally, sees global human rights issues as an important priority. Through regular internal audits by the Corporate Auditing Bureau, NEC has long conducted regular confirmation of NEC Group companies worldwide with respect to the development of human rights-related systems, any human rights breaches, and responses when such breaches occur. In fiscal 2013, NEC expanded human rights activities to include overseas operations. As the first steps toward NEC's fiscal 2013 objective for human rights activities, "expand due diligence for ensuring respect for human rights on a global basis", NEC implemented the following initiatives.

In Japan, NEC implemented an e-learning program for all employees, including tier-specific training for all levels from newly recruited employees to officers. Notably, NEC augmented training courses for newly appointed officers and managers with the latest information on international human rights standards, in order to increase understanding of human rights on a global level. The officer in charge of human resources or the General Manager of the NEC Human Resources Development Division visited the business sites of trainees to directly provide this training. NEC continued to implement multifaceted human rights initiatives, including related activities at consolidated subsidiaries. Examples included human-rights training courses for Human Rights Awareness Committee members, who have been assigned at NEC Corporation (for each worksite) and at NEC Group companies (for each company). Other measures included awareness-raising activities using pamphlets and Web sites, and inviting submissions of human-rights catchphrases from employees as well as their family members.

Furthermore, in fiscal 2013, the NEC Human Resources Development Division organized a global human rights training course (lecture) led by Mr. Kazuhiro Nozawa, an editorial board member of The Mainichi Newspapers, in order to foster greater awareness of human rights issues concerning people with disabilities. The lecture's theme was "Employment of People with Disabilities and Human Rights—Giving Consideration to Diversity Through Employment of the Disabled." The lecture was attended by around 200 participants, including Human Rights Awareness Committee members assigned to the business departments of NEC Corporation and the human resources managers of NEC Group companies in Japan, along with personnel responsible for promoting the employment of people with disabilities. Almost all attendees noted that the lecture was extremely meaningful, with participants providing the following comments:

- The training course increased my understanding of human rights issues concerning people with disabilities.
- The training course changed how I see the disabled and the employment of people with disabilities.
- I would like to take a new look at what can be done in terms of recruitment, types of work for people with disabilities and other related areas.
- I now have a new appreciation of employing people with disabilities.

The content of this training course was presented to NEC Group employees worldwide through an internal newsletter. This newsletter regularly looks at various human rights issues, such as conflict minerals.

Number of people attending human rights awareness group training： [Scope: NEC Corporation]

FY2011	FY2012	FY2013
2,796	27,666*	1,426

* Besides group training, NEC holds Web training (compulsory) for all employees every second year

A lecture was given by Mr. Kazuhiro Nozawa of The Mainichi Newspapers

Meanwhile, overseas, NEC has long conducted human rights awareness training as part of training related to the NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct. In fiscal 2013, NEC conducted training in North America and the Asia-Pacific region with a stronger emphasis on increasing awareness of its human rights policy (prohibition of discrimination, child labor and forced and compulsory labor). NEC plans to conduct this training in Latin America and Greater China in fiscal 2014. When implementing this training, NEC holds a series of discussions with CSR personnel and managers of personnel divisions in various overseas regions, and has prepared globally standardized training materials. NEC leaves it up to each region to decide whether or not to incorporate human rights issues specific to each region into these training materials. Decisions on whether to incorporate human rights training into training on the NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct are also left up to each region.

Furthermore, we believe it is important for employees to learn about human rights not only through in-house programs, but also learn from contributing to awareness-raising programs in local communities and related experiences. We are deepening understanding of human rights issues by encouraging employees to participate in local social contribution activities. For instance, we have employees participate in social contribution programs such as wheelchair tennis tournaments, which help disabled people participate more fully in society through sports. In these and other ways, employees learn how to relate to human rights. We also conduct the "NEC IT Communication Support Course for People with Severe Disabilities". The goal of this course is to enable people with severe disabilities to communicate by entering text in a PC with only the slightest motion of any part of their body. Please follow this link for further details.

Another important theme at NEC is ensuring respect for human rights at suppliers. Personnel divisions and purchasing divisions regularly share information on any human rights issues at suppliers and when promoting supply-chain CSR initiatives. NEC has prepared policies, guidelines and check sheets related to all aspects of CSR, including respect for human rights, and uses these materials to confirm the degree of progress made by the activities of suppliers. Please click here for details.

Monitoring and Improvement

Human Rights Hotline Desk

NEC has a Human Rights Hotline Desk, which is a consultation contact point for sexual harassment, power harassment, and related issues, for the purpose of clarifying the nature of consultations and expediting responses.

Consultation desks have been set up at the Personnel Affairs Division of NEC Corporation and at each business unit. Staff members assigned to the consultation desk provide consultations. The system is designed to protect the privacy of those who consult with the desk, while ensuring that they receive no disadvantageous treatment.

Training is provided to staff members newly appointed to the consultation desk, covering training on the role of the desk, as well as consulting approaches and methodologies. In these and other training programs, NEC strives to ensure practical training by including role-playing and other activities. NEC made the Human Rights Hotline Desk known to employees by displaying posters aimed at preventing social harassment with information about the hotline desk.

Personnel and Labor Management Audit

NEC verified that similar human rights awareness initiatives to those at NEC Corporation are being conducted at domestic affiliated companies through personnel and labor management audits and other methods.

- Policies and Rules,Framework

- Objectives and Achievements

Respecting Human Rights

Objectives and Achievements

Fiscal 2013 Objectives

Fiscal 2013 Objectives	- Conduct global human rights training outside the EMEA region - Implement monitoring of compliance and respect for human rights globally
Achievements and Progress	- NEC added its human rights policy to the NEC Group Management Policy. - As the second step of the NEC Group's global human rights training, NEC surveyed frameworks for human rights promotion organizations and consultation desks, etc., in North America and the Asia-Pacific region, and conducted human rights training in each region.
Degree of Completion	Mostly achieved

Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

Medium-term Objective	- Monitor human rights risks in corporate activities worldwide and share a common awareness across all divisions. - Implement unified actions in regard to human rights across the entire supply chain and value chain.
Fiscal 2014 Objective	- Conduct human rights awareness-raising activities (training courses, etc.) in Latin America and Greater China. - Monitor compliance and respect for human rights globally.

▶ Policies and Rules,Framework

▶ Main Activities and Results (Fiscal 2013)

Business Continuity

Main Activities and Results （Fiscal 2013）

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, 135,000 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.

NEC's Information Sharing System for Disasters and Pandemics (Overview)
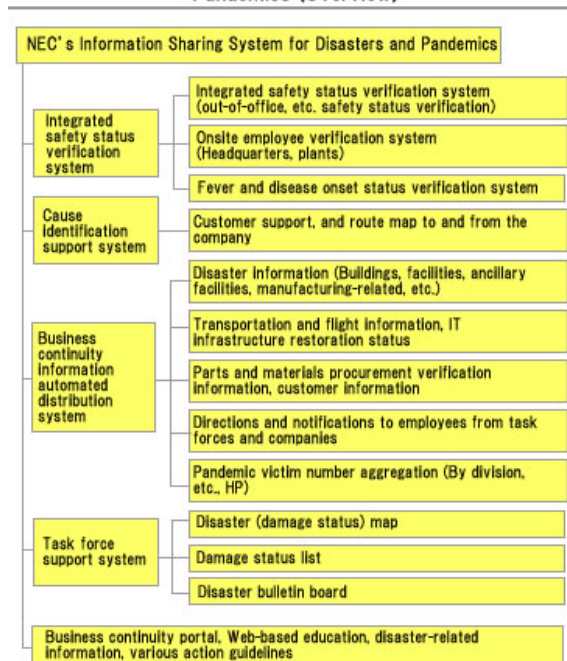
Keeping improvement

NEC has the HQ, the plants, and more than 350 business divisions that should recover and continue their businesses in a disaster. We don't think developing a BCP is the end goal. We considers it important to keep improving our BCPs to enhance effectiveness and recover our business more quickly through BCM activities such as internal audit.
Even if we establish organizations, BCPs and information sharing system, business continuity does not work well if employees fail to act in a disasters. Therefore, we carry out exercises and training for employees to promote proactive actions in a disaster.

1. Internal audit

NEC conducts internal audits of all BCPs to confirm　the proper implementation of business continuity management (BCM).
We carry out the training of internal audit for approximately 200 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 check sheets. Through these audits, they point out improvements of BCPs to restore and continue businesses in a shorter time.

2. 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 exercisess for the NEC group common disaster scenario. The drillsexercises covered initial responses, actions in cooperation and notification to top management.

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 conducted the notification exercise for 78 overseas subsidiaries in March 2013.

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 2012. 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 ofBCPs through this experience.

▶ Policy, Framework

▶ Objectives and Achievements

Business Continuity

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal2013, Achievements and Progress, and Degree of Completion

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

Medium-Term Objective	Revise BCPs to raise the effectiveness, considering issues identified in the Great East Japan Earthquake Establish BCM activities to embed a strong awareness of business continuity in the organization's culture.
Fiscal2013 Objective 1	Keep improving BCPs and BCM activities at NEC Corporation and its subsidiaries in Japan based on issues and measures arising from the Great East Japan Earthquake.
Achievements and Progress	▪ We revised BCPs through internal audits led by the BCDR managers assigned by business units and each company. ▪ In FY2012, we conducted the following exercises to verify and review BCM activities September 2012 For top management and BCP teams, assembling, notification and decision-making outside business hours. January-March 2013 For the NEC Group employees, safety confirmation, sharing information on disaster damage and restoration and e-learning simulations.
Degree of Completion	Mostly achieved
Fiscal2013 Objective 2	Review and improve BCPs and conduct BCM activities at overseas subsidiaries.
Achievements and Progress	In March 2013, we conducted notification exercises at 78 subsidiaries to verify the effectiveness of rules and systems.
Degree of Completion	Mostly achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-term Objective	Obtain the ISO business continuity certification for the entire NEC Group, while entrenching effective BCM activities based on ISO approaches.
Fiscal 2014 Objective 1	Implement measures to ensure ISO-compliant business continuity with respect to the operations of NEC and Group companies
Fiscal 2014 Objective 2	Continue to reviewing and improving BCPs and conduct BCM activities at overseas subsidiaries.
Fiscal 2014 Objective 3	Continuously implement BCDR exercises worldwide and e-learning.

▸ Policy, Framework

▸ Main Activities and Results (Fiscal 2013)

Information Security

Main Activities and Results (Fiscal 2013)

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 centered on information leaks. Another measure was putting in place global security infrastructure and a secure environment utilizing cutting-edge IT. For customers, NEC has improved the quality of security with respect to products, services and systems through the promotion of secure development and operation.

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 (access count of 32,000).

- Instituted a global service authentication platform
  In fiscal 2013, NEC continued efforts to operate and entrench an authentication platform for managing the ID data of all overseas subsidiaries linked to the NEC intranet (70 companies and approximately 15,000 employees as of March 2013). These efforts are aimed at achieving access control based on ID data at the global level.

- Establish a platform for global computer security measures
  NEC has a 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 2013, NEC used this platform to achieve visualization of the status of information security measures for PCs in Hong Kong, Taiwan and the Asia-Pacific. (NEC completed the implementation of the platform in North America and China in fiscal 2012.) NEC has also established device control functions (USB memory, etc.). In fiscal 2014, NEC will progressively expand these functions to Latin America and EMEA (Europe, Middle East and Africa). Additionally, NEC has begun exploring network quarantine functions.

- Develop external secure environments utilizing the latest IT
  Furthermore, NEC began internally providing "trusted PCs" with enhanced security features compared with conventional PCs removable from business premises,. These "trusted PCs" include functions to remotely disable the use of PCs, delete specific data, and counter unknown vulnerabilities, as well as encryption. The goal is both to reduce the risks associated with theft, loss and cyber-attacks, etc., and increase the convenience of work performed outside the company.

Principal Activities for Suppliers

- Reinforce information security at suppliers
  NEC conducted activities including providing continuous training related to confidential information management (for approx. 2,200 companies), revising guidelines for achieving information security requirements and standards providing an awareness-raising video tightening enforcement of the "Basic Rules for Customer Related Work" at suppliers (including training of in-house instructors, and enforcement of compliance through submission of pledges), and encouraging caution and sharing information in a timely manner through regular streaming of security newsletters.

- Strengthening information security measures for offshore outsourcing
  NEC considered the feasibility of expanding the same information security measures requested of suppliers in China ("Basic Rules for Customer Related Work," confidential information management, pledges, subcontracting management, etc.) to suppliers in China India. Based on these considerations, NEC established a policy for expanding measures to Indian suppliers. In fiscal 2014, NEC plans to expand these measures locally in India.

Initiatives Concerning Solutions for Customers

- Rigorously promote secure development and operation in fields with a high frequency of incidents
  NEC has rigorously promoted secure development and operation in business fields with a high frequency of information security incidents due to design errors and system malfunctions. As a result, NEC reduced incidents in those business fields to zero.

- Establish secure development and operation environments
  NEC has worked to make the Secure Development and Operation Implementation Standards known throughout the Group. These standards define the scope of secure development and operation and establish security measures, along with requiring developers and operators of the applicable products, systems and services to comply with these measures. NEC also increased the scope of projects subject to these standards.
  Furthermore, NEC promoted visualization of the status of security measures for products, systems and services, and worked to improve problematic projects by rigorously enforcing the use of the Secure Development and Operation Assessment System for each project being developed or operated. (Number of inspected projects: about 2,000).

- Train personnel specializing in secure development and operation
  Continuing on from the previous fiscal year, in fiscal 2013, NEC provided training on secure development to Secure Development and Operation Promotion Managers and developers in divisions that develop and operate products, systems and services. NEC strove to promote and institute mastery of expertise needed to implement secure development across the company as a whole. (Total number of fiscal 2013 training participants: 1,000).

Monitoring and Improvement

▪ Information security assessment activities

The NEC Group verifies the implementation of information security measures at each Group company through Group-wide information security assessment activities. The Group has continuously formulated and executed improvement plans every year if there are any measures that are improperly implemented. In fiscal 2013, we conducted information security assessments of 98 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 2013, we conducted these individual assessments at 49 companies (around 75,000 people),. In fiscal 2013, we also expanded assessments conducted by individual employees (individual assessment) to 83 overseas subsidiaries, 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: approx. 150 companies; written assessments: approx. 2,200 companies). We provided suppliers with feedback in the form of the assessment and evaluation results, and thoroughly implemented improvements.

▸ Policy,Framework

▸ Objectives and Achievements

Information Security

Objectives and Achievements

Objectives for the Medium Term (From Fiscal 2011 to Fiscal 2013) and Fiscal 2013, Achievements and Progress, and Degree of Completion

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

Medium-Term Objective	Implement comprehensive security measures from the standpoint of management, systems and human resources development. Protect information assets entrusted to NEC by customers and suppliers as well as NEC's own information assets. As a provider of IT products, services and solutions, deliver even more secure and reliable products, services and solutions to customers.
Fiscal 2013 Objective 1	Develop global information security infrastructure ▪ Enhance security service functions ▪ Expand security infrastructure to more regions
Achievements and Progress	Activities to promote operation and institution of an ID management platform at all overseas subsidiaries using the NEC intranet were continuously implemented. A management platform that enables the visualization of the information security status of PCs (including application of security patches, malware countermeasures and PC encryption, etc.) at overseas subsidiaries was used to achieve visualization of the status of information security measures for PCs in Hong Kong, Taiwan and the Asia-Pacific.
Degree of Completion	Achieved
Fiscal 2013 Objective 2	Develop external secure environments utilizing the latest IT ▪ Expand the internal use of "trusted PCs" ▪ Expand usage of thin client terminals (Windows 7 version)
Achievements and Progress	NEC began internally providing "trusted PCs" including functions to remotely lock PCs and delete data, perform encryption using hardware, and counter unknown vulnerabilities. Around 3,000 trusted PCs were made available. Thin client terminals were provided in Windows 7, Linux and proprietary versions, and were used according to application. The Windows version terminal offers the broadest scope of general application, with almost 18,000 of these terminals currently in operation.
Degree of Completion	Achieved
Fiscal 2013 Objective 3	Implement secure development and operation Expand secure development and operation implementation standards and enable visualization of implementation status Promote the inclusion of secure development and operation standards in standards within the organization Conduct regular assessments of secure development and operation status
Achievements and Progress	Secure Development and Operation Implementation Standards were rigorously made known Group-wide, and visualization of the implementation status of these standards with respect to products, systems and services was enabled through the secure development and operation assessment system. Inclusion of secure development and operation standards in standards within the organization was promoted. Inclusion in core business units and business departments was completed. Regular assessments of the secure development and operation status of systems and services for customers were conducted, along with improving problematic projects.
Degree of Completion	Achieved

New Objectives for the Medium Term (From Fiscal 2014 to Fiscal 2016) and Fiscal 2014 Objectives

New Medium-term Objectives	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 Objectives 1	Enhance and expand global information security infrastructure - Upgrade and expand security services - Expand security infrastructure in more regions
Fiscal 2014 Objectives 2	Reinforce secure external environments using the latest IT - Expand the range of trusted PC models - Enhance the security functions of trusted PCs (counter unknown viruses, strengthen URL filter functions)
Fiscal 2014 Objectives 3	Promote and entrench secure development and operation - 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

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 2012

Privacy Protection Measures

Since establishing the NEC Privacy Policy in July 2000, NEC has been enhancing measures to protect personal information. In October 2005, NEC obtained Privacy Mark certification*. Ever since, we have worked to protect personal information using management systems that are fully compliant with the Japan Industrial Standards Management System for the Protection of Personal Information (JIS Q 15001) and with Japan's Personal Information Protection Law.

Privacy System

Because NEC's major business operations include the integration, operation, and maintenance of information systems, the company is involved in the handling and management of not only the personal information provided by individual customers, but also the personal information managed by corporations organizations and other such customers. For this reason, NEC has appointed a Personal Information Protection Manager with the highest level of overall responsibility and authority with respect to personal information Group-wide, with personal information protection measures led by the Personal Information Protection Office. This office works closely with related corporate divisions to promote and manage the activities of NEC and the NEC Group as a whole. Its staff consists primarily of members of 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.

Because NEC's major business operations include the integration, operation, and maintenance of information systems, the company is involved in the handling and management of not only the personal information provided by individual customers, but also the personal information managed by corporations organizations and other such customers. For this reason, NEC has appointed a Personal Information Protection Manager with the highest level of overall responsibility and authority with respect to personal information Group-wide, with personal information protection measures led by the Personal Information Protection Office. This office works closely with related corporate divisions to promote and manage the activities of NEC and the NEC Group as a whole. Its staff consists primarily of members of 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.

Operation of Privacy System

NEC has established and operates and manages the ledger-based "Personal Identifiable Information Control System" for visualizing personal information. This system has been introduced at Group companies with closely related operations, with the view to sharing information.

Furthermore, NEC has documented clear Company-wide management procedures for personal information, while promoting a privacy protection management system spanning NEC and the entire NEC Group. NEC has also instituted and rigorously enforces implementation of operational rules for specific business divisions and types of personal information, as necessary.

In regard to making privacy protection known to employees and other personnel across the NEC Group, and implementing privacy protection training, NEC plans and conducts mainly web-based programs to train all employees about privacy-related issues. All applicable employees complete web-based training on these issues every year. NEC also requests its contractors handling personal information in their operations to provide their employees with the same level of training.

* In October 2005 NEC Corporation obtained certification of privacy procedures under the Privacy Mark validation scheme for private sector firms operated by the Japan Information Processing Development Corporation (JIPDEC). As of March 31, 2013, a total of 44 NEC Group companies in Japan had also obtained Privacy Mark validation. NEC applies a common security standard to all members of the NEC Group.

▶ Policy,Framework

▶ Main Activities and Results (Fiscal 2013)

Stakeholder Engagement

Dialogue with Miyagi Prefecture's Minamisanriku Town - Toward the 3rd Year of Restoration

Under the banner of the NEC "TOMONI" Project, the NEC Group has conducted activities to support the recovery effort from the Great East Japan Earthquake. These social contribution activities have been continuously implemented since the summer after the Great East Japan Earthquake struck.
Since March 2012, NEC employees have conducted volunteer activities as part of the Fukkoichi reconstruction program carried out in Miyagi Prefecture's Minamisanriku Town. Employees participating in the program expressed the following views: "I wonder whether our activities are really useful to residents in the disaster-hit areas." and "What do the local people really need?"

So, in February and March 2013, a full two years after the disaster, more than 100 local residents and NEC Group employees gathered in 2 dialogue sessions about how restoration efforts might unfold in the third year. The NEC Group employees heard from the local residents about many different issues facing the affected regions. These include daily life in temporary housing, the declining local population, and measures to rebuild local industry following the earthquake. In response, the NEC Group employees exchanged views with the local residents on how they could provide assistance.

NEC received various opinions from local residents. One opinion from a resident was that, "Very often our discussions among ourselves don't go beyond the ideas stage. I get the impression that things become more feasible when we talk with companies." Another said that, "When we locals talk among ourselves we tend to hold back, but when people from companies participate in discussions, we can speak frankly. One effective means of support is to continue providing these sorts of opportunities for dialogue."

One view from employees participating in the discussion was that, "I'd like to move forward by combining the support we can offer in volunteer activities with areas in which it would be best to take part as a business." Another opinion from an NEC person was that, "We learned what people want from us through these discussions."

These dialogue sessions were highly constructive as they served to remind the participants of the mutual friendships and strong relationships of trust that have been formed between the NEC Group volunteers and local residents through continuous volunteer activities. Looking ahead, NEC plans to continue hosting these kinds of dialogue sessions, while expanding the horizons of the NEC Group employees taking part in volunteer activities.

▶ NEC "TOMONI" Project

Dialogue with an NPO (CRF) for Transforming into a Social Value Innovator

The NEC Group is promoting CSR activities based on ISO 26000 (issued in 2010), an international standard providing guidelines on social responsibility. As part of these activities, NEC's relevant divisions and CRF conducted a dialogue and review based on the seven core subjects of ISO 26000. In the process, the members of CRF represented the view of society.

Here we present a stakeholder dialogue held by NEC on consumer issues, a core subject of ISO 26000. The theme of the dialogue session was to discuss how BtoB entities like NEC can create social value that reflects the perspectives of consumers.

The dialogue session was based on a case study in which NEC collaborated with a customer (an airport authority) to design an airport flight information system from the perspectives of general users. The system earned considerable praise from the customer. Participants from CRF and NEC's Universal Design, customer satisfaction, information security, and think tank units, which are involved with consumer issues, exchanged opinions on the importance of consumer perspectives.

One opinion from the CRF participants was that NEC's aim to boost competitiveness by combining its marketing and technological capabilities with consumer and social design perspectives would be the key to becoming a "Social Value Innovator" under Mid-term Management Plan 2015. CRF said that it looked forward to NEC deploying this approach companywide.

▶ Stakeholder Review

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) ▶ CSR management ▶ 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 ▫ 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: ▫ 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 environmen
3. Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	▶ Editorial policy of CSR Report
3.2	Date of most recent previous report (if any).	▶ Editorial policy of CSR Report

GRI no.	GRI indicator	Corresponding page on NEC website
3.3	Reporting cycle (annual, biennial, etc.)	▸ Editorial policy of CSR Report
3.4	Contact point for questions regarding the report or its contents.	▸ Contact
Report Scope and Boundary		
3.5	Process for defining report content, including: ▫ Determining materiality; ▫ Prioritizing topics within the report; and ▫ Identifying stakeholders the organization expects to use the report.	▸ CSR management
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	▸ Editorial policy of CSR Report ▸ Scope of Environmental Report
3.7	State any specific limitations on the scope or boundary of the report.	▸ Editorial policy of CSR Report ▸ 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).	▸ Editorial policy of CSR Report 📄 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
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

GRI no.	GRI indicator	Corresponding page on NEC website
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 ▶ CSR management
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 ▶ CSR management
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: ▫ 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.	▶ CSR management ▶ 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 Enviroment Report
Management Approach and Performance Indicators		
GRI no.	Performance Indicators: Core (C) / Add (A)	
Economic		
Management Approach		Annual Securities Report (Japanese)

GRI no.	GRI indicator	Corresponding page on NEC website
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.	▶ Global warming prevention
(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.	▶ Help to solve social issues through business activities ▶ Activities for contributing to society
(A)EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	▶ Help to solve social issues through business activities ▶ Activities for contributing to society
Labor Practices and Decent Work		
Management Approach		▶ Lobour practices
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
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

GRI no.	GRI indicator	Corresponding page on NEC website
(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
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.	▶ 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.	▶ 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

GRI no.	GRI indicator	Corresponding page on NEC website
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		▸ CSR management ▸ Internal control ▸ For communities
Community		
(C)SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	▸ Help to solve social issues through business activities ▸ Tackling emvironmental problems
(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
Public Policy		
(C)SO5	Public policy positions and participation in public policy development and lobbying.	▸ Challenge 25% Campaign ▸ Complying with the REACH Regulations ▸ 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

GRI no.	GRI indicator	Corresponding page on NEC website
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

▸ Global Compact

▸ ISO 26000

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.	▸ 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.	▸ 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.	▸ 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.	▸ Internal Control (Compliance and Risk Management)

▸ Global Reporting Initiative

▸ ISO 26000

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	Page on CSR Report
Organizational Governance	Organizational Governance	▸ Corporate Governance ▸ CSR Management ▸ Internal Control (Compliance and Risk Management) ▸ Business Continuity ▸ Information Security ▸ IR Activities
Human Rights	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	▸ Respecting Human Rights ▸ Internal Control (Compliance and Risk Management) ▸ Partnering With Suppliers
Labour Practices	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	▸ Promoting Diversity ▸ Health & Safety ▸ Human Resources Development ▸ Communication With Employees
The Environment	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	▸ Environmental Management ▸ Environmentally Friendly Products and Services ▸ Environmental Risk Management ▸ Activities toward Ecosystem and Biodiversity Preservation ▸ Environmental Communications
Fair Operating Practices	1. Anti-corruption 2. Responsible political involvement 3. Fair competition 4. Promoting social responsibility in the value chain 5. Respect for property rights	▸ Internal Control (Compliance and Risk Management) ▸ Partnering With Suppliers ▸ Fair Trading
Consumer Issues	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	▸ For Customers ▸ Ensuring Quality and Safety ▸ Universal Design Friendly to Humans and the Earth
Community Involvement and Development	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	▸ Help to Solve Social Issues Through Business Activities ▸ For Communities

▸ Global Reporting Initiative

▸ Global Compact