\Orchestrating a brighter world   NEC
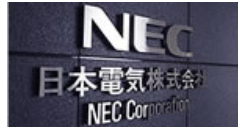
CSR Report 2015

Corporate Social Responsibility

Top Message
From Annual Report 2015
（496KB）

Management Approach to Sustainable Development

Business Activities for Value Creation

Respecting Human Rights

Diversity and Inclusion

Innovation Management

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Empowering Our People

Strengthening Risk Management and Enforcing Complian

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Information Security Report

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Data

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Related Contents

▶ Corporate Governance

▶ Investor Relations

▶ Activities for Contributing to Society

▶ Design at NEC

▶ NEC's Customer Satisfaction Enhancement Activities

▶ Procurement

▶ Approaches to Environmental Issues

▶ Solutions for Society

Policy and Systems   Main Activities and Results   Objectives and Achievements

Approach to Sustainable Management and Promotion Framework

Approach to Sustainable Management and Promotion Framework

At NEC, we consider CSR initiatives to be inseparable from corporate activities. We aim to ensure the sustainable development of society and the NEC Group by implementing The NEC Way, with corporate governance as our foundation.

It is crucial that companies recognize that their existence is conditioned by society. Under this premise, every officer and employee rigorously adheres to compliance standards, and strives to practice the NEC Group Core Values (what we value and base our behavior on) in the course of daily operations, with the aim of realizing an "information society friendly to humans and the earth," as set forth in NEC Group Vision 2017 based on the Corporate Philosophy. In doing so, solving issues faced by customers and society is our social responsibility.
Our important social responsibilities also include ensuring full accountability through the active disclosure of information on the results of our CSR initiatives and related issues, and communicating with stakeholders to improve our corporate activities and build relationships of trust.

Through communication with stakeholders, we must explore the fundamental issues faced by customers and society, and find insights that can help solve such issues. It is crucial for us to connect these insights to the launch of new businesses or use them to strengthen existing businesses. NEC must innovate and provide even greater value to customers and society at large. Creating common value between the NEC Group and society (corporate value and social value) through communication with all stakeholders is the foundation for ensuring that the NEC Group remains an essential partner to society. NEC considers CSR-driven management (sustainable management) to be management based on the foregoing approaches.

*   The NEC Way includes the Group Corporate Philosophy, the Group Vision 2017, the Group Core Values, the Group Charter of Corporate Behavior, and the Group Code of Conduct.

CSR Management Basic Policies and Promotion Framework

In compliance with its CSR Management approach, NEC has implemented policies to conduct business activities for social value creation and to manage its business activities. This starts with rigorous compliance to enhance social value and corporate value.

Basic Policies

1. **Strengthen risk management and enforce compliance**
   NEC is strengthening thorough risk management , including about potential occurrences of violations of human rights and environmental damage, and enforcing compliance inclusive of Group companies and business partners to avoid and mitigate any negative impact on its stakeholders, society, and the environment.

2. **Contribute to solving social issues through business activities**
   NEC employs information and communications technology (ICT) to deliver Solutions for Society. By producing value that is shared by the community and society, NEC maximizes its positive effect including on stakeholders, society, and the environment.
   NEC has formulated seven social value creation themes and implements them as part of "Solutions for Society." "Solutions for Society" requires a framework for maintaining an understanding of social issues at a global level, driving innovation toward resolving these issues, and generating new value, which is also the framework to manage innovation in technology and business.

   We also seek to solve social issues through social contribution activities in collaboration with local communities and NPOs.

3. **Promote communications with stakeholders**
   NEC actively discloses everyday activities to stakeholders and society at large in publications such as the (Web-based) CSR Report to fulfill its accountability to them by explaining such activities. Furthermore, by continuously implementing improvement measures through PDCA cycles originating from feedback from society, NEC will build relationships of trust with stakeholders and society, which will help to enhance its corporate value.

Promotion Framework

The Corporate Communications Division's CSR and Social Contribution Office promotes initiatives in close coordination with related divisions involved in business planning, investor relations, human resources, general affairs, legal affairs, internal controls, management systems, design, the environment, customer satisfaction, quality assurance and materials and more, as well as with research offices and business divisions. Coordination is also further conducted with business partners. We discuss important issues related to CSR management in our "Business Strategy Committee."

Business Strategy Committee

The committee promotes company-wide activities and policies through debate and information sharing by senior management to realize the objectives of the company's "Mid-term Management Plan 2015." Its principal members are the President, corporate officers in charge of business units, corporate officers in charge of units and executives in charge of the Corporate Strategy Division.

Individual themes related to CSR management are taken up by a number of committees: the Risk Control and Compliance Committee deliberates on risk and compliance issues, the Information Security Strategy Committee on information security, the Human Rights Awareness Committee on human rights, the Environmental Management Promotion Committee on the environment, and the Customer Satisfaction Promotion Committee on customer satisfaction.

Board of Directors

The Senior Executive Vice President who is in charge of CSR, ensures the regular inclusion of CSR-related topics for discussion by the Board of Directors.
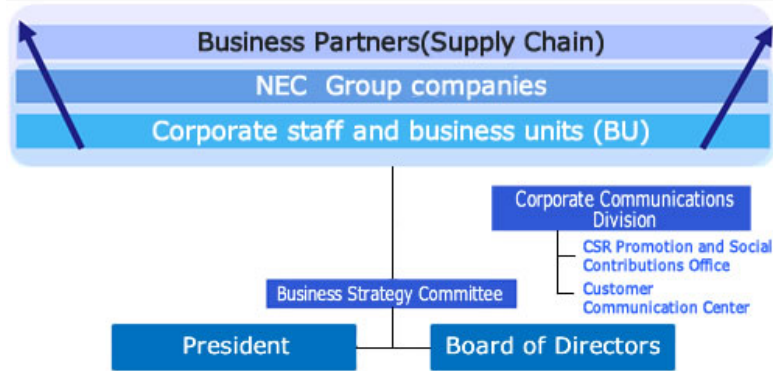
Global CSR Promotion Framework

NEC has appointed CSR Promoters to manage CSR on a regional basis (regional headquarters) in five key overseas regions, namely North America, Latin America, EMEA (Europe, Middle East, and Africa), Greater China and APAC (Asia Pacific).
They work closely with the CSR promotion and Social Contributions Office to promote CSR management globally.
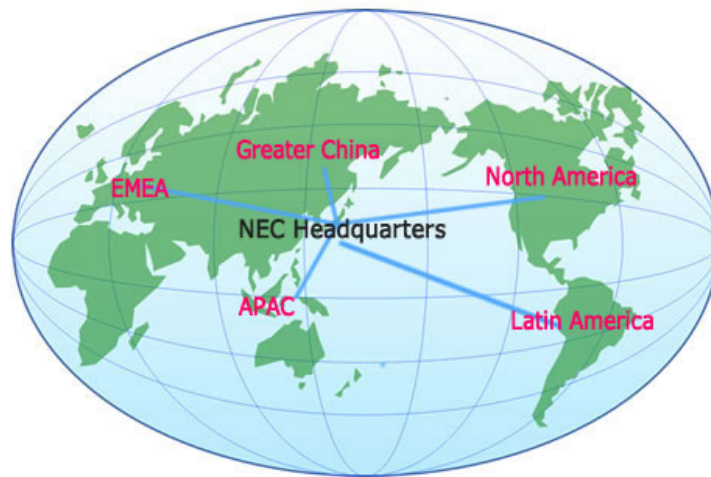
Global CSR promotion framework

Related Contents

▶ Main Activities and Results
▶ Objectives and Achievements

Main Activities and Results for Fiscal 2015

1. Strengthen Risk Management and Enforce Compliance

NEC is strengthening risk management and compliance within its own organization as well as at Group companies and business partners to avoid and lessen negative impact on it's stakeholders, society, and environment.

Nevertheless, in November 2014, the Fair Trade Commission conducted on-site inspections on suspicion of NEC's violation of the Antimonopoly Act of Japan in connection with transactions concerning radio systems for firefighting.

Moreover, in May 2015, there were more such inspections in connection with transactions concerning telecommunications equipment for electric power systems.

Taking these incidents very seriously, the NEC Group is cooperating fully with the commission's investigations. And at the same time, we take these incidents as an opportunity to re-acknowledge the importance of ethics and prioritizing compliance.

Specifically, we are proactively working to encourage fair trading including by bolstering frameworks for compliance with anti-bribery, competition, and other laws.

Related Contents

▶ Respecting Human Rights
▶ Internal Control
▶ Fair Trading
▶ Partnering with Suppliers
▶ Business Continuity
▶ Information Security
▶ Personal Information Protection

2. Contribute to Solving Social Issues through Business Activities

NEC Maximizes its positive impact on stakeholders and the environment, by capitalizing on ICT to create new value for communities and society through "Solutions for Society" and social contribution activities. This includes effects on stakeholders, society, and the environment.

NEC has formulated seven social value creation themes and implements them as part of "Solutions for society."

"Solutions for Society" requires a framework for maintaining an understanding of social issues at a global level, driving innovation toward resolving these issues, and generating new value, which is also the framework to manage innovation in technology and business.

Related Contents

▶ Business Activities for Value Creation
▶ For Communities
▶ Innovation Management

3. Promote Communications with Stakeholders

NEC will leverage engagement with stakeholders through dialogue, feedback, and more to raise transparency and strengthen accountability. In this way, we will further advance management and business activities with an eye to sustainable development.

We introduced diversity and inclusion measures for empowering our people.

Related Contents

▶ Stakeholder Engagement
▶ Diversity and Inclusion
▶ Empowering Our People

Monitoring and Improvement

The feedback received from stakeholders about NEC's (Web-based) CSR Report is very useful to promote the PDCA management of CSR-related activities internally.

NEC describes and reviews in the CSR Report the objectives, key indicators and other elements for overall CSR management and each CSR core item (internal control, business continuity, information security, privacy, the environment, human rights, diversity, human resources development, occupational health and safety, customer satisfaction, quality, universal design, and social contributions, supply chains, etc.) in the previous year, and clarifies issues, and discloses the new objectives for the following year.

From 2011, NEC instituted systematic stakeholder reviews based on ISO 26000 as the "Check" step of the PDCA cycle.

Stakeholder Review Based on ISO 26000 Standard

To implement the PDCA cycle more efficiently, it is important to incorporate the viewpoints of a diverse array of stakeholders (social perspectives), not only the corporate perspective.

NEC has introduced stakeholder reviews in partnership with the CSR Review Forum (CRF), a group of specialized NGOs, based on the approach of ISO 26000 (ISO guidance on Social Responsibility – published November 2010). This has enabled a dialogue between the relevant internal divisions and CRF which has helped identify priorities for achieving the sustainable development of NEC Group and promote a greater awareness of any improvement required.

This stakeholder dialogue will taken into account for the implementation of NEC's activities in fiscal 2016.

Related Contents

▶ Management Approach to Sustainable Development
▶ Stakeholder Review Based on ISO 26000 Standards

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

Management Approach to Sustainable Development

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

1. Improve corporate value led by stakeholder communications.
2. Improve CSR management quality based on global standards.
3. Upgrade and expand CSR governance Group-wide and globally.

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	• Issue Integrated Report for Fiscal 2015 including Integration of Financial and non-Financial Information • Strengthen disclosure of information both internally and externally and enhance the quality of information (Ongoing) • Respond appropriately to feedback from society (SRI/media surveys, requests from corporate customers and demands from NPOs and NGOs, etc.).
Achievements and Progress	• NEC published its second integrated report, Annual Report 2014. We also presented some of our experiences at a roundtable on an integrated report, soliciting the opinions of institutional investors, specialists, and others to use in future improvements. • We introduced diversity and inclusion measures (on the internet) and improved sites to enable easy participation in social contribution activities (on our intranet). • NEC was newly added to the STOXX Global ESG Leaders Index, the Global Compact 100 Index, and the Euronext Vigeo World 120 Index. NEC scored 3.8 points of 5 on the FTSE4Good Index. The Company was also awarded a gold rating from EcoVadis.
Degree of Completion	Mostly Achieved

Objective 2	• Implement CSR management measures based on ISO 26000 (PDCA management leveraging CSR Report production). • Promote due diligence in human rights.
Achievements and Progress	• We once again held a stakeholder review based on ISO26000. It focused on core issues such as evaluation of mid-term management plan progress and social value, respect for human rights, and supply chains. Information disclosed in this review, CSR reports, and so forth fueled headway in several important areas such as supply chains and human rights. • We established a new policy on respect for human rights after discussion with regional headquarters, strengthening our commitment to promoting human rights due diligence.
Degree of Completion	Achieved

Objective 3	• Strengthen ties with NEC Europe Ltd. and NEC (China) Co., Ltd. (in such areas as human rights and supply chain CSR). • Create information-sharing networks among main domestic Group companies.
Achievements and Progress	• We formulated a policy on respect for human rights, and collaborated on assessments concerning the human rights of suppliers, labor conditions, and health and safety. • NEC Capital Solutions Limited and NEC Networks & System Integration Corporation cooperated when they took part in one of the Global Compact Network Japan's working groups.
Degree of Completion	Achieved

Fiscal 2016 Objectives

Objective 1	• Advancement of stakeholder engagement pertaining to the United Nations' "Transforming our world: the 2030 Agenda for Sustainable Development" • Improvement of integrated reports by promoting integrated thinking • Continued inclusion in SRI indexes
Objective 2	• Promotion of sustainable operations in line with codes of corporate governance • Promotion of human rights due diligence through participation in the United Nations Global Compact framework
Objective 3	• Encouragement of global cooperation on conflict metals surveys and CSR sourcing • Promotion of Group company cooperation centered on activities such as participation in the Global Compact Network Japan's working groups

Related Contents

▶ Policy and Systems
▶ Main Activities and Results

Business Activities for Value Creation

Seven Themes for Social Value Creation

Under "Mid-term Management Plan 2015", NEC focuses on "Solutions for Society" that enhance social infrastructure by means of ICT.
NEC has formulated seven themes for social value creation from six megatrends that NEC found the world confronts, and then made concrete proposals for each theme based on ICT.

Seven Themes for Social Value Creation

Sustainable Earth

- [Annual Environmental Report 2015](#)

Safer Cities & Public Services

Lifeline Infrastructure

Communication

Industry Eco-System

Work Style

Quality of Life

Related Contents

▶ Corporate brand message (Brand Statement)

Respecting Human Rights

Why Human Rights Matter?

By providing a wide range of products and services that support an information society, NEC aims to realize information societies that are more convenient, safer and secure to live in for all people around the world. NEC believes that innovative and advanced IT-network solutions and communications products can help solve some of the most challenging social and environmental issues facing global society.

However, the company also realizes, that, just as the evolution of technology can help social progress and the realization of the human rights of some, that progress may not only damage the environment, but also hinder or infringe the human rights of others. NEC is fully aware of this paradox and recognizes that it has the responsibility – as an international company with global operations – to manage the potential impacts of its business activities on the human rights of its stakeholders.

NEC's Commitment to Human Rights

Policy Statement

As a global company, NEC strives to uphold international standards for the protection of all human rights such as the United Nations' (UN) International Bill of Human Rights*1, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and the 10 principles of the UN Global Compact*2. The Company is also moving ahead with human rights initiatives while using such benchmarks as the UN's Guiding Principles on Business and Human Rights and the European Commission's ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights.

In 2004, NEC added an item expressing respect for human rights to the NEC Group Charter of Corporate Behavior and in fiscal 2015, after engaging in repeated discussions among the related divisions over a period of time, newly formulated the NEC Group Human Rights Policy (below) as a commitment to stakeholders. This policy directs that NEC shall engage in dialogue and discussion with stakeholders to develop and implement human rights due diligence, and requires that a similar respect for human rights be shown by business partners in the value chain and by other associates.

*1 Collectively refers to the Universal Declaration of Human Rights and international human rights treaties adopted by the UN General Assembly including the International Covenant on Economic, Social and Cultural Rights and International Covenant on Civil and Political Rights.

*2 NEC has been a member since 2005. The 10 principles of the UN Global Compact are based on global agreements such as the Universal Declaration of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work and include items such as support for the protection, maintenance and respect for human rights, eradicate forced labour and ban child labour.

NEC Group Human Rights Policy

April 2015

Policy statement

NEC Corporation and its consolidated subsidiaries ("NEC") aim to realize an information society in which people all over the world can live more safely an securely. All of NEC's actions are governed by a pledge to act responsibly on behalf of future generations to ensure social, environmental and economic progress. NEC is committed to comply with the strictest corporate ethics standards and respect all applicable international and national laws and human rights in the countries in which we operate.

NEC recognizes that it has, as a global company, a responsibility in addressing the potential impacts that its products, business activities and relationships ("corporate activities") may have on the human rights of right holders. NEC supports the fundamental rights of individuals and workers in reference to guidelines set out by the United Nations Universal Declaration of Human Rights, the United Nations (UN) Guiding Principles on Business and Human Rights, the related European Commission's ICT Sector Guide, and the International Labor Organization (ILO).

NEC's commitments on human rights

Every officer and employee of NEC is required to respect all human rights in compliance with the fundamental principles of the NEC Charter of Corporate behavior, the NEC Code of Conduct and its management approach (The NEC Way):

1. "In every aspect of all corporate activities, we will respect fundamental human rights and will not act in such a way that may offend the dignity of any individual or be prejudicial on the grounds of race, beliefs, age, social position, family origin, nationality, ethnicity, religion, gender and gender identity, sexual orientation, physical or mental handicap, etc.

2. "We will abide by the rules and regulations of each country or region for hiring and labor practices. However, we will never accept child labor or forced labor under any and all circumstances."

3. "We, as an ICT provider, will strive not to cause or contribute to human rights violations on data privacy and security through our business activities."

In addition, NEC expects its business partners and other parties in the value chain to apply the same level of respect human rights and to address any existing measures that would be recognized insufficient.

Engaging with stakeholders to respect human rights

NEC will engage with its stakeholders to address the following commitments in every aspect of its corporate activities:

1. NEC will develop and implement human rights due diligence to address the actual or potential negative impact of its corporate activities on human rights. NEC will identify and assess actual or potential human rights risks and take measures to mitigate or prevent those risks in a consistent manner. In addition, NEC will develop processes to disclose findings externally as part of the company's wider efforts to strengthen transparency and accountability.

2. Where NEC's corporate activities result in negative human rights impacts caused either directly or indirectly, the company will endeavor to provide for or to cooperate to the remedy of those impacts and will take appropriate measures to prevent their recurrence.

3. Where national laws are in conflict with internationally recognized human rights, NEC will seek solutions that support the respect of the principles of international human rights.

4. NEC is committed to provide appropriate training, promote better awareness of human rights and implement other initiatives such as capacity-building, for all its officers and employees to ensure that this policy and human rights due diligence are implemented adequately.

Related Links

▶ NEC Group Procurement Policy

Salient Human Rights Issues

NEC recognizes that the company is at the start of a long journey with regards to human rights due diligence. However, in fiscal 2015, progress has been made in several areas:

- We have gained a better understanding of human rights issues through country and region level research, risk assessment and stakeholder engagement. We have also gained more insight on human rights issues in the value chain by working with NGOs to train assessors and collaborating with them when performing CSR audits of suppliers in China.
- As a result of this engagement, we were able to identify and/or confirm our most salient human rights issues at this time:
  - Labour rights related to supply chain matters including health and safety and sides effects of conflict minerals
  - Data protection and security rights
  - Economic rights (NEC has a zero tolerance approach to bribery and corruption that can threaten the rule of law and the realization of economic rights)
  - Environment rights (NEC's environmental strategy promotes the management of the impacts of our activities on the environment including CO_2 emissions, end of life etc.
  - Customer rights (Product safety and quality assurance)
- We were also able to track progress in response to findings (for example in the supply chain and in the workplace) and this has helped us to identify gaps and areas for improvement
  - We have reviewed specific policies, and implemented new ones where necessary (e.g. process to select new suppliers in EMEA)
  - Going forward we will continue to examine the issue of freedom of expression and association in the ICT sector in general and in relation to our operations
- We strengthened and improved our communication about human rights based on the feedback of a variety of stakeholders, including experts such as CSR Review Forum-Japan.
- We have clarified and extended our grievance mechanisms, developing human rights hotlines for staff and suppliers in Japan for example
- We have worked with our business partners to enhance the positive impacts of ICT on human rights where possible

Human Rights Due Diligence Processes

Stakeholder Engagement and Review with CSR Review Forum-Japan

NEC's approach to human rights has been informed by the findings of the CSR Review Forum-Japan (CRF) since 2013. This review is based on the ISO 26000 international standard.

Due Diligence Process in the Supply Chain

NEC has established its due diligence process in the supply chain in accordance with the Japanese Electronics and Information Technology Industries Association (JEITA). JEITA published its "Supply-Chain CSR Deployment Guidebook (Tutorial of CSR Items)" back in 2006. This guidebook has been instrumental in helping us develop our own tools for suppliers (Supply Chain CSR Guidelines, Supply Chain CSR Checklist etc.)

Assessing Impacts in the Supply Chain

Best Practice in EMEA

Self-assessment and dialogue with employees and business partners including on human rights issues are standard elements of NEC EMEA's risk management approach. Any issue identified is reported to the Board of the corporate entity it concerns on a quarterly basis, and actions are taken to resolve it as appropriate. New suppliers are required to complete a questionnaire that refers to human rights and to agree to comply with NEC's principles for responsible business conduct. Each self-assessment is duly reviewed and evaluated by a cross functional team and necessary for the qualification of these suppliers.

Best Practice in Japan

- CSR Self-Checking
  NEC cannot directly improve the business activities of its suppliers, but is aware that it has a significant influence though its procurement transactions. Since 2007, NEC has been carrying out assessments using its JEITA-based Supply Chain CSR Checklist to evaluate suppliers' CSR. This checklist contains assessment items related to human rights and is used to gauge the impact of suppliers' human rights risk.
- CSR Assessment Program: CSR Program Management Review (CSR-PMR)
  NEC Process Management Review (PRM) creates a dialogue opportunity with suppliers. This is useful in improving their understanding of all NEC's expectations. We explain that our own procurement practices are not meant to create an indirect detrimental pressure on the supplier's workforce (for example additional hours to meet NEC's requirements) but rather must be perceived as a mutual opportunity for improvement.

Integrating Impact Assessment Results

We expect from our employees, business partners and other parties in the value chain that they fully respect human rights. We share this position and our human rights policy through different ways as most appropriate. These can be dialogue, training, capacity building, contract clauses, active membership of several industry associations etc.

Organisational Structure: Human Rights Awareness Committees

A company-wide Human rights Awareness Committee (chaired by the executive vice president) and a Business Unit Human rights Awareness Committee (chaired by the head of the corporate planning department of each business unit), were established in 1997 to supervise NEC's approach to human rights. The role of this Committee is to make sure that a human rights framework is created and adequately implemented, to take decisions and promote internal awareness on human rights. Similar frameworks have been established at the level of Group companies.

Human Rights Risk Management

- Survey
  NEC carries out a questionnaire-style risk management survey every year. Companywide risks are then prioritized based on the analysis of the results. Human rights salient for the company were identified this way, as well as the stakeholders to engage with for each specific issue.

- Risk Assessors Training in EMEA
  Priority risks were shared with the personnel of NEC companies in EMEA following an assessment and training performed in FY2014. The president of NEC Europe Ltd. required that all Group companies in EMEA engage in risk management activities. A report on progress containing recommendations on measures was made at the regular board meetings of each company. This initiative helped to support the awareness of employees on how regular business activities are connected to human rights.

- Integration of Supply Chain Assessment Results into the Organization
  In relation with NEC's action plan for risk improvements, human rights impacts in the workplace or supply chain were shared internally. Procurement staff shared information about human rights issues with suppliers and therefore promoted NEC's CSR approach in the supply chain. NEC evaluated the maturity level of its suppliers with regards to policies and other initiatives. NEC also provided educational material on its responsible business approach to its suppliers, as part of its capacity building program.* Please follow this link for details about cooperation with suppliers.

- On-site CSR Assessment Program (CSR-PMR: CSR Process Management Review)
  The NEC CSR PMR team identified social and environmental issues faced by suppliers during these management reviews, and took these into account when preparing their improvement plan. In fiscal 2014, a formal team was established, responsible for training assessors in the Greater China region. This team included members of NEC's procurement and CSR divisions.

Promoting Employee's Awareness on Human Rights

Learning Program

As NEC aims to expand its international business, it becomes increasingly important to the Company to educate personnel staff about global human rights issues and adopt common shared practices.

In Japan, NEC has launched a compulsory company-wide e-learning program for all its employees across every level, covering recently recruited employees to long standing officers and including tackling the issue of companies and human rights. The training for newly appointed officers and general managers incorporated a variety of international regulations, and these officers and managers deepened their understanding of what is required for human rights on a global level. Face-to-face training sessions were also organised by the Human Resources officers and headed by the General Manager.

Company-wide e-learning for fiscal 2015 was carried out under the three themes of global human rights issues, harassment and promoting diversity and human rights issues in Japan. This year, NEC touched on human rights issues related to its business domains and introduced harassment-related issues that have recently been given attention, including maternity and paternity harassment. In addition, e-learning training was carried out for all recruitment interviewers based on the Recruitment Interviewer Manual to maintain fair recruitment selection and provide equal employment opportunity. This training introduced examples of questions that displayed discriminatory attitudes or work discrimination at the time of selection, and promoted dissemination of awareness of prohibited questions.

Moreover, as an objective for fiscal 2016, the Company added an entry to training materials to promote accurate understanding of lesbians, gays, bisexuals and the transgendered (LGBT), and to ensure that interview activities judged applicants on their abilities and appropriateness for work even if NEC is aware through recruiting activities or the interview that the applicant is LGBT.

Apart from the abovementioned, more courses were conducted that taught about NEC's and the NEC Group's Human Rights Awareness Committees. Human rights were also promoted through various initiatives, including by using leaflets and by collecting human rights awareness slogans (diversity promotion slogans) that employee's family members could also submit, as well as through the Company intranet and posters displayed throughout the offices.

Number of people that have attended a human rights awareness training session
[Scope: NEC Corporation]

FY 2013	FY 2014	FY 2015
1,426	28,000(*) （Including 24,000 e-learning participants）	26,470(*) （Including 23,538 e-learning participants）

* Includes the number of participants for NEC Web training (compulsory for all employees and must be attended every second year)

Subsidiaries of NEC across the world also implemented their own local initiatives to promote human rights as required or expected in their country environment.

For example, in EMEA, human rights were promoted through an online learning system that explains the principles of the NEC Group Chapter of Corporate Behaviour and the NEC Group Code of Conduct. These training modules are made available to every new employee and contractor.

In Latin America and Greater China, training is given face to face and provides more details on freedom from discrimination, freedom from child labour and freedom from forced and compulsory labour).

The content of all these training modules has been developed through collaboration between the CSR teams and local human resources teams. They take into account regional specificities where necessary. These training materials have been translated into a variety of languages including English, Spanish and Portuguese.

In addition to training, NEC communicates about human rights on its intranet and via other internal communication tools.

Tracking Performance

Confirming Progress through Stakeholder Review with the CRF

On an annual basis, the Japanese CSR Review Forum-Japan reviews, analyses gaps and offer advices with regards to NEC's management approach and operations based on the seven core subjects of ISO 26000 annually – including human rights.

Personnel and Labor Management Audit

Personnel and labor management audits, and other initiatives, are regularly conducted throughout the Group. These enable NEC to check that human rights awareness initiatives are deployed throughout the company at a similar corporate standard level.

Tracking Performance in the Supply Chain

- On-site CSR Assessment Program (CSR-PMR: CSR Process Management Review)
  During dialogue sessions which are implemented as part of CSR-PMR, NEC confirms whether suppliers are implementing improvement plans.
- CSR Audits by Customers
  Our human rights performance interests our customers. In fiscal 2014, a Japanese factory belonging to the NEC Group was audited by one of the major customers of NEC with regards to labor rights. NEC was able to provide its customer with a solution plan on the issues identified. NEC is now working closely with this important customer for the improvement of business practices in its supply chain.

Communicating how Impacts are Addressed

Initiative in EMEA's Best Practices

NEC EMEA aims to enhance its knowledge and approach to corporate responsibility through its membership of several organisations for example:

- Exchanging best practices on CSR (including human rights) with other member of the Japanese Business Council in Europe (JBCE)
- Participating to round tables, such as on gender diversity, involving participants from several companies, and representatives from DG Justice and the Japanese Government
  Round table on gender diversity
- Participating at events that promote the European and global agenda of CSR. For example:
  - At the European Parliament
    http://newsbundle.csreurope.org/newsbundle/1jaar462btn
    http://newsbundle.csreurope.org/newsbundle/10vmhbjkz5e?a=2&p=47177435&t=24817395
  - UNCTAD World Investment Forum which was an opportunity to identify the key role of investment in the achievement of the Sustainable Development Goals
  - European Commission's Forum on CSR
- Participating in COP peer reviews as a member of the UN Global Compact UK network
- Participating in an informal learning group on human rights, of which some members are part of the UN Global Compact UK network
- Participating in conferences such as the annual United Nations Business and Human Rights Forum and other seminars conducted by law firms for example

Participation to the Global Compact Network Japan (GC-NJ)

NEC is one of the main corporate members of the working group on human rights due diligence run by the United Nations Global Compact Network Japan. In this context, NEC has committed to plan and carry out programs that assist Japanese companies to understand and seek remedies for breaches of global human rights. NEC participates in various lectures and workshops, learning about the latest international developments related to human rights, including the UN Guiding Principles on Business and Human rights, and issues more specifically applicable to Japanese companies, which we can use to improve our own initiatives.

Reporting

NEC reports about its various human rights initiatives and progress made on them on its Website, on an annual basis or as required.
NEC also supports the GRI G4 Sustainability Reporting Guidelines (Currently reporting in accordance with 'Core' application level).

- ▶ http://www.nec.com/en/global/csr/guidelines/gri.html

Remediation

Operational Grievance Mechanisms

Human Rights Hotline Desk

- NEC has established a variety of options that can be used by different kind of stakeholders to report their concerns or engage in consultations regarding human rights, as part of a process to mitigate adverse impacts on human rights. The use of these options is supported by policies such as grievance, whistleblowing etc. and by communication efforts that empower people to raise their complaints or concerns.
  For example, NEC has implemented a Human rights Hotline Desk, which is a consultation contact point for employees, including temporary employees, for the purpose of clarifying the nature of consultations and expediting responses. This hotline led by the Personnel Affairs Division of NEC Corporation and staff appointed in each business unit, offers consultation and advice. A system has been set in place to ensure that those seeking consultation are guaranteed protection of their privacy and are shielded from retaliation. This system is assessed to ensure the effectiveness of outcomes.
  Newly-appointed staff in charge of the hotline are trained on these new responsibilities, and the content of their training covers their role, consulting methods and approach. Other practical initiatives, based on role-play for example, are also implemented.
  Anti-harassment posters are created and displayed throughout the company. They reflect on issues that are raised at the hotline desk and contribute to improve the awareness of employees.
  Overseas, compliance reporting systems that also deal with human rights, have been established and employee consultations systems are organised.
  In FY 2015, about 20 requests for consultation were received, of which 90% concerned issues of harassment (sexual harassment and power harassment).
  Suppliers have access to a Compliance Hotline.
  Residents of local communities can pass on their opinions through Customer Communications Centres.

Beyond Respecting Human Rights

Eliminating the Digital Divide

NEC works hard to eliminate the digital divide and facilitate the right to access information, leveraging on its products and services, with the aim to create a safe and secure society.

Related Link

▶ Solutions for Society

Developing Human Rights Awareness through Social Contribution Programs

Social contribution activities can be a way to improve the awareness and understanding of staff about the human rights of the local communities. For example, NEC is taking part in several initiatives that aim to better include those with physical disabilities:

- NEC sponsors wheelchair tennis, and organises events in which employees can participate as volunteers since 1991.
- NEC holds the NEC Internet Safety Classes for pupils in elementary schools to teach them how to use the Internet safely based on the Children's Rights and Business Principles developed by UNICEF, the UN Global Compact and Save the Children in 2012, since 1999.
- NEC has led an IT Communication Support Course that helps people with severe disabilities, to communicate using computers with minimal movement, since 2008.

Related Link

▶ Activities for Contributing to Society

Related Contents

▶ Objectives and Achievements

Respecting Human Rights

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

- Monitor human rights risks in corporate activities worldwide and gain an understanding of issues.
- Implement promotion of a shared understanding of actions in regard to human rights across the entire supply chain and value chain.

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	• Formulate a human rights policy as part of the NEC Group's human rights due diligence
Achievements and Progress	• Completion of the NEC Group Human Rights Policy and a declaration of its listing in the "NEC Group Management Policy" was made in April 2015.
Degree of Completion	Achieved

Fiscal 2016 Objective

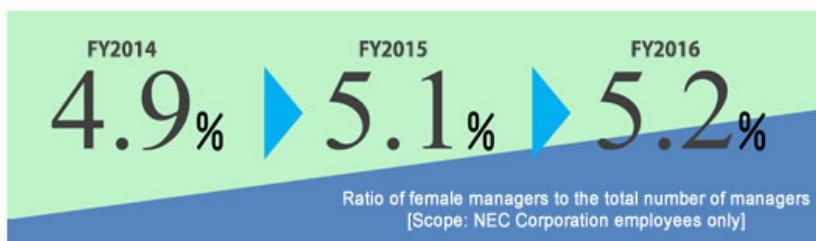| Objective	• Steadily implement human rights due diligence coordinated with formulation of the NEC Group Human Rights Policy.

Related Contents

▶ Respecting Human Rights

Diversity and Inclusion

NEC promotes diversity as an enabler to meet the demands of society and to create the platform for growth that will allow us to compete globally, as set forth in our Mid-term Management Plan.

This means arranging for a diverse range of people to work in our various organizations and departments and fostering environments that allow the exchange of various points of view. This helps to develop different ideas and is an important part of our management strategy.

In addition to diversity in terms of race, gender, age, nationality, ethnicity, religion and with or without disabilities, diversity in terms of work styles, careers, points of view and values is also important for NEC. We are committed to contribute to the developing of a society in which "diversity and inclusion" are the norm, where everyone can be given the chance to demonstrate their abilities.

FY2014 **4.9%** FY2015 **5.1%** FY2016 **5.2%**

Ratio of female managers to the total number of managers
[Scope: NEC Corporation employees only]

Promoting Diversity

Diversity means mutual respect and mutual recognition for individual differences, in personality or personal attributes, and is based on the thinking that everyone should respect difference because everyone is truly different. In terms of attributes, people differ by race, gender, age, nationality, ethnicity, religion and ability or disability, but there is also diversity of working styles, careers, perspectives, values and more.

"Think About Your Career, Your Dreams"

NEC will continue to create an environment in which women can fully utilize their abilities and talents.

Viewing Diversity More Positively

To create new innovations, corporations must create a culture in which diverse ideas and opinions can be proposed by a wide variety of people and that maximizes the personalities and characteristics of those people. NEC believes that it is important for each individual employee to be aware of every form of harassment and ensure that harassment does not occur in the work place.

Policy

Diversity means mutual respect and mutual recognition for individual differences, in personality or personal attributes, and is based on the thinking that everyone should respect difference because everyone is truly different. In terms of attributes, people differ by race, gender, age, nationality, ethnicity, religion and ability or disability, but there is also diversity of working styles, careers, perspectives, values and more.

Besides addressing changes in the working population and demands from society, such as changes to labor laws and regulations, NEC is fostering an environment that promotes the success of a diverse array of human resources in various organizations and divisions along with incorporating multiple perspectives and ideas. We see this as an important management strategy, as well as a crucial approach to creating a foundation for growth that will enable us to compete globally, as set forth in "Mid-term Management Plan 2015".

We have defined "Respect each individual," as a principle of action for promoting diversity within the NEC Group Core Values.
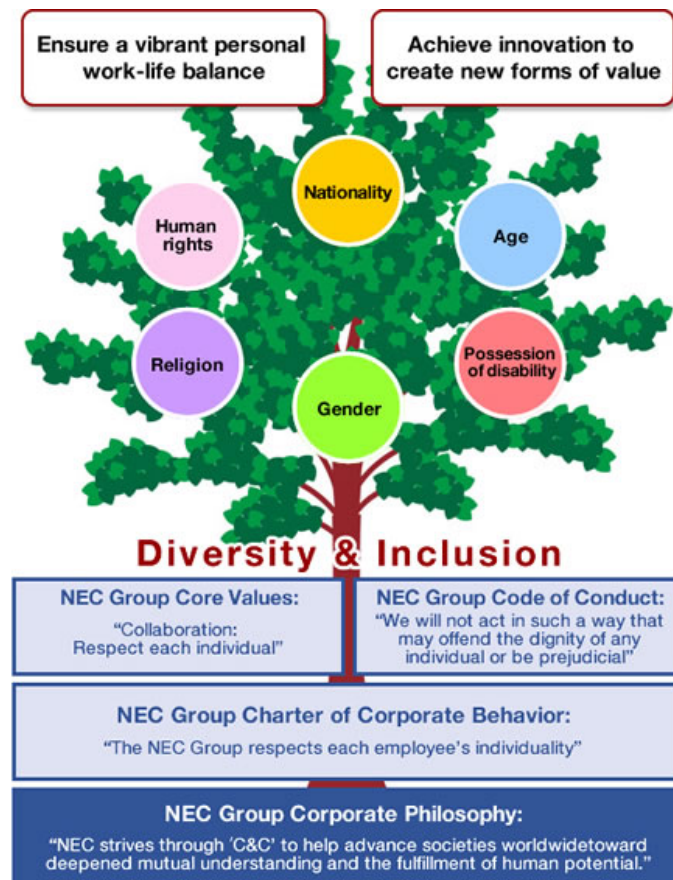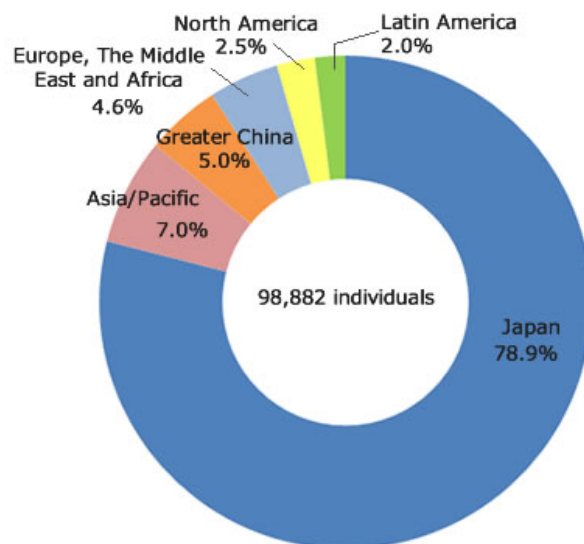

Framework and Systems

In July 2013, NEC established the Diversity Promotion Group within the Personnel Affairs Division as a dedicated unit to promote diversity across the Company. The Group is responsible for deploying and enhancing a wide range of initiatives, including promoting women's success in the workplace; employment of people with disabilities; more effective recruiting of and communication with non-Japanese students; and supporting the success of seniors. The Group considers its most important mission to be leveraging the personalities and characteristics of the diverse human resources within the group and creating an atmosphere enabling maximization of abilities and a system that supports doing so. The Diversity Promotion Group is responsible for implementing initiatives concerning the following diversity-related themes and building frameworks for cooperation among the relevant divisions.

Policies and Systems

Promoting Global Recruitment of Human Resources

NEC Corporation is working to recruit non-Japanese individuals who possess the skills and specialized knowledge needed by the Company in the areas of research, technology, sales and corporate administration, with the view to achieving global business expansion. Through these efforts, NEC strives to increase the quality of its workforce and promote diversity in each area. NEC Corporation has proactively provided opportunities for employees of overseas subsidiaries to work at NEC Headquarters to facilitate interaction with these personnel and develop human resources. For further details on other initiatives to develop global human resources, please see the Human Resources Development section of this Website.

Ratio of Employees by Region as of March 31, 2015 [Scope: NEC Corporation and Consolidated Subsidiaries]

North America 2.5%
Latin America 2.0%
Europe, The Middle East and Africa 4.6%
Greater China 5.0%
Asia/Pacific 7.0%
Japan 78.9%
98,882 individuals

Promoting Women's Success in the Workplace

NEC has appointed and promoted personnel irrespective of gender even before the enactment of the Equal Employment Opportunity Law in 1985, and the proportion of female college graduates hired in recent years has ranged between 20% and 25% percent. Meanwhile, the ratio of female managers to the total number of management staff now exceeds 5%, and there are 96 women (approx. 3.5%) working at the executive level as Division leaders or branch managers.
Under its Action Plan for Promotion of Women to Board of Director and Managerial Positions (at the Keidanren website), NEC has announced the following voluntary action plan.

1. Increase the ratio of women in the post of general manager or higher to 5% as of April 2018.
2. Support and strengthen career awareness training and network development for mid-career and younger employees, led by women managers primarily in the upper management levels.
3. Strengthen support for employees seeking to balance work and childcare (management training, return-to-work seminars, post-return career development planning support, etc.).
4. Promotion of workstyle innovation utilizing ICT, premised on increased diversity.

In fiscal 2015, a variety of activities and events were conducted in accordance with the above Action Plan. Going forward, the success of women is seen as essential to innovation and the generation of diverse ideas on a global level, and these measures are being promoted in part with the production of future executives in mind.

Workforce by gender [Scope: NEC Corporation employees only]

	FY2013	FY2014	FY2015
Male	19,195	19,947	19,660
Female	4,166	4,290	4,322
Total	23,361	24,237	23,982

Number of female managers and ratio of female managers to the total number of managers [Scope: NEC Corporation employees only]

Fiscal Year	FY2013	FY2014	FY2015
Managers	379(4.9%)	390(5.1%)	386(5.2%)
Department manager or higher	98	105	96

Promoting Employment of People with Disabilities

NEC Corporation has established a central committee to promote hiring of people with disabilities, chaired by the senior executive vice president, while the director with responsibility for personnel affairs serves as the vice chairman of the committee. The Company is building a system to deliberate and formulate basic initiatives relating to recruiting people with disabilities and promote their employment.

When recruiting for such positions, NEC provides a contact point for the employment of people with disabilities, and holds corporate orientations with due consideration to the needs of the disabled, including by providing sign language interpreters and PC-based text interpreting. NEC also provides support during the selection process and after those with disabilities have joined the Company. NEC also provides opportunities for a diverse array of people to apply for jobs, including through proactive participation in joint job interviews for people with disabilities organized by public employment security offices (Hello Work) and other organizations.

In fiscal 2015, NEC continued its nationwide efforts begun in fiscal 2014 to step up recruitment of people with disabilities, including sales offices. NEC has also been working to develop worksites where people with disabilities can succeed as a driving force behind operations, though proactive efforts to expand occupational fields as part of business expansion.

In other initiatives, NEC is broadening the scope of recruitment of people with disabilities by continuing to increase its knowledge Group-wide on the characteristics of disabilities and related work aptitude in cooperation with experts and support organizations such as unemployment offices and non-profits. At the same time, NEC is also working to diversify working styles through such means as adopting new employment formats.

Specialized Company NEC Friendly Staff, Ltd

In March 2003, NEC established NEC Friendly Staff, Ltd. as a specialized company for employing people with disabilities. This company actively employs people with intellectual and mental disabilities, and as of April 2015 had hired 33 such individuals. At its offices located in the NEC Fuchu Plant, the company primarily provides administrative support, cleaning and afforestation services, as well as support for Company-wide social contribution activities.

In April 2014, the company also established an office on the grounds of NEC Headquarters in Minato-ku, Tokyo, providing new administrative services —primarily conversion of sales-related contracts to PDF format—with six employees, including supervisory staff.

NEC hopes to continue expanding the range of services provided by this special purpose company, splitting off a diverse range of clerical support duties beginning with document PDF conversion.

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

	FY2013	FY2014	FY2015
NEC Corporation	1.90%	2.00%	2.03%
Domestic consolidated subsidiaries (average)	1.90%	2.03%	2.06%

Supporting Diverse Work Styles for Seniors

NEC Corporation has implemented systems that enable employees to individually choose their career support programs. These systems are designed to meet the diverse needs of employees seeking to start a new career outside the Company or those approaching retirement age. For employees choosing to plan and prepare for new careers outside the Company, NEC provides programs that support these kinds of proactive life planning initiatives by providing assistance with the associated financial and time requirements. Since 1998, NEC has offered three systems that provide support by granting periods of leave to employees aged 45 and over for skills training and development, provide financial assistance for post-retirement career support and subsidize the costs of related skills training.

In addition, NEC provides a system that enables employees who wish to work beyond the age of 60 to extend their employment to a maximum age of 65. This system is offered with the intent of giving highly motivated and skilled personnel the opportunity to continue being active in the workplace. Since fiscal 2016, NEC has also begun a personnel recruiting system for those extending their employment that works to match the needs of individuals and hiring organizations, based on type of work desired, job description, employment terms and other conditions.

Promoting a Healthy Work-life Balance

NEC Corporation strives to enhance the programs it provides in support of employees achieving a balance between work, childcare and nursing care. It has offered childcare and nursing care leave systems ahead of other companies and since before such systems were mandated by law.

Childcare Support

In addition to its other initiatives intended to support a balance between work and childcare, since 2005 NEC has implemented a number of measures based on its own action plan in line with the Act on Advancement of Measures to Support Raising Next-Generation Children.
Specifically, in 2005 NEC introduced the following systems: (1) Fee subsidies payable to employees using local public childcare support services (subsidies for family support service usage fees; and (2), subsidies for relocation expenses incurred to provide childcare (childcare support system). To increase the number of employees using these systems, NEC relaxed certain conditions for their use in 2012 and again in 2014.
As a result of initiatives that included management training on work-life balance and brush-up training for employees on childcare leave, these programs were recognized and the Company received the next-generation accreditation mark ("Kurumin") in fiscal 2008 and fiscal 2013.
Other measures not included in the action plan are gradually being introduced, and in 2014 NEC extended the applicable period for its system of reduced working hours for childcare.

Nursing Care Support

With the increase in the population of the elderly, and the rising number of people certified each year as requiring nursing care or support, NEC considers providing care to older generations as a crucial issue, and is working to enhance nursing care projects that will support employees' own efforts to balance work and care for family members.
First, NEC has introduced the "Nursing Care Relocation Expense Subsidies" system, under which NEC will provide subsidies for relocation expenses incurred by employees who have their parents move in with them or move nearby so that they can provide nursing care. Second, NEC Corporation has implemented a "Nursing Care Setting Development Assistance Payment" system to help alleviate the financial burden of nursing care. Under this system, NEC provides subsidies for large costs incurred by employees due to changes in nursing care methods for parents requiring a high degree of nursing care support, such as home renovations, or relocation into nursing homes. Third, NEC Corporation has launched a nursing care support website to help reduce any feelings of isolation or frustration experienced by nursing care providers. The website is a portal site mainly providing in-depth nursing care-related information and a forum for nursing care providers to share their views in their own words.

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

FY2013	FY2014	FY2015
73%	74%	75%

Number of people utilizing childcare and nursing care systems [Scope: NEC Corporation]

	FY2013	FY2014	FY2015
Childcare leave	409	382	381
Reduced working hours for childcare	770	753	814
Nursing care leave	18	25	16
Reduced working hours for nursing care	17	22	17

History of introduction of systems to support balance of work with childcare or nursing care of NEC Corporation

FY	Systems Introduced
2015	• Extended applicable period for reduced working hours for childcare (extended from the completion of the third grade to completion of the sixth grade of elementary school). • Enhanced subsidy for family support service usage fees (Private facilities under contract with or introduced by national or municipal governments added to subsidy eligibility). • Enhanced subsidy for relocation expenses incurred to provide nursing care ("Employee's child" added to those receiving care and eligible for subsidy payments). • Enhanced subsidy for Nursing Care Setting Development Assistance Payment ("Employee's child" added to those receiving care and eligible for subsidy payments).
2013	• Added reasons of special days off due to substitute holidays of schools and temporary class closures to the Family Friendly Leave system • Extended applicable period for telecommuting system －(Extend from the end of third grade to the end of sixth grade) • Extended applicable period for subsidies for family support service usage fees－(Extend from the end of third grade to the end of sixth grade) • Enhanced childcare support system －(Revise requirements for the application of the system to "daycare centers providing childcare until 20:00")
2011	• Introduced nursing care leave－(Employees can obtain up to 5 days multiplied by the number of family members requiring nursing care) • Added reasons of sickness prevention for children before entering elementary school to the Family Friendly Leave system • Exempted employees raising children younger than the age of 3 from overtime work • Increased the number of times childcare leave can be obtained－up to twice per child • Offered subsidies for relocation expenses incurred to provide nursing care • Introduced a subsidy program for expenses (up to \200,000 a year) related to changes in nursing care methods, such as home renovations or relocation into a nursing home • Launched a nursing care support website
2009	• Retiree re-entry system——a re-employment system for people who have left the Company for reasons such as spouse relocation, childcare and nursing care, provided certain requirements are met. • Eliminated eligibility requirements for childcare reduced working hours and childcare leave systems——Enabled employees to utilize these systems even if they have a spouse or parents who are able to devote themselves to childcare • Child nursing leave can be obtained according to the number of children
2008	• Expanded services subject to fee subsidies payable to employees using local public childcare support services and extended subsidy period——to end of third grade • Introduction of financial support system for fertility treatment (up to 200,000 Japanese yen) a year
2007	• Reduced working hours extended——to third graders, in special circumstances • Extended applicable period for telecommuting system to end of third grade • Extended Family Friendly leave to employees with morning sickness or undergoing fertility treatment • Extended leave for employees in fertility treatment
2006	• Created Intranet website on support systems available • Fee subsidies payable to employees using local public childcare support services; mobilization of retired NEC employees for voluntary childcare programs • Offered relocation expenses to provide childcare
2005	• Introduced Family Friendly Fund: Payments to employee or dependent giving birth of \550,000 per child • Extended applicable period for reduced working hours for childcare • Reduced working hours calculated in 30-minute units
2003	• Family Friendly Leave revised: Medical and nursing care leave system revised. In addition to existing reasons for medical care and nursing, added reasons of birth by spouse, sickness prevention for employees and family members, including immunization, nursing care of family members, family members' school events such as parents' days, and volunteer activities.

FY	Systems Introduced
2001	• Extended nursing care reduced working hours: From three years until nursing care is no longer needed. • Reduced working hours for childcare extended: From age three, end of March, to the start of elementary school. • Telecommuting system
1999	• Childcare coupon system: Provision of discount coupons for All-Japan Babysitter Association babysitter services.
1998	• Childcare coupon system: Provision of discount coupons for All-Japan Babysitter Association babysitter services.
1993	• Nursing care reduced working hours • Childcare reduced working hours • Medical and nursing care leave: Leave systems that are separate from the annual leave system; they enable employees to take leave for the purpose of treatment of sickness and injuries and medical care as well as to care for family members.
1991	• Childcare leave • Nursing care leave

Related Contents

▶ Main Activities and Results

▶ Objectives and Achievements

Promoting Diversity

Main Activities and Results for Fiscal 2015

Promoting Global Recruitment of Human Resources

Between fiscal 2007 and fiscal 2013, NEC hired around 15 international students each year on average. Since then the Company has set a target of having international students account for 10% of planned new hires and has conducted hiring activities on this basis. In fiscal 2014, the number climbed to 47 students, or 13% of hires. In addition to continuing to hire international students in Japan, in fiscal 2015 the Company also began hiring directly from universities overseas, with 64 graduates hired that year and another 67 foreign students joining as new hires in fiscal 2016.
NEC has created a system that allows foreign students, as well as Japanese students not graduating in March (as is the custom at Japanese universities) due to having attended or studied abroad at a university overseas, to join the Company in October. Moreover, with more foreign nationals being hired and joining the Company, NEC has worked to create the conditions that allow for diverse human resources. These efforts have included making available English versions of procedural documents used when employees are initially hired and various other Company documents, as well as conducting a portion of new employee training in English.

Promoting Women's Success in the Workplace

In fiscal 2015, NEC implemented a number of measures and events designed primarily around career development and awareness raising for women.

Interviews with Division Managers as Part of Management Training and Appointments

Given the basic importance of individual development in the appointment of women to management positions, NEC has conducted interviews with a number of Division managers who are responsible for nurturing these individuals. The interviews focused primarily on identifying the kind of career and experience necessary in management, the personal awareness women managers bring to their jobs, and the areas in which women managers can expect to be successful. The interviews also reached out for opinions and suggestions regarding management and review of working styles for those working reduced hours for childcare, or others working under time limitations.

Round-table Dialogue Held by Female Managers for Mid-career and Younger Female Employees

In December 2014, a diversity promotion event entitled "Thinking About Our Careers and Our Futures" was held. The event, a round-table dialogue for female employees sponsored by Scarlet Elegance in NEC (also known as SELENE), a volunteer organization of women managers, was attended by approximately 80 mid-career and younger employees.

Related Contents

▶ "Think About Your Career, Your Dreams"

Seminar for Employees Returning from Childcare Leave

In February 2015, approximately 50 employees on childcare leave attended a seminar held for those on childcare leave who would soon be returning to work. The seminar was held with the goal of empowering these returning employees to balance work and childcare, while doing more to enhance their own careers. It provided information about the latest moves by the Company and its policies and systems designed to support work-life balance, and, through group work, enabled the participants to come up with scenarios for their own work-life balance following their return to work. In group discussions, employees living near one another were encouraged to get together as a way of giving them a chance to share useful information about municipal childcare and other support services specific to where they live.
The seminar also featured a lecture entitled "Emotion Management Techniques for Work and Childcare," a class designed to teach employees self-management techniques for effectively handling the negative emotions caused by the stress of balancing work and childcare, and for bringing a more positive approach to their work.

At the seminar

Career Development Event Held for Women in Sales

Among sales personnel committees Company-wide, cross-Company development of female sales personnel and future leaders is considered a very important issue. This is why, since fiscal 2014, NEC has held nationwide networking events and leadership training for women in sales positions. These events create opportunities for women to discuss their careers with executives, managers and other senior employees, and are part of an effort to expand the participants' networks and their view of their working potential to a nationwide level. By holding networking events between sales personnel in other industries, NEC also supports networking with individuals outside the Company, further expanding the viewpoints and thinking of those who participate.

Senior employees discussing their experiences

Group discussion

Promoting Employment of People with Disabilities

Since fiscal 2013, NEC has been offering shared employment support services using NEC Management Partner as a point of contact, with the goal of strengthening cooperation among NEC Group companies with regard to hiring people with disabilities. Regular NEC Group joint interviews for those with disabilities, both new college graduates and mid-career hires, were held in the Tokyo and Osaka regions. While recruitment at NEC traditionally focused on the Keihin are (Tokyo and Yokohama), efforts were made in fiscal 2015 to strengthen hiring through sales bases nationwide, as had been the case in fiscal 2014.

In June 2014, an employment promotion study session was held on the subject of non-discrimination and reasonable accommodation, targeting those responsible for hiring people with disabilities at NEC Group companies nationwide. NEC also provides support as needed to individual Group companies requesting advice on hiring and other issues.

As of June 1, 2015, the percentage of employees with disabilities was 2.03% at NEC Corporation, and 2.06%, on average, for domestic consolidated subsidiaries as of June 1, 2015.

As part of efforts to train and continue employing people with disabilities, NEC arranges for 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. In the course of daily work at the Company, NEC is barrier-free and considers those commuting by automobile, while addressing facility and equipment improvements where possible to allow people with disabilities to commute to work normally.

Promoting a Healthy Work-life Balance

As part of promoting a positive work-life balance, NEC is engaged in initiatives designed to bring needed innovation to work styles and reduce long work hours. One of these new initiatives has been an effort to encourage employees to take their allotted annual paid leave, based on a Company-wide common standard derived through discussions with employee labor unions. By approaching both employees whose usage of annual paid leave is low and their supervisors, the program promotes systematic use of leave and an overall reduction in actual working hours.

NEC also worked to expand individual kaizen (improvement) activities carried out at the individual, team and worksite levels throughout the Company by sharing activities related to work-life balance conducted by individual organizations. Best practices, both from within and from outside the Company, 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.

Promoting Diversity

In January 2015, Yoshie Komuro, CEO of Work Life Balance Co., Ltd., was invited to speak at an NEC Group Diversity Promotion seminar. Over 230 people listened to her speak on the topic of "Promoting Diversity as a Corporate Strategy: The Secret is Work-Life Balance," including President Endo and all of the Company's directors, Division managers, the presidents of NEC Group companies, and those in charge of personnel divisions and diversity promotion.

During the seminar, Ms. Komuro offered a number of interesting discussions, among them how work styles will evolve during the population onus, as the labor force shrinks and labor costs soar; how the pursuit of hourly productivity should assume time constraints not only due to employees on reduced hours for childcare, but also on male employees responsible for nursing care; and the approaches needed to manage a diverse workforce. Nearly everyone who participated found the lecture useful, and in a follow-up questionnaire, an item asked, "What issues do you plan to take immediate action on?" This yielded responses from Division managers that included the following:

President Endo questioning the speaker

- Promote greater visualization and sharing of work, and eliminate overdependence on individuals.
- Raise management staff awareness, while also emphasizing productivity on an hourly basis.
- Bring to zero the number of meetings scheduled to start outside of business hours.
- Be more conscious of words and actions that demonstrate work-life balance.
- As a divisional head, I'd like to first reexamine my own working methods and day-to-day life.

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

| Policy and Systems | Main Activities and Results | **Objectives and Achievements** |

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

(1) Promoting 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) Promoting employment of 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 2015 Achievements and Progress, and Degree of Completion

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

Promoting Diversity in the Workplace

Objectives	(1) Promoting Women's Success in the Workplace • Implement mid-term development plans for management candidates with the goal of producing even more upper-level management staff • Conduct career development and support seminars for mid-career and younger employees • Conduct management training for supervisors (career development, work-life balance, etc.) (2) Employment of people with disabilities • Continue to bolster hiring, including at sales offices • Develop new job categories and expand employment centering on the special subsidiary • Domestic consolidated subsidiaries: Achieve the statutory ratio of people with disabilities at all consolidated subsidiaries. (3) Promoting Employment of Non-Japanese • When hiring new graduates, implement hiring directly from overseas universities in addition to hiring of foreign students in Japan.

Achievements and Progress	(1) Promoting Women's Success in the Workplace
	• Action Plan for Promotion of Women to Board of Director and Managerial Positions announced on the Keidanren website.
	• The following policies and events were implemented, primarily focused on career development and awareness training for women.
	  • Interviews with Division managers as part of management training and appointments
	  • Career awareness and education events by women managers for mid-career and younger employees
	  • Seminars for employees returning from childcare leave
	  • Career development events for women in sales positions.
	
	(2) Employment of people with disabilities
	• Actual employment ratio NEC Corporation as of June 1, 2015 is 2.03%.
	• The ratio of employees with disabilities at domestic consolidated subsidiaries was 2.06% on average as of June 1, 2015.
	• A study session was held for those responsible for hiring of people with disabilities at NEC Group companies, on the subject of non-discrimination and reasonable accommodations (June 2014).
	
	(3) Recruitment of non-Japanese individuals (new graduate recruits)
	• 67 new graduates were hired, including direct hires from overseas universities.

Degree of Completion	Mostly achieved

Promoting a Healthy Work-life Balance

Objectives	Further promotion of Work Style Innovation.
Achievements and Progress	• Measures implemented in fiscal 2014 to encourage usage of annual paid leave were strengthened. • Reductions in average overtime hours and the number of employees who worked long hours was largely unchanged
Degree of Completion	Some progress

Fiscal 2016 Objectives

Promoting Diversity in the Workplace

Medium-Term Objectives	(1) Promoting women's success in the workplace • Systematic appointment of women to Division manager or higher positions, with the potential for producing directors, and creation of a personnel development framework (to bring the ratio of women to 5% by April 2018.). (2) Employment of 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
Objectives	(1) Promoting women's success in the workplace • Development and systematic appointment of women to positions of Division manager and higher. • Career awareness training and network development for mid-career and younger employees, driven by women in management, primarily at the Division manager level. • Strengthened support for employees attempting to balance childcare and work. (Management training, return to work support seminars, post-return career development support measures, etc.) • Promotion of work style innovation that takes into consideration the use of ICT, etc. to improve productivity on an hourly basis. (2) Employment of people with disabilities • Continue to bolster hiring, including at sales offices • Develop new job categories and expand employment centering on the special subsidiary • Domestic consolidated subsidiaries: Achieve the statutory ratio of people with disabilities at all consolidated subsidiaries. (3) Recruitment of non-Japanese individuals (new graduate recruits) • Conduct new graduate recruitment activities targeting non-Japanese recruitment that represents 15% of the planned total number of recruits.

Promoting a healthy work-life balance

Medium-Term Objectives	Entrench a healthy work-life balance
Objectives	Further promoting reform of work styles • Encourage employees with low paid leave usage to take their annual paid leave • Reduce the number of employees working nighttime and weekend/holiday shifts • Encourage use of interval system between shifts and use of compensatory leave • Encourage use of Family Friendly leave for the purpose of childcare

Related Contents

▸ Policy and Systems

▸ Main Activities and Results

"Think about Your Career, Your Dreams"

An interactive Event for Young and Mid-career Female Employees Held by Female Managers

On December 8, 2014 NEC held a diversity promotion event, "Think About Your Career, Your Dreams." This was an interactive event for female employees held by "SELENE" (Scarlet Elegance in NEC), a volunteer group of NEC female managers. About 80 young and mid-career female employees took part in this event.

Two Goals

The SELENE members planned this event because of their desire to help women working at NEC to succeed. We had two goals that we wanted to achieve through this event.

1. Have participants realize that there are many options for their career plans, life plans, and work styles.
2. Have participants meet many different people from within the company with whom they can discuss their work and private matters.

Makiko Yoshida SELENE
Chairwoman Research
Project Department,
NEC Central Research Laboratories

Learning from a Former Employee

Fusako Utsumi, chairwoman of the NWEC of Japan and a former NEC employee, was asked to give the keynote speech about women and their careers.
After entering NEC in 1971, Ms. Utsumi worked in the Basic Software Development Division and the Human Resources Development Division. She became a director at NEC Software (now NEC Solution Innovators, Ltd.) in 2001, and president of NEC Learning, Ltd. (now NEC Management Partner) in 2005.
At the time Ms. Utsumi entered NEC, it was generally difficult for women to continue working at a regular company, and there were limited options for women who wished to do so. However, because she had studied computers in college, Ms. Utsumi was determined to enter a regular company and utilize her skills.
Ms. Utsumi used her own experiences to convey a strong message to the participants.

Fusako Utsumi Chairwoman
National Women's Education
Center of Japan
(an incorporated administrative agency)

"Put Forth Your Best in Your Current Job"

It is important that you put forth your best in your current job. It is a great thing to have a job. If there is anyone who cannot do their best in the job they are currently doing, maybe they should change how they are working?
Some of you might be thinking that it is difficult to work both inside and outside the home, and that you are failing in both these roles. I, too, was troubled by this question. But, maybe you are questioning yourself because you think that raising children is women's work.
Compared with other developed countries, Japan is lagging behind when it comes to gender equality. But things are gradually changing. The number of women and men who think it is better for women to have careers is increasing, and the number of men who take leave to help with childcare is also increasing.

"Don't Rush, and Take on Challenges with Confidence."

I am also sure that there are some of you who feel that you have been left behind by your peers because you had to take maternity leave and childcare leave. But life is long and there is no need to rush.
For example, even if you are 40, you still have another 20 years before you reach retirement age. You can do many things in 20 years. It is not too late to start from scratch at that age. This is the type of thinking that you must adopt: you must look at your career from a long-term perspective. I hope that female employees will be confident and challenge the unknown.

Exciting Discussions between People from Different Organizations

After the speech, the participants were divided into teams and assigned themes to discuss. Afterwards, the teams presented a summary of their discussions.

An Event Organized In-house that Energized the Participants and the Company

President Nobuhiro Endo attended the social gathering after the event, and the SELENE members said that they would like to hold events such as this regularly because they energize both participants and the organizers.

"NEC will Promote Opportunities for Women" Message from President Nobuhiro Endo at the Social Gathering

I believe that a woman's perspective is necessary for NEC to build an effective social infrastructure. There are limitless areas in which women can excel.
NEC will continue to create an environment in which women can fully utilize their abilities and talents.
I would like to hear your ideas about how the company can support your activities.
I truly hope that women will shine within the NEC Group.

Related Contents

▶ Promoting Diversity
▶ Viewing Diversity More Positively

Viewing Diversity More Positively

To create new innovations, corporations must create a culture in which diverse ideas and opinions can be proposed by a wide variety of people and that maximizes the personalities and characteristics of those people. NEC believes that it is important for each individual employee to be aware of every form of harassment and ensure that harassment does not occur in the work place.

Founder and CEO Mika Yakushi, ReBit, an NPO whose mission is to engage in "education promotion projects that will allow LGBT* children to become the adults they want to be," and graduate of the 2014 NEC Social Entrepreneurship School (the 13th year), met with members of the Diversity Promotion Group in the NEC Human Resources Development Division to discuss how to improve mutual understanding.

"Start by learning about LGBT"

To date, Mr. Yakushi has held about 150 lectures about LGBT at junior high schools, senior high schools, universities and boards of education. Over 15,000 participants have attended these lectures. She has also held "LGBT Coming of Age Ceremonies" at seven locations around Japan, and has helped young LGBTs find employment.

Referring to her own experience as a child who did not have any hope for the future because there were no LGBT adults around her, Mr. Yakushi asserts that companies must get involved with LGBT rights right now.

NEC agreed, and decided to start by learning more about LGBT. The Human Resources Development Division held discussions and also conducted in-house training called "Companies and Human Rights" for all employees.

The HRD Division and CSR Division plan to work together and organize more opportunities to meet with Mr. Yakushi.

First discussion

Second discussion

*   LGBT stands for Lesbian, Gay, Bisexual and Transgender.
    It is meant to refer to all sexual minorities.

Related Link

▶ NEC Social Entrepreneurship School

Related Contents

▶ Promoting Diversity
▶ "Think about Your Career, Your Dreams"

Innovation Management

Approach to Innovation Management

To promote its vision of "Solutions for Society", NEC requires a mechanism to grasp social issues at a global Scale, and drive innovation toward resolving these issues, and create new value. NEC has established the Central Research Laboratories and the Business Innovation Unit, two organizations designed to manage innovation in technology and business, respectively, across the Company.

The mission of the Central Research Laboratories, which drive innovation in technology, is to use their technological strengths and co-creation of value with customers to generate advanced technologies that help create social value, thus being the driving force for growth for NEC. Meanwhile, the Business Innovation Unit was established in 2013 as a new organization under the Chief Marketing Officer (CMO) to drive business innovation. At NEC, each business unit promotes innovation at the individual product or solution level, while the Business Innovation Unit is responsible for strategic proposals involving core business areas company-wide, and for promoting business model reform that go beyond the boundaries of the existing business handled by each business unit.

To see that this kind of new value creation activity spreads throughout the Company and to continually generate world-class innovation, we believe NEC must focus on business areas where it can provide greatest value by leveraging its technical strengths and expertise. At the same time, further refinement in value will be pursued through co-creation by open innovation with partners and proof of concept with customers that will enable us to offer new solutions unique to NEC.

Management through Technology and Business Innovation

Research & Development Management that Aims for Co-creation of Value

With their vision of serving as a "Value Co-creation Research Laboratory," the Central Research Laboratories pursue research and development by collaborating in a variety of ways with both customers and partners. Specifically, this means a highly advanced integration of customer's expertise with NEC's advanced technologies enabling a speedy and effective way to create new value toward "Solutions for Society" with the customer.

This is why NEC must not only utilize its own technology, but partner with all types of research institutions and universities across the world. Such collaboration can only be possible if NEC possesses truly outstanding technology to co-create world-class solutions and why it strives on the research and development of "No. 1" and "Only 1" technologies as its core competence and strength unique to NEC.
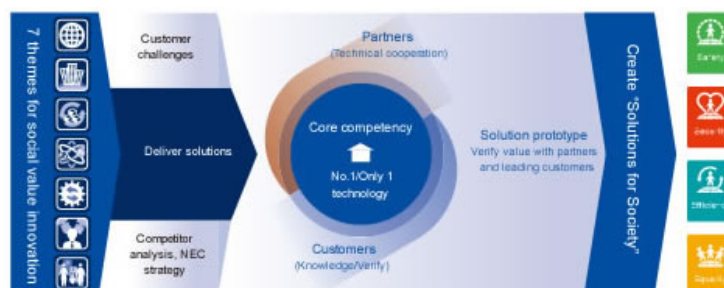
To drive the creation of global social value, NEC has established R&D sites in North America, Europe, China, Japan and Singapore, and promotes R&D at each of these sites that leverage the geographical advantages of each region.

At NEC Laboratories America, NEC is strengthening its partnerships with local universities and research institutions, generating a considerable number of core technologies centered primarily on the field of machine learning. At NEC Laboratories Europe, NEC is an active participant in EU projects, and is promoting standardization, primarily in the network field, as well as R&D marketing and development of core technologies. At NEC Laboratories China, work is underway to develop and demonstrate new technologies for the vast Asian market.

At these institutions, NEC is also working to promote a partnership strategy with more advanced customers as well as leading-edge universities and research institutions. Through collaboration with world-class universities and research institutions, we are working to enhance our technology from a solutions viewpoint, while establishing an advantage over competitors in our technologies.
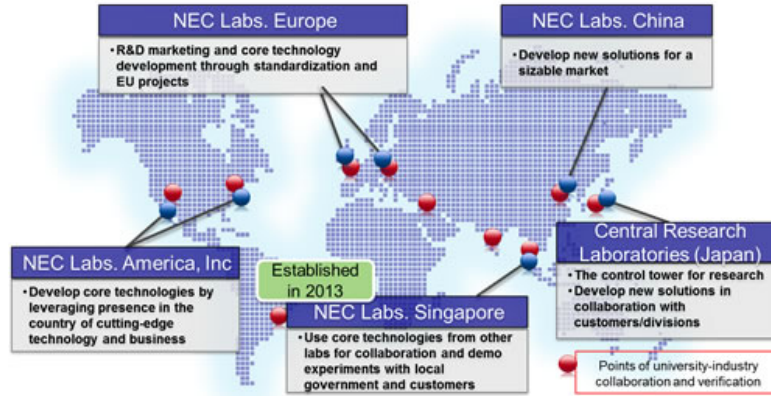
Five-region Global Research System

Additionally, in September 2013, NEC established NEC Laboratories Singapore (NLS) as a central site for generating new businesses through collaboration and demonstration of technology with partners and customers. New technology developed at each of our research sites is brought to NLS, where we are working with the government, research institutions, universities, and our customers to build a flexible system for joint research. At the same time, NEC actively participates in projects for seeking out new solutions to urban problems, and in creating new solutions utilizing NEC's own cutting-edge technologies. These solutions will be deployed in a variety of countries and regions where the need for more advanced social infrastructure is particularly high, including the countries of ASEAN and South America.
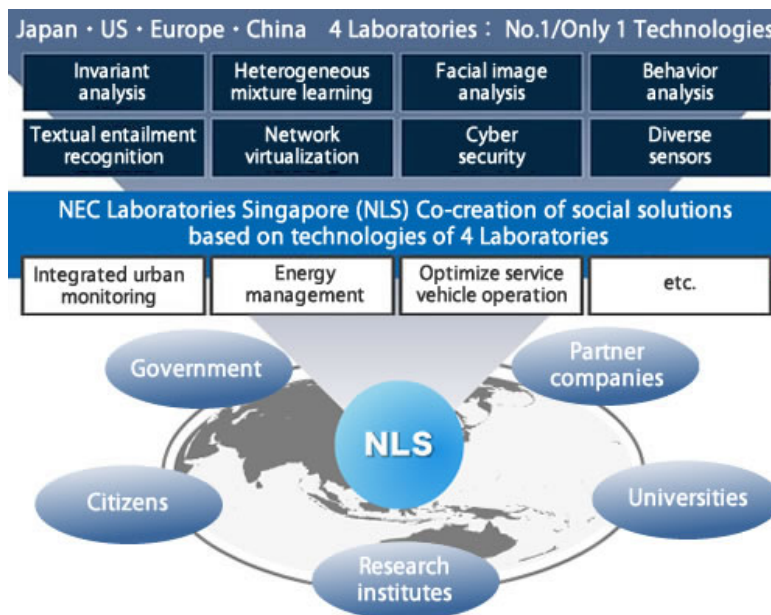
Position and Role of NEC Laboratories Singapore

Creating a Corporate Culture of Business Innovation and Promoting New Business

NEC's president, chief executive officers, and the heads of its business units use regular information-sharing opportunities and open discussions at off-site meetings to share ideas about the kind of corporate culture NEC should be cultivating to generate business innovation and create social value. The Business Innovation Unit also hosts a Company-wide Strategic Investment Committee, where decisions are made regarding the development of business value from a cross-company viewpoint.

The Business Innovation Unit has also established a Strategy Division. Its mission is to boost new businesses in the four domains that NEC is focusing on as a whole, in order to globally expand its "Solutions for Society", including Big Data, Software-Defined Networking (SDN), cyber security, and cloud service platforms. By doing so, they are promoting the creation of new social value that goes beyond existing organizations or business models.

The Business Innovation Unit also brings together the functions of corporate marketing, government liaison, technological innovation strategy, and business innovation strategy to provide a framework for creating new businesses and reform existing ones.

For example, through its business innovation function, the Unit is working to develop a framework for collecting ideas for creating social innovation from around the company, turning them into working business models, and accelerating their commercialization. Two such examples are the strategic investment program that supports the search for new value, and the Business Incubation Challenge. Efforts are also underway to deploy educational programs, set up and nurture in-house support systems (accelerators, designers), develop partnerships with outside entities, and promote both internal and external dialogue through measures such as the use of shared creative work spaces.

These efforts are part of a business development ecosystem that facilitates interaction. By managing this ecosystem across the NEC Group as a whole, the Group is establishing and strengthening a system that continuously generates new innovation.

Business Development Ecosystem
for Driving Business Innovation
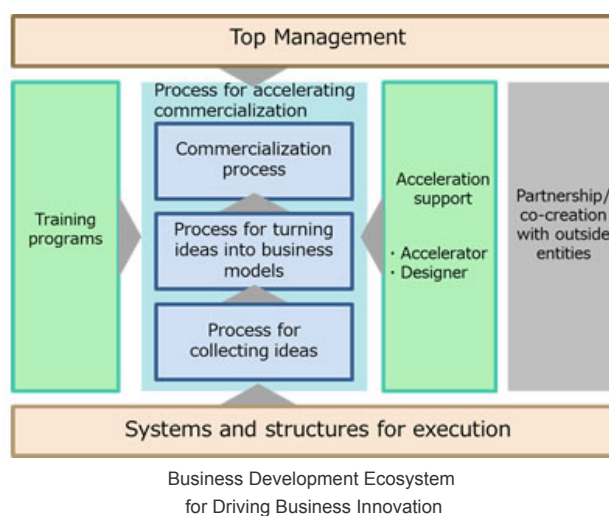
Developing Human Resources to Support Innovation

Diversifying Human Resources

Human resource diversity is important in creating "Solutions for Society" globally. Today, NEC is working to change its organization so that rather than bringing together people of similar expertise, we bring together people from a wide variety of specialties who respect one another regardless of gender or nationality, and who can conduct wide-ranging discussions that will help generate major innovations.

For example, NEC is building a strong research network, globalizing its R&D laboratories by aggressively hiring the top people locally for each of its laboratories outside of Japan. At the same time, NEC has also increased its hiring from universities overseas and of foreign students in Japan for positions at its Central Research Laboratories. NEC also utilizes a variety of in-house and external educational programs, some in collaboration with NPOs, for its Japanese researchers including international volunteer programs in emerging nations and overseas training, as part of an effort to encourage transforming from strictly domestic personnel into global human assets.

Cultivating the Business Mindset

Creating new value requires more than research laboratories or business model transformation departments. It requires the cultivation of a mindset geared toward generating innovation, at every level from executive management to rank-and-file worker.

At NEC, all employees involved in developing "Solutions for Society" not only need an understanding of social issues, but must also be able to actually use their knowledge and skills to solve these issues. To develop such human resources, NEC is working to provide business development training that incorporates lean start-up principles and design-oriented thinking.

In addition, by sharing the commercialization processes and tools for turning ideas into businesses across the NEC Group as a whole, including its overseas subsidiaries, those involved in business development will come to share a common language regardless of their geographical location. We hope this will promote greater sharing of information about each organization's market needs, values, resources, and experiences, stimulate dialogue, and lead to value creation that goes beyond specific regions and organizations.

Examples of Innovation

Water Leak Detection Service

In many developed countries, the aging of decades-old lifeline infrastructure is increasingly posing a problem. To ensure people can maintain a comfortable lifestyle without wasting resources but while also extending the useful life of this infrastructure, NEC is promoting the following innovations. Since 2014, NEC has offered a water leak detection system, a smart water management service that enables the effective use of water resources. NEC's Water Leak Detection Service can pinpoint a leak within a range of about one meter by using a large amount of minute vibration data caused by leaking. Because this system makes it possible to stop water leak damage at an early stage, it not only leads to more effective use of water resources, but also reduces the energy needed for desalination. NEC plans to use its strengths in sensing and machine-to-machine communications (M2M), cloud computing, and Big Data analysis to generate further innovation, taking the service beyond just leak monitoring to provide demand forecasting based on weather forecasts and analysis of vast amounts of water usage, or predicting failures by analyzing equipment operation data.

Related Contents

▶ NEC and Gutermann Release Water Leakage Detection Solution Combining High-Precision Sensors with the Cloud for the Early Detection of Leaks in Water Supply Pipes

System for Monitoring Signs of Malfunction

An interruption in the supply of electric power or other social infrastructure, even for a short time, can have a major impact on people's lives, and lengthy recovery times can invite significant economic losses. To address this issue, NEC provides invariant analysis technology that analyzes and defines normal conditions and signals an alarm when any unusual sign is detected handling large amounts of sensor information.
Based on technology developed at NEC Laboratories America, researchers at laboratories in Japan worked with the business division to develop additional algorithms and conduct field trials. As a result, the system is now able to detect potential equipment failure several hours earlier than before. The system is now being used at Chugoku Electric Power Co., Inc.'s Shimane Nuclear Power Station as the plant's monitoring system. This is an example of innovation achieved through the power of ICT to ensure safe, secure lives for all.

Related Contents

▶ NEC provides Shimane Nuclear Power Plant Unit 2 with system for monitoring signs of malfunction - Utilizing big data analysis to monitor facilities -

Stakeholder Engagement

NEC has the objective of becoming a social value innovator able to proactively contribute to society, as it has done continuously for over 100 years. In this context, being able to understand changes in societal trends and expectations is essential to find solutions to social issues. Through communications with various stakeholders, NEC will continue to work with them to find solutions to social issues.

For Communities

NEC is conducting social contribution activities that consider the interests and advancement of all stakeholders, including local communities, as part of efforts to fulfill its corporate social responsibilities as a "good corporate citizen."

IR Activities

Shareholders and other investors constitute one of NEC's most important stakeholder groups. By raising the transparency of management through timely, appropriate, and fair disclosure, NEC aims to deepen the investment community's understanding of its corporate value.

▶ Investor Relations

Communication with Employees

By listening to employees and promoting open dialogue, the NEC Group incorporates the points of view of its workforce in its business activities and in measures necessary to revitalize the organization.

Dialogue with Stakeholders

Through communication with NPOs, NGOs and a variety of other stakeholders, NEC works to gain an accurate understanding of social issues and to promote CSR activities that lead to their resolution.

Stakeholder Review Based on ISO 26000 Standards

Following up on this initiative launched in 2011, the CSR Review Forum conducted a review of NEC CSR Management approach in 2014 based on the ISO 26000 standard. The plan is to continue such review going forward.

For Communities

Policy

NEC engages in social contribution activities with local communities as a good corporate citizen, taking into account the benefit and development of all stakeholders.
NEC undertakes these social contribution activities based on the three themes of welfare and diversity, environment and education, culture and sports. The contribution program is planned and promoted according to the four basic policies to effectively utilize management resources, engage in partnerships with nonprofit and nongovernmental organizations (NPOs and NGOs), maintain connections between group companies and ensure employee participation, and to contribute to improving corporate value.

Framework

NEC established the Corporate Communications Division's CSR Promotion and Social Contributions Office to specialize in driving social contribution initiatives.
NEC's social contribution activities comprise three pillars. One is the NEC Social Contribution Program, for which the office oversees planning. Another is assistance through the NEC Make-a-Difference Drive (MDD), in which all NEC Group employees participate.

Related Contents

▶ Main Activities and Results
▶ Objectives and Achievements

| Policy and Systems | **Main Activities and Results** | Objectives and Achievements |

Main Activities and Results for Fiscal 2015

Educational Support Initiatives Covering IT, the Environment, and International Cooperation for Children

NEC started the NEC World Children's Nature Club in cooperation with the Kiyosato Educational Experiment Project (KEEP) in 2008 to foster children's awareness of the natural environment and global perspectives, and verify the potential of using IT in environmental education.

In fiscal 2015, the program ran in Japan, Malaysia, Taiwan, China, and the Philippines with the help of NEC's local affiliates. Children in each region participated in a three-day nature experience program to exchange opinions through a videoconference system.

In fiscal 2015, in Japan, the Ministry of Education, Culture, Sports, Science and Technology gave this program the Review Committee Encouragement Prize in the Youth Experience Activity in the Promoting Company Awards. In China, the program also received the 2014 CSR China Education Award from the Communist Youth League of China of the Ministry of Education of the People's Republic of China.

Related Links

▶ NEC World Children's Nature Club

🗗 Kiyosato Educational Experiment Project (Keep Inc.)

Initiatives to Support People with Disabilities

NEC collaborated with the Tokyo Metropolitan Government and the municipality of Minato Ward, in which the Group headquarters is located, in the following initiatives to encourage the independence and social participation of people with disabilities.

In August 2014, NEC collaborated with the Tokyo Metropolitan Government in conducting Dreaming Big, a special summer event for hearing impaired children, at the Tokyo Metropolitan Shogaisha Fukushi Kaikan. Around 100 children, hall users, and local residents took part in this event.

In December 2014, NEC cooperated with the Tokyo Metropolitan Government's effort to create awareness of its Help Mark initiative by undertaking efforts to build understanding among employees. NEC was the first company to collaborate in this effort.

NEC collaborated with the Minato Work Acty program of the Minato Ward Health and Welfare Center. In April and November 2014, NEC's headquarters building hosted sales of confectionary made by people with intellectual disabilities at Minato Work Acty. The sales were very popular among employees, and the confectionary was sold out.

Related Links

🗗 Tokyo Metropolitan Shogaisha Fukushi Kaikan

🗗 Help Mark

Initiatives to Nurture Social Entrepreneurs

Since 2002, NEC has worked with ETIC, an NPO, to run the NEC Social Entrepreneurship School program for young people.

In fiscal 2015, employees of various departments provided unpaid voluntary assistance while program graduates, NEC staffers and people from business units, research facilities, and Group companies also provided support. This resulted in the program engaging in specific collaborative initiatives beyond mere encouragement.

A good example was the LGBT Job Seminar, which graduates from the NEC Social Entrepreneurship School conducted at NEC's headquarters with Re:Bit, an NPO that engages in lesbian, gay, bisexual, and transgender (LGBT) issues. Members of the diversity promotion group in NEC's Personnel Affairs Division engaged in two dialogue sessions on the theme of fostering understanding of LGBT issues and diversity in collaborative events with Re:Bit for university student recruiting.

Related Links

▶ NEC Social Entrepreneurship School

🗗 Entrepreneurial Training for Innovative Communities (ETIC)

🗗 Re:Bit (Japanese)

Subsidiary's Efforts to Provide Developing Nation Support

NEC Telecom Software Philippines, Inc., collaborated with the Japan International Cooperation Agency to support a program of exchanges between high schools in Japan and the Philippines.

With the aim of improving communication skills that allow people to enjoy global success, Subangdaku Technical Vocational School in Cebu, one of the Philippines' model schools for technical education, and Chiba Prefecture's Ichikawa High School of Technology, connected via network and discussed the differences in culture and methods of learning styles among the two schools.

The students felt a sense of affinity based on the schools having many common subjects, such as math and physical education. But through ICT they also got a real sense of the differences between the schools, such as the difference in clothing, accents, the number of class periods for occupational technology classes and specialized courses, as well as the different works they were producing in their classes. Following the completion of the program, students from both schools said the program helped them to speak with confidence and that they started to enjoy communicating in English. Going forward, NEC will continue to earn the trust of local communities through our locally rooted global social contribution activities in communities where we operate.

Network-based exchange program between high school students
in Japan and the Philippines.

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

Policy and Systems   Main Activities and Results   **Objectives and Achievements**

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Promote programs that contribute to solving social issues based on the following themes

- Establish a safe and secure society
- Addressing Climate Change and Environmental Protection
- Eliminating the Digital Divide
- Nurturing Diverse Human Resources

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	Contribute to business activities through social contributions • Continue recovery support activities • Create opportunities to engage opinions with NPOs and NGOs • Conduct in-house lobbying activities and promote the understanding of activities
Achievements and Progress	• Conducted a demonstration experiment using big data and other ICT technologies in the field for the NEC Paddy Making Project. • Continued to undertake the NEC "TOMONI" Project, a volunteer reconstruction support initiative centered in Minami Sanriku, Miyagi Prefecture. • Provided venues for business units, research facilities, and group companies to exchange views about creating barrier-free cities with NPOs and NGOs.
Degree of Completion	Achieved

Objective 2	Invigorate MDD to foster social sensitivity within Group employees • Implement measures to expand participants and enhance quality • Strengthen dissemination of participants' opinions • Exchange opinions among MDD coordinators and create communities
Achievements and Progress	• Produced Ecosystem and Biodiversity Preservation Activity Guidelines for MDD promoters to reinforce those initiatives under the MDD program. • NEC's headquarters building hosted its first two sales of confectionary made by people with intellectual disabilities. • Revamped the social contribution intranet. • Conducted a briefing for MDD promoters, with these individuals sharing best practice activity case studies within the Group.
Degree of Completion	Mostly achieved

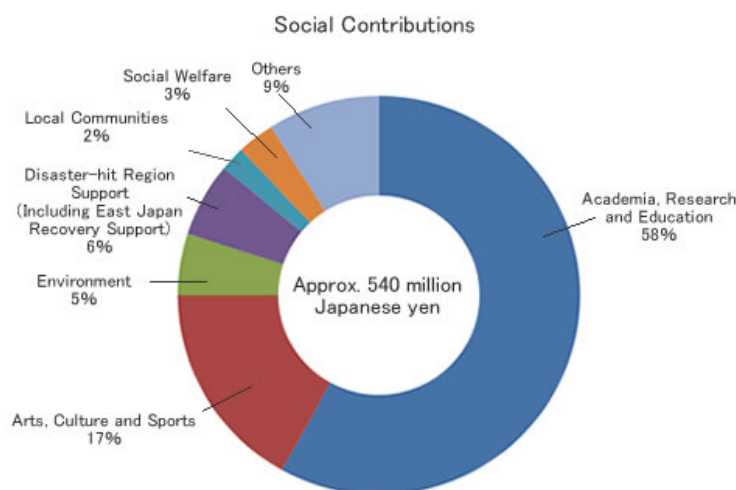| Objective 3	Expand global activities • Transmit program information globally (through several countries) and promote collaborations • Expand existing programs globally
Achievements and Progress	• The NEC World Children's Nature Club added the Philippines to its program covering Japan, Malaysia, Taiwan, and China. • Business units and international NGOs exchanged views on the theme of developing nations.
Degree of Completion	Mostly achieved

Fiscal 2016 Objectives

Objective 1	Engage in business activities and help improve brand value through our social contribution program • Strengthen collaboration with projects focusing on Tohoku reconstruction efforts and building barrier-free cities • Strengthen collaboration between businesses and between projects in stepping up cooperation with NPOs and NGOs • Conduct in-house lobbying activities and promote the understanding of activities
Objective 2	Foster a culture of volunteerism in the NEC Group • Bolster MDD efforts in the areas of para sports (sports overall for people with disabilities), Tohoku reconstruction, biodiversity, and unpaid volunteer work initiatives • Create a volunteer network encompassing current and former employees • Extensively leverage the intranet
Objective 3	Expand Group and global development efforts • Optimally position and deploy social contribution programs as part of the One NEC commitment • Deploy and globalize existing programs, centered on Asia

Social Contribution Expenses

In fiscal 2015, the NEC Group's total social contribution expenses were approximately 540 million 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)

Social Contributions

- Social Welfare 3%
- Others 9%
- Local Communities 2%
- Disaster-hit Region Support (Including East Japan Recovery Support) 6%
- Environment 5%
- Arts, Culture and Sports 17%
- Academia, Research and Education 58%

Approx. 540 million Japanese yen

FY2013	FY2014	FY2015
Approx. 400 million Japanese yen	Approx. 440 million Japanese yen	Approx. 540 million Japanese yen

Related Contents

▸ Policy and Systems

▸ Main Activities and Results

IR Activities

Policy and Systems | Main Activities and Results | Objectives and Achievements

Policy

Shareholders and other investors constitute one of NEC's most important stakeholder groups. By raising the transparency of management through timely, appropriate, and fair disclosure, NEC aims to deepen the investment community's understanding of its corporate value.

Related Contents

▶ Main Activities and Results

▶ Objectives and Achievements

Main Activities and Results for Fiscal 2015

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.

In fiscal 2015, 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.

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 2015, NEC held management-led earnings presentations (4 presentations a year; including presentations in April and October 2014 by the president of NEC), a tour of the Company's Fuchu Plant (Satellite Integration Center) (July), and a presentation on Research & Development (December).
- With emphasis on direct dialogue with securities analysts and institutional investors, NEC management and IR staff actively visited investors inside and outside of Japan.

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 2015, 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 Financial documents, historical data, Stocks and Bonds 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 publications on the website including the Annual Report and investor's magazine "NEC Today" are announced on the IR Calendar of Events as soon as details are determined.
- 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 publications on the website including the Annual Report and investor's magazine "NEC Today" are announced on the IR Calendar of Events as soon as details are determined.
- We upgraded our webpage for individual investors（Japanese site only） with new content, including announcements of briefings for individual investors　and reports on the briefings. We also posted presentation materials handed out at the briefings, along with the main questions and answers.
- 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.
- 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 President's Message, NEC's business strategy, trends in each segment and financial highlights. Interest is growing in medium- to long-term value creation as non-financial corporate activities. From fiscal 2014, NEC has integrated the conventional Annual Report and CSR Report Digest to enrich contents about non-financial highlights with greater awareness of sustainable development through enhanced corporate value from the medium- and long-term perspective.

- 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:
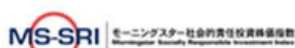
Major SRI indices

- FTSE4Good Global Index
- Ethibel Pioneer & Excellence
- Morningstar Socially Responsible Investment Index
- STOXX Global ESG Leaders Index
- Euronext Vigeo World 120 Index
- MSCI Global Sustainability Indexes

FTSE4 Good Global Index

Ethibel Excellence

Morningstar Socially Responsible Investment Index

STOXX Global ESG Leaders Index

Euronext Vigeo World 120 Index

MSCI Global Sustainability Indexes

Major SRI funds in Japan

•Nikko Eco Fund	As of August 2014
•Sompo Japan SRI Open (Nicknamed Mirai no Chikara)	As of December 2014
•Eco Partners – Midori no Tsubasa (Green Wings)	As of January 2015
•DIAM Highly Rated Income Open SRI (Monthly Dividend) (Nicknamed Happy Clover SRI)	As of December 2014
•Natural Environment Protection Fund (Oze Kiko [Oze Travel Journal])	As of November 2014

Others

NEC's investor relations (IR) website has earned acclaim, receiving the 2014 Grand Prize Award for Best Corporate Internet IR (7 companies) from Daiwa Investor Relations Co., Ltd. in November 2014. In addition, NEC's IR website ranked 9th overall (previously 14th) in the 2014 Excellent Corporate Website Ranking for all listed companies by Nikko Investor Relations Co., Ltd. Furthermore, NEC's IR website was also selected for a Silver Award in the Gomez IR Website Ranking 2015 by Morningstar Japan K.K., as announced in June 2015.

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

IR Activities

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Proactively provide information to shareholders and investors based on "Mid-term Management Plan 2015"

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	NEC will continually transmit information related to the mid-term management policies "Focus on 'Solutions for Society,'" "Focus on Asia, Promotion of 'Locally-Led' Businesses," and "Stabilize the Financial Foundation," which are outlined in the "Mid-term Management Plan 2015."
Achievements and Progress	NEC endeavored to enhance direct dialogue with investors and securities analysts.
Degree of Completion	Mostly achieved

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

Fiscal 2016 Objectives

Objectives	Step up disclosure of information centered on the Mid-term Management Plan 2015

Related Contents

▶ Policy and Systems

▶ Main Activities and Results

Communication with Employees

Policy

By improving internal communications, the NEC Group strives to reflect employees' views in business activities and steps to revitalize the organization.

Promotion Framework

Employee Opinion Surveys: One NEC Survey and Engagement Survey

Every year, the NEC Group conducts the One NEC Survey. This survey examines domestic Group company employees' views on subjects like the Company, workplaces, and job duties. Moreover, NEC added the Engagement Survey in fiscal 2012. This opinion survey is for overseas Group company employees.
NEC references these surveys' findings when examining the direction and necessity of personnel measures and initiatives to enliven the organization. We also use the results in performing evaluations of and devising action plans for Group management based on the NEC Group Vision 2017 and Core Values.

Labor-Management Councils

At these councils, NEC Corporation explains its business policies, business conditions, and other matters to the union representatives and listens to their opinions. The Central Labor-Management Council and the labor-management councils of business units are each held twice yearly. In addition to the labor-management councils, a "Work System Study Group" meets several times a year. This Work System Study Group serves year-round as a forum for labor and management to study working-level matters, primarily concerning the adoption and restructuring of various systems.
Overseas Group companies have also put in place policies to foster communication between labor and management as well as between employees themselves. For example, in Europe, NEC Europe Ltd., the regional headquarters for this area, holds a European Forum (Labor-Management Council in Europe) each year.

Related Contents

▶ Main Activities and Results
▶ Objectives and Achievements

Policy and Systems | **Main Activities and Results** | Objectives and Achievements

Main Activities and Results for Fiscal 2015

One NEC Survey (Japan)

In fiscal 2015, this survey was conducted in NEC and 33 NEC Group companies during August and September for the purposes of identifying the factors that motivate each employee to connect to better performance and improved Customer Satisfaction, and of pinpointing key points for improvements. Responses were obtained from 48,857 employees, comprising a response rate of about 84%. More than 70% of respondents expressed affirmative opinions about a high degree of trust in co-workers, a desire to contribute to customers and loyalty to NEC, having a positive outlook on working. On the other hand, however, affirmative opinions about career opportunities, evaluation systems and work processes were in the 40% to 50% range. Incorporating these results, NEC will further enhance career opportunities and the evaluation system, and promote a thorough awareness of these among employees to give a sense of a long-term future and growth. Given these results, we will work to provide career opportunities that inspire hopes for the future and impart a real sense of growth, further enhance assessment systems, and make other improvements. We will also endeavor to make those efforts widely known to employees. We will share what we learned from these surveys throughout the organization so that the information can be used to increase the share of employees who feel motivated, help us achieve our mid-term management plan, and more.

Engagement Survey (for overseas subsidiaries)

In fiscal 2015, this survey was conducted by overseas subsidiaries in 30 countries overseen by the Global Business Unit and implemented in seven different languages with responses obtained from 7,900 people for a response rate of 77%. Affirmative responses of over 60% were given in opinions regarding teamwork and customer-oriented work execution, while affirmative responses regarding career opportunities, performance management and productive work environments were all at about 35% in trends that resembled the responses of employees in Japan. Based on these trends, NEC will collaborate with each region going forward to reinvigorate the organization.

Labor-Management Councils

The Central Labor-Management Council was held in July 2014 and February 2015. At these meetings, NEC updated labor unions on matters such as current earnings conditions, and future management policies. NEC also actively exchanged opinions with those present. Further, the labor-management councils of each business unit were held twice. Along the same lines, NEC explained things like policies, strategies, and actions for each business unit as well as engaged in dialogue. Overseas, NEC Europe Ltd., held a European Forum (Labor-Management Council in Europe) in April 2014, sharing information on company results, issues, and more.

Related Contents

▸ Policy and Systems
▸ Objectives and Achievements

Communication with Employees

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Take action on employee opinions in business activities and initiatives to enliven the organization.

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective	Conduct an opinion survey to learn what overseas subsidiary employees think.
Achievements and Progress	We conducted the Engagement Survey, covering employees in all regions overseas.
Degree of Completion	Mostly achieved

Fiscal 2016 Objectives

Objective	Hold forums at each worksite for further consideration of steps to rejuvenate the organization through more active communication with employees.

Related Contents

▶ Policy and Systems
▶ Main Activities and Results

Dialogue with Stakeholders

The NEC Group is carrying out reforms aimed at becoming a social value innovator capable of continuously contributing to society for over 100 years. To this end, it is important for the Group to be sensitive to societal trends and expectations.
Through communications with various stakeholders, the Group will continue to work with them to find solutions to social issues.

Dialogues on Contributions by Business Sector to the UN's Millennium Development Goals

In April 2015, "The 15th Infopoverty World Conference" was held at the United Nations' headquarters. It was held by the Observatory for Cultural and Audiovisual Communication (OCCAM), a non-governmental organization registered with the United Nations Economic and Social Council and the Department of Public Information. People representing various countries took part.

Overview

Mr. Masahiro Ikeno, vice president of NEC's Global Business Unit, represented the Company to share its "Solutions for Society" (such as an ID system using NEC's biometric identification technology and a broadband network system) to promote NEC's ability to improve safety, security, efficiency, and social equality with information and communication technologies.

United Nations Headquarters

Infopoverty World Conference

A participant's comment: "NEC has such excellent solutions and successful cases, which I learned about for the first time. We would like to maintain regular contact with them."
OCCAM's comment: "We can develop policy guidelines and give advice on what the international community should do for governments. However, we also need the involvement of private companies to implement practical solutions for each government. We hope NEC can continue to be involved in these efforts."
Since the adoption of the UN's MDGs*, the conference has been held every year, starting in 2001. A variety of stakeholders such as governments, companies, and NGOs have been taking part in the conference and share innovative solutions with each other. As a result, many solutions have been implemented over the past 14 years.
This has been done in collaboration with 1,800 public and private sector organizations from more than 60 countries.

Going Forward

NEC will continue to generate stakeholder dialogues with the UN, NGOs, and representatives of governments around the world to propose additional solutions.

*1 OCCAM：Observatory for Cultural and Audiovisual Communication

*2 MDGs：Millennium Development Goals
    They were adopted at the UN's headquarters in New York.
    They range from halving extreme poverty rates to eradicating poverty and hunger by the target date of 2015.

Joining in the Exchange of Opinions on Urban Development in Brazil

In June 2014, the LAC Global Summit 2014 led by the Inter-American Development Bank (IDB) was held in Sao Paulo, Brazil.
The summit aims to create a forum for senior government officials and top corporate executives to discuss opportunities for investment, trade, and other development in Latin America and the Caribbean (LAC). Its ultimate goal is to tap into innovative ideas in fields like infrastructure, energy, natural resources, and sports to positively influence the welfare of humankind.

Executive Vice President Morita
joining the debate

Overview

One of the summit's events was a panel on the theme "Toward a Sustainable City Model of the Future." NEC's Executive Vice President Takayuki Morita joined the debate with mayors of Brazil and Argentina.
The mayors presented issues their cities face and steps towards resolving them. NEC introduced information and communications technology (ICT) as an extremely effective means of realizing sustainable cities.
NEC has extensive experience building urban infrastructure. From that unique perspective, NEC explained ICT while giving real life examples of how it can help make sustainable city models a reality. It was a great opportunity to foster deep understanding among audience members.

Going Forward

NEC will recognize social issues and be a source of solutions for them by continuing to strive to be a company that provides value to society.

Participation in the 6th China-Japan-Korea Roundtable Conference

NEC participated in the United Nations Global Compact's 6th China-Japan-Korea Roundtable Conference held in August 2014.

Overview

The theme this time was "Engagement—Calling From East Asia for Post-2015." Diverse stakeholders including those from universities, specialized organizations, and signatories to the Global Compact from Japan, China, and South Korea gathered to share concrete examples, put forth proposals, and more.
NEC participated in the business session "Stakeholder Engagement for Building the Sustainable Society," as a representative of Japanese companies, presenting cases of CSR procurement. NEC also joined a panel discussion with companies representing China and South Korea.

Presenting the cases of
CSR procurement

Panel discussion with companies
representing China and South Korea

Going Forward

By continuing to play an active role in such United Nations programs, NEC will debate international society's agenda and work to improve initiatives.

India ICHIGO Project: Dialogue with Villagers

NEC's ICHIGO project paves a path out of poverty for impoverished rural women in India. It offers them an opportunity to earn by raising high quality Japanese strawberries. NEC verified that such strawberries could be grown in India through tests that began in 2012. We then set out to convey the project's intent to the neighboring villagers and gain their support for its introduction.

Overview

The India ICHIGO Project brings together officials including from the Ministry of Agriculture, Forestry and Fisheries, farmers, and other stakeholders to periodically engage in conversation. This is part of the activities to explain and foster greater understanding of cultivation of Japanese strawberry varieties that employ elevated benches and a nutrient solution. Such a production method is new to India.

Dialogue with Villagers

In July 2014, NEC engaged in dialogue in a village in Mulshi Taluka, Maharashtra. We were joined by others including the Japan International Cooperation Agency (JICA); the Institute of Cultural Affairs (ICA), an international NPO engaged in local community development in India, an agricultural production corporation; and, the consulting firm PADECO. The discourse covered topics such as actual strawberry cultivation conditions, sales-related issues, and future plans.

The cultivation method used in the project offers relief from the arduous labor of conventional farming. It also facilitates production of high added-value agricultural goods, so farmers can earn more.

As JICA joined us on this trip, they helped get across the message that NEC, and the Japanese government, want to help better the lives of people in rural India.

Going Forward

Through the India ICHIGO Project, NEC will continue to provide technical instruction to bring this method of strawberry cultivation into greater use, help to establish sales channels, and keep lending a hand so that India's rural areas can break free from poverty.

Discussion of NEC's CSR in Tsukuba University and LMU Munich's Joint Seminar

NEC cooperated with a joint seminar given by the The University of Tsukuba (MBA Program in International Business) and Germany's Ludwig-Maximilians-Universität München (LMU Munich), introducing its CSR activities and joining in a discussion.

Overview

The seminar was a part of the University of Tsukuba's collaborative classes for comparative study of Japanese and German firms' CSR initiatives. It entailed university students first visiting a major company in Germany in the same industry as NEC. In February 2015, they then visited NEC, which was selected as the firm for comparison from Japan. On these visits, the students conducted research and engaged in debate in collaborative CSR-related classes.
For instance, NEC presented its definition of CSR along with specific examples of initiatives. Students presented CSR's effects on corporate value.

Concrete Example of Debate and Feedback from Students

Students conducted research in advance on the theme "Can CSR initiatives produce measureable value for companies?" Students from Japan and Germany then formed teams and shared what they learned. Their investigation of whether CSR affects financial performance yielded a variety of results, with no clear-cut answer. However, their analysis found that CSR activities have a clear effect in attracting customers and raising customer loyalty. Students introduced findings indicating CSR delivers great value to companies by boosting customer loyalty from three viewpoints: customer trust, customer satisfaction, and customer recognition.
Further, NEC asked studentsthe following questions during classes.

1. One was "What kinds of CSR issues are of interest to consumers?" The answer came: "People are interested in carbon dioxide emissions. When they buy something, they want to buy the product that is more ecological." Another answered, "People are interested in how companies respond when there is a personal information leak."
2. NEC's inquiry "Where do you feel NEC's information disclosure is especially lacking compared with disclosure globally?" garnered the response "It would be good to release information on things like employee turnover and satisfaction."

Going Forward

The joint seminar was invaluable to NEC. It provided an excellent opportunity for us to explain our CSR initiatives to students in Japan and Germany. It also enabled us to receive frank feedback on the Company's CSR efforts.
NEC will continue to engage in dialogue with various stakeholders including researchers, earnestly considering opinions that arise and reflecting them in our CSR initiatives.

Career Session at NEC Europe in collaboration with Sophia University, Japan

In February 2015, NEC Europe Ltd. welcomed 17 students in Economics from Sophia University in Japan, and their Professor, Mr. Araki, for a career seminar, in NEC's South Ruislip Office in the U.K. The objective of this European tour, which has taken place annually since about 10 years, is to broaden the horizon of Japanese students by showing them how international companies operate and what working abroad is like in order to encourage them to travel and to challenge their career in an international environment.
This year, the majority of students were female, which is a great sign that more and more young Japanese women are keen to explore the world.
The students impressed us by the number of enthusiastic questions they asked, and by their diligence in taking notes.

Students from Sophia University

The scope of questions was large, covering NEC's products and solutions, business and employment opportunities in the various regions in EMEA, the differences between working in Japan and working Europe and our unique training GTI program.
The team at NEC Europe lectured on the many different working styles and paths that exist to develop a career in Europe. They explained how important it is to be motivated and to take initiatives to manage your professional life, which is a different work approach to that of Japan.

Efforts to Protect the Endangered Copera Tokyoensis Dragonfly

On March 17, 2015 (Tuesday), 20 stakeholders gathered to engage in dialogue about activities to conserve the endangered Copera tokyoensis dragonfly. Specifically, the Teganuma Aquatic Organism Research Association (civic group), Abiko City Hall (government), the Japanese Society for Odonatology's Vice Chairman and a Chiba Seitaikei Kenkyujo (academic experts), the Yamashina Institute for Ornithology (research institute), and NEC (company).

Overview

On the grounds of NEC's Abiko Plant, there is a spring-fed pond called "Yotsu Ike," which is believed to come from the Tone River. The endangered Copera tokyoensis dragonfly has been spotted near the pond.
Copera tokyoensis dragonfly has a ruler-like design on its abdomen. It was designated an endangered species (IB) on the Ministry of the Environment's Red List in April 2000.
In cooperation with Teganuma Aquatic Organism Research Association, NEC has established artificial dragonfly ponds (biotopes) and measures to eliminate non-native fish as part of efforts to protect the Copera tokyoensis.

Dialogue

In the first session, the Teganuma Aquatic Organism Research Association reported that some progress was being made eliminating non-native fish. In the second session, dialogue focused on whether NEC's ICT assets could be utilized to protect the Copera tokyoensis dragonfly.
Experts that participated offered valuable feedback on implementation. One noted that "It would be a good idea to clarify the purpose of collecting data since that is already being done by other companies." Another said, "Wouldn't it be better to expand the breadth of activities through civic participation?"

Going Forward

Helping protect biodiversity is a core component of the NEC Group Environmental Management Action Plan 2017/2030, which was announced in June 2010. NEC employees participate in activities like those at the Abiko Plant introduced here, fostering deeper understanding of biodiversity to contribute to environmental protection. We will keep up our efforts in this vein.

Related Contents

▶ NEC Group Environmental Management Action Plan 2017/2030
▶ NEC Group Principles for　Conserving Biodiversity

Stakeholder Review Based on ISO 26000 Standards

As it endeavors to transform itself into a "Social Value Innovator," NEC is working to improve its CSR activities based on stakeholder engagement, as emphasized in the ISO 26000 international standard for social responsibility.

From mid-May to early June 2015, NEC held discussions with CSR Review Forum-Japan (CRF), which is an alliance of NGOs, NPOs, consumer groups, and labor groups.

CRF and various individual NEC divisions had talks to review their own activities about core issues based on ISO 26000, a standard providing international guidance for social responsibility. This review process has been ongoing since 2011.

As in the previous year, Senior Executive Vice President Takashi Niino participated and talked about making changes to become a social value innovator, as reflected in the company's mid-term management policy. He discussed developments such as the NEC Vision books and the new brand message "Orchestrating a brighter world," which were released during the fiscal year under review. In this way, there was meaningful dialog on how to foster a better corporate culture as well as on current progress.

Senior Executive Vice President
Takashi Niino

About the CSR Review Forum-Japan

The CSR Review Forum-Japan (CRF) is a private, non-profit organization established through an alliance of civil society organizations (NGOs, consumer organizations, etc.) and individuals affiliated with those groups working to solve frontline social issues and help bring about a sustainable society. CRF provides the CSR Review Program for independent reviews of corporate activities based on ISO 26000, the international standard for social responsibility.

Review Panel

Chief Reviewer
Tomohiko YAMAGUCHI
CSR Review
Forum-Japan

Reviewer
Kenichi KUMAGAI
The Japan Association for Advancement of ILO
Activities

Reviewer
Yuka IWATSUKI
Action against Child Exploitation

Reviewer
LI YanYan
Japan-China Civil Society Network

Reviewer
Kaori KURODA
CSO Network Japan

Reviewer
Yoko DOI
Amnesty international
Japan

NEC Stakeholder Review 2015

1. 2015 Review Framework

This year was the fifth year of the review.
This year the panel discussed and reviewed three themes, with discussion centering on the progress of the Mid-term Management Plan (2013-2015), wherein NEC declares its commitment to "Solutions for Society," and on the key points of the company's next Mid-term Management Plan (2016-2018). Issues from past years were also taken up again, specifically, human rights and CSR procurement.
The panel convened for dialogue four times based on the schedule below.

- Session 1, May 14: Current and next Mid-term Management Plans
- Session 2, May 27: Progress on human rights framework
- Session 3, June 1: CSR procurement as a "Solutions for Society" company and areas of focus
- Session 4, June 11: Progress and prospects for commercialization of social solutions

The discussions resulted in the following proposals.

2. Specific Proposals

1. Mid-term Management Plan 2015

1-1. "Solutions for Society"

1-1-1. Mid-term Management Plan 2015

NEC's commitment to being a "Solutions for Society" company (a company providing solutions for social issues) should be the primary focus of the next Mid-term Management Plan as well.

Solving social issues often requires five or ten years.

The biggest expectation of society (stakeholders at the center of social issues) is that NEC maintains its commitment and systems as a "Solutions for Society" company on a permanent basis.

1-1-2. Creating Internal Awareness, Systems and Preparedness for Creating "Solutions for Society"

"Solutions for Society" need personnel who broadly consider social issues and the company's overall businesses and gather and coordinate related parties and personnel.

Personnel with these skills should be identified and named as coordinators for connecting customers, the general public and related internal divisions. Repeated discussions should take place on solving social issues through businesses and the businesses themselves continually refined.

At the review, there was a discussion of sales personnel discovering that distributors in Brazil were concerned about how to deal with robberies, which was unexpected, and so a business was created centered on crime prevention. It was thought that this was highly suggestive and served as an outstanding precedent as a business.

We proposed NEC considering business opportunities not only from the perspective of NEC's interest or the direct customer's needs, but also by taking into account the social and economic reasons that drive individuals to commit thefts.

1-1-3. Methods of Communication

Facing society directly is an essential part of being a "Solutions for Society" company. The company communicates that it wants to solve a particular issue in a certain way and then, depending on approval or criticism received from society, there is effective collaboration with stakeholders directly involved in the issue. However, in this sense, there is still much that can be done to improve NEC's existing websites, pamphlets and other communications.

The trial-and-error process needs to be shown, including management retreats, discussions within management, the status of business development, the frank views of responsible personnel in promotion departments, and the actual opinions of employees, which are still not clear. In particular, with regard to solution services, effort needs to be made to show the process of how customer issues are being solved and societal issues are being approached.

For solutions services in particular, we do not want to simply create an association with "Solutions for Society," or for introduced cases, think of how to solve customers' issues, but instead strive to think about how to approach social issues and how to show that process.

1-2. Business Assessment

1-2-1. Deciding on an Indicator of Business Assessments

The degree to which a given business has solved a social issue (its outcome) cannot be measured with economic indicators alone.

On the far side of customers are the general public and the environment, and it is necessary to measure whether the impact of the business was welcome. There needs to be an indicator for this.

A business assessment indicator should be established at the stage a business is being developed through a joint effort involving customers, the general public and related departments. The people targeted by the business (stakeholders) become parties to that business through participation in the indicator formation process. Further, the process of actually developing this sort of business indicator would also significantly raise employee awareness.

2. CSR Procurement

2-1. CSR Procurement as a "Solutions for Society" Company

2-1-1. Platform Procurement and Solutions Procurement

In the review discussion, Executive Officer Odake talked about the fact that in changing from a company providing platform products to providing "Solutions for Society," NEC was also changing the way it handled procurement.

Specifically, it was indicated that NEC is transitioning from procurement of materials and contract production as hardware (platform procurement) to procurement from suppliers with whom the company will join in conducting solutions (solutions procurement) and that the policy will be to create a procurement system in line with this.

What is difficult about solutions procurement is that the relationship between NEC and its suppliers will come to cover the full scope of NEC's business and so the relationship will change from supply to collaboration.

The situation at suppliers with regard to working conditions and any deficiencies will directly involve many NEC employees, and it will have a direct impact.

Our proposal is to establish "solutions procurement" in writing, make it a focus of CSR procurement, and announce this to all relevant parties.

2-1-2. Onsite Inspections

Onsite CSR inspections are producing results, but in addition to inspections of parts suppliers and production contractors (platform suppliers), NEC should also begin inspecting solutions suppliers. To grasp interactions between the two parties, inspections should focus on interviews with NEC employees collaborating with suppliers and with employees of the suppliers.

3. Human Rights Due Diligence and Diversity

3-1. Human Rights Framework

3-1-1. Human Rights Policy

The company's human rights policy is based on the basic human rights established in the Universal Declaration of Human Rights and related documents and includes considerations with respect to the correlation between human rights and the characteristics of the ICT business; it establishes an adequate framework on which to base related policies and measures going forward.

3-1-2. Identify Human Rights Issues and Conditions on the NEC Value Chain

It was indicated that mechanisms were being created for human rights due diligence that would be led by the personnel division and supported by the CSR office. In the Europe, Middle and Near East, and Africa regions, there are already risk management systems that include human rights risk, and I think these should be converted and expanded to cover Japan and the other regions.
With regard to identification of human rights issues, the first step in human rights due diligence, issues should be identified from the following two standpoints utilizing these existing systems.
  1. Human rights risk in each region (utilize results of surveys of human rights issues at overseas sites administered for global human rights training)
  2. Human rights risk for each business and division (identify human rights issues utilizing the existing self-checks scheduled to be conducted by division managers on internal controls)

3-1-3. Assign Priorities and Develop Measures

Policy development should not be shallow and broad in all businesses and regions; rather, NEC should prevent human rights violations on a priority basis, focusing on issues that have the largest impact on human rights, and work to mitigate the impact on human rights.
Measures also need to be developed while engaged in dialogue with affected stakeholders.

3-1-4. Conduct Self-inspections in All Businesses from a Human Rights Perspective

When trying to solve social issues, the human rights of others not targeted by the solution can be unintentionally violated. There is a need for measures that objectively consider whether unintended damage could be incorporated into processes for business development and business operations.
In addition, to prevent potential human rights violations ahead of time, all employees need to acquire the human rights awareness that allows them to anticipate human rights risks. NEC should further enhance its internal human rights training.

3-1-5. Report Human Rights Due Diligence at an Interim Stage

After indicating how human rights issues will be identified across the entire value chain, how their impact will be evaluated, and in addressing them which issues will be given priority, the due diligence PDCA process should be reported at an interim stage; it should not wait until after results are compiled. We therefore propose that NEC change its reporting format.

3-2. Diversity

3-2-1. Promote Diversity in Line with the NEC Group's Human Rights Policy

In addition to measures for promoting diversity in terms of gender, nationality, age and disability, etc., which have been conducted to date, there were statements in the review that consideration should also be given to promoting an understanding of sexual minorities As one final goal in promoting diversity, efforts should be made toward acceptance.
Society is diverse; the more diversity at NEC resembles the diversity in society, the easier it will be to become cognizant of social issues and to accelerate conversion of this into businesses.

3-2-2. Promote Social Diversity through Primary Business

"Solutions for Society" is where society has the highest expectations for NEC. In this business, ICT can overcome insufficient communications between people. Establishing conditions that allow for diverse working formats is a part of this. NEC should increasingly invest management resources in this area.

Empowering Our People

NEC is working to promote quality workplaces that respect diversity, and to cultivate HR on a global basis. Programs to maintain the health and safety of employees are ongoing.

Health & Safety

Based on the fundamental principle that "NEC will maintain and enhance comfortable and supportive workplaces to ensure the health and safety of all people working at its business sites," NEC implements various activities with emphasis on preventive health programs. The General Affairs Division, which oversees occupational health and safety (OH&S), the Health Care Centers, and OH&S management organizations at business sites at NEC Corporation lead and coordinate these initiatives.

Human Resources Development

Based on a self-development approach (an approach where employees take the initiative to develop their own skills), NEC aims to develop human resources who contribute to businesses by implementing The NEC Way.

Policy

Based on the policy under the following guidelines that "NEC will maintain and enhance comfortable and supportive workplaces to ensure the health and safety of all people working at its business sites," NEC provides various occupational health and safety (OH&S) and health enhancement activities with an emphasis on preventive health programs.

【Action Guidelines】

1. Improve OH&S management systems by continuously and efficiently implementing OH&S activities
2. Promote the identification of sources of danger, as well as risk assessment and risk management, with the aim of reducing labor accidents to zero.
3. Comply with laws and regulations, and other rules and decisions regarding OH&S.
4. Strive to make OH&S obligations known to ensure understanding and fulfillment of these obligations.
5. Actively provide disclosure of information regarding OH&S activities.
6. Endeavor to enhance the mental and physical health of workers and develop comfortable workplaces.
7. Ensure the appropriateness and effectiveness of these policies and OH&S management systems through regular reviews.

Framework

At NEC, the General Affairs Division, which is responsible for Group-wide health and safety-related operations (in Japan), and the Health Care Centers, which oversees industrial health activities, formulate the NEC Group's policies and measures regarding health and safety for employees (in Japan). In accordance with that policy, the general affairs divisions of each NEC worksite and the personnel and general affairs divisions of each NEC Group company in Japan cooperate on implementing these policies and measures to conduct health enhancement activities and ensure workplace safety.

For everyday reportable items, the applicable general affairs division or an executive officer will respond, but in the event of an important item such as a major disaster or pandemic outbreak, the matter will be deliberated on at the Business Strategy Committee attended by corporate management such as the president or directors.
Operational methods are being examined in regard to regular exchanging of information on health issues and labor accidents with overseas subsidiaries to arrange them with existing operations being carried out under occupational health and safety (OH&S) management systems.
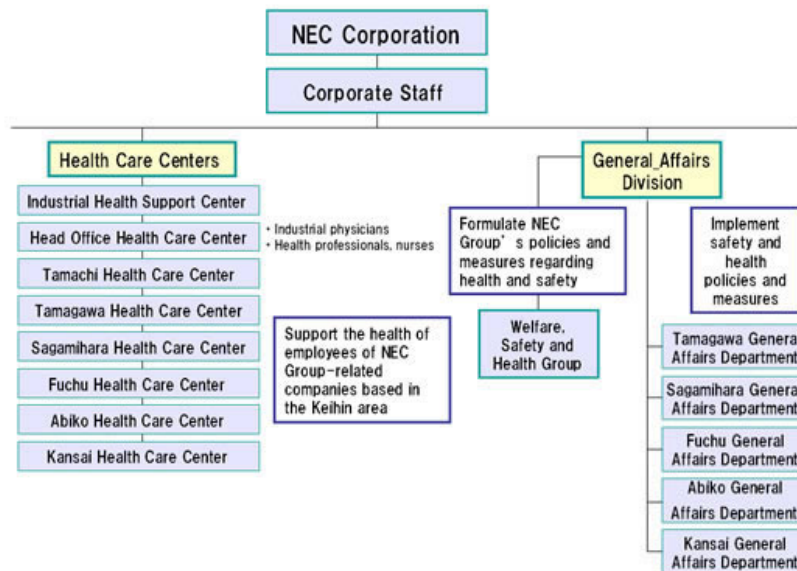
NEC Group (Domestic) Occupational Health & Safety System

The General Affairs Division formulates the NEC Group's measures regarding safety and health. Details on these measures are shared by OH&S staff of the regional support department and the health care center (industrial physicians, health professionals and nurses) for each region. NEC ensures the health and safety of worksites through the operation of regional OH&S committees and by following up on the implementation of health-related measures.

Related Contents

▶ Main Activities and Results

▶ Objectives and Achievements

Main Activities and Results for Fiscal 2015

Occupational Health and Safety (OH&S)

NEC Corporation conducts OH&S activities from two standpoints that address Company-wide issues as well as specific issues reflecting unique conditions faced by individual Group companies and business sites.

As a Company-wide initiative, in fiscal 2011 the NEC Group made a commitment to stakeholders based on the NEC Group Charter of Corporate Behavior and NEC Group Code of Conduct, and formulated the Company-wide Occupational Health & Safety (OH&S) Policy, which in fiscal 2013 was formulated as the NEC Group Occupational Health and Safety Management Regulations as part of efforts to enhance the quality of the NEC Group's OH&S activities.

Moreover, as an initiative taking into account the particular characteristics of each company and each workplace, the NEC Group has been working to obtain the OHSAS 18001 standard for occupational health and safety since fiscal 2011, and by fiscal 2015 certification had been obtained at a further 11 NEC Group-related companies envisaged as likely to have health and safety risks, including the NEC Kansai Building and production lines.

As a measure for the NEC Group supply chain, we are moving ahead with OHSAS certification or implementation of a similar program for NEC Group-related companies working at sites from fiscal 2015.

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 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. As a result of making these sorts of programs known, 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.

- 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. Looking at achievements from fiscal 2009 to the end of fiscal 2014, NEC made significant strides particularly in the area of metabolic syndrome. NEC achieved a metabolic syndrome reduction rate of 24.6%, far surpassing the target established by the Ministry of Health, Labor and Welfare in this area. In addition, NEC achieved a reduction in both the men's and women's smoking ratios, but men in particular recorded a remarkable decline from 33% to 23.1%.
- Starting from fiscal 2014, in addition to the NEC Health Innovation 21 (NHI21) that centered on metabolic syndrome countermeasures, we are working on the NHI Second season, which includes measures for mental health, cancer prevention and dentistry (oral hygiene), to promote healthy bodies and minds for each age group.
  Under the NHI Second season we hold the NEC Health Fair, a family participation event aimed at getting families to work on measures to prevent lifestyle-related diseases, and a program is implemented to raise awareness of cancer screening and infectious diseases such as seasonal influenza, as well as about metabolic syndrome.

Implementing Physical and Mental Health Promotion Activities by Age

20s:Implemented New Employee Interviews (all new employees are interviewed by a public health nurse) as part of the employee entry medical check-up and health training.
30s:Implemented the Health College 30, group training on self-care for all employees who have just turned 30

- Education of OH&S Committee members (held at individual business sites) * About 500 people took part
- 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)

* Implemented as group courses in all cases except when denoted by *

Labor Accidents and Disasters

［Scope: NEC Corporation and 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.

Labor Accidents and Disasters

	FY2013	FY2014	FY2015	FY2016(target)
NEC frequency rate (*1)	1.01	Target：0.40	Target：0.40	0.40
		Results：0.09	Results：0.09	
Nationwide manufacturing sector (100 or more employees) frequency rate	1.05	—	—	
NEC severity rate　(*2)	0.00	Target：0.00	Target：0.00	0.00
		Results：0.00	Results：0.00	
Nationwide manufacturing sector (100 or more employees) severity rate	0.10	0.10	—	

*1 Frequency rate: Number of deaths and injuries due to industrial accidents divided by total working hours multiplied by 1 million
*2 Severity rate: Number of lost working days divided by total working hours multiplied by 1,000

Related Contents

▸ Policy and Systems

▸ Objectives and Achievements

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

- 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 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	Prepare to operate OH&S management systems at NEC Group companies
Achievements and Progress	• Five NEC Group-related companies newly acquired OHSAS 18001 certification. • Other NEC Group-related companies implemented a system conforming to OHSAS 18001 specifications. • Adoption of the NEC Group Occupational Health and Safety Management Regulations
Degree of Completion	Achieved

| Objective 2	Implement mental and physical health measures and improve various types of health indicators through a PDCA of operation assessments.
Achievements and Progress	Training and awareness-raising activities related to age-related health training and mental health training that improved various types of health indicators.
Degree of Completion	Achieved

Fiscal 2016 Objectives

Objective 1	OH&S: From the viewpoint of strengthening OH&S management systems throughout the supply chain, thoroughly operate OH&S management systems at each NEC workplace.
Objective 2	Health management: Strengthen preventive measures for mental and physical health through collaboration between the Health Insurance Association and Health Care Center.

Related Contents

▸ Policy and Systems
▸ Main Activities and Results

Policy

At NEC, human resources development is rooted in a self-development approach, in which employees take the initiative to develop their own skills and capabilities, and is aimed at developing human resources who contribute to business operations. We carry out human resources development based on hree core objectives: strengthening capabilities, cultivating professionals, and developing management personnel.
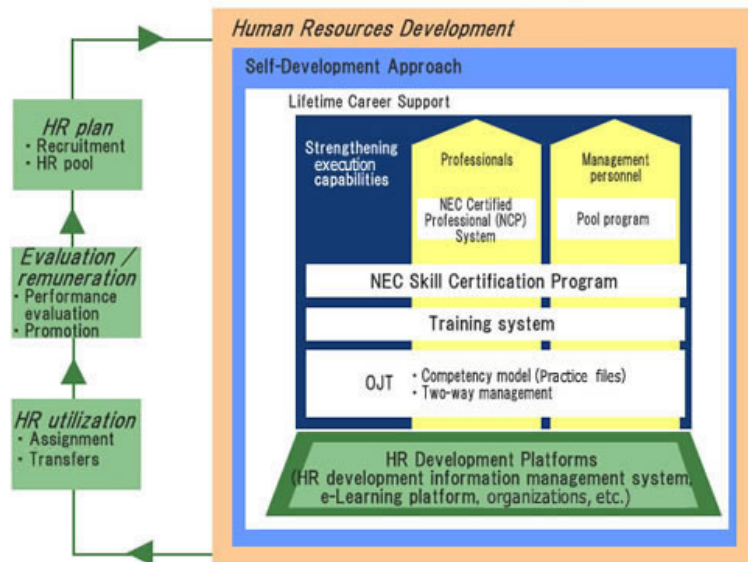
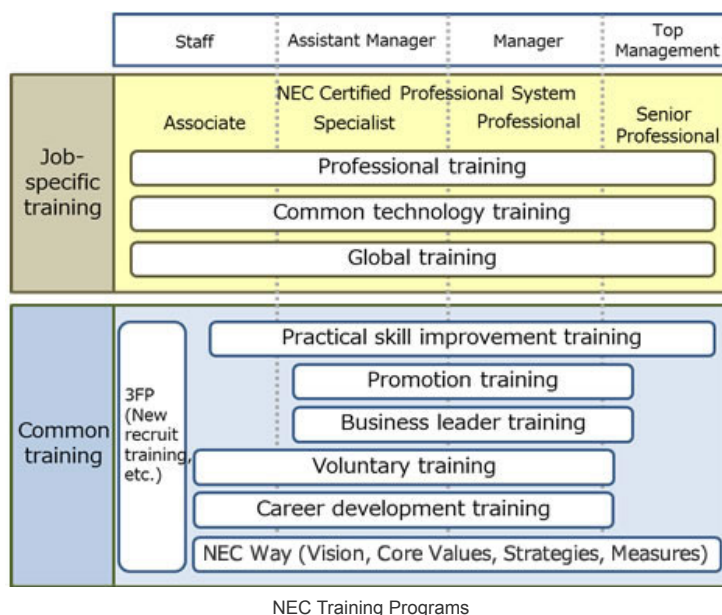Management of Human Resources Development at NEC

Promotional Framework

At NEC, the executive-led Human Resources Management (HRM) Steering Committee discusses and determines HR development issues and training policies common to the Company as whole. Based on policies decided by the committee, HR development activities are implemented through coordination between the HR Development Division of NEC Corporation, divisions responsible for HR development at each Business Unit and NEC Group company, and NEC Management Partner, Ltd., the NEC Group company responsible for HR development.

Policies and Programs

Human Resources Development

Our training organization, which plays an important part in achieving the above objectives, is comprised of common training courses that all employees of NEC Corporation take or select from and job-specific courses that are developed for each different type of job category to hone job-specific professional skills.

	Staff	Assistant Manager	Manager	Top Management
Job-specific training	Associate	NEC Certified Professional System Specialist	Professional	Senior Professional
	Professional training			
	Common technology training			
	Global training			
Common training	3FP (New recruit training, etc.)	Practical skill improvement training		
		Promotion training		
		Business leader training		
		Voluntary training		
		Career development training		
		NEC Way (Vision, Core Values, Strategies, Measures)		

NEC Training Programs

NEC has common training courses that are highly diverse, ranging from programs intended for all employees to courses taken when an employee is promoted or specially selected. Job-specific courses are also offered to provide employees seeking to become professionals in a specific field the opportunity to enhance and refine their expertise. The following introduces a number of our key programs.

Global Cultivation of Human Resources

As a company that does business all over the world, NEC carries out a variety of programs for global HR enhancement. One such program is "EI-1 Challenge," an English-language program designed to stimulate employee interest in other countries while also providing basic skills for doing business overseas. Going beyond the conventional language course, the program focuses on multicultural communication and business skills in a comprehensive manner, and also includes a practical component in which participants work onsite overseas, normally in an emerging country.
A new select training program was established in fiscal 2014 for senior management candidates from both overseas subsidiaries and NEC headquarters. It is conducted entirely in English.

NEC Certified Professional (NCP) System

Recognizing that people are the most significant resource, the NEC Group believes it is important to develop highly specialized professionals who can deliver true value to customers. The NEC Certified Professional (NCP) system was introduced for this purpose. Approximately 12,000 individuals have been certified as career professionals under the NCP system as of the end of March, 2015.
For each personnel category such as SE or service personnel, the NCP system divides qualifications into four grades that define increasing degrees of specialization corresponding to higher market value. Within each grade, separate personnel qualifications are defined for each category based on an analysis of which business processes are critical to a field. Qualifications specify in detail the levels of skills and performance required for certification at that grade.

SIES: An HR Development Information Management System

NEC actively promotes utilization of the Self Innovation and Empowerment System (SIES) at Group companies in Japan, an information management system for HR development that serves as a platform for all HR development activities. It has been implemented by 28 companies to date.

HR Utilization Programs

Selecting NEC Group Key Positions (GKPs) and Developing Executive-Level Personnel

To help ensure that the optimal people are assigned to important positions throughout the NEC Group regardless of geographic location, key positions are identified, with promotions to those positions and the training of successors conducted in a systematic manner.

In addition, we have an internal recruitment system to support the autonomous career development of individual employees, enhance diversity in personnel assignments, and promote greater dynamism throughout the organization. Under the system, divisions requiring additional personnel post job descriptions and qualifications on the NEC intranet.Employees are then able to apply for the positions based on their own career aspirations without having to consult with a supervisor. After employees apply, submitted documents are reviewed and interviews conducted by the recruiting division, and successful applicants are then transferred to that division.

Career Development Support Programs — Lifetime Career Support

Self-development and autonomous growth at the level of individual employees requires a continual process of self-analysis, personal change and skills development. NEC Corporation introduced the lifetime career support system (career design support) in 2002 with the aim of helping individual employees to take spontaneous actions to promote career-long personal growth.

Work-life balance training targets NEC employees at the important career milestones of ages 30, 40 and 50 years (see below for details). NEC Corporation sends career development-related information to employees reaching the intermediate milestone ages of 35, 45 and 55, which is called The Career Parcel (see below). NEC Corporation has also appointed specialist career advisors to provide career-related advice to employees.
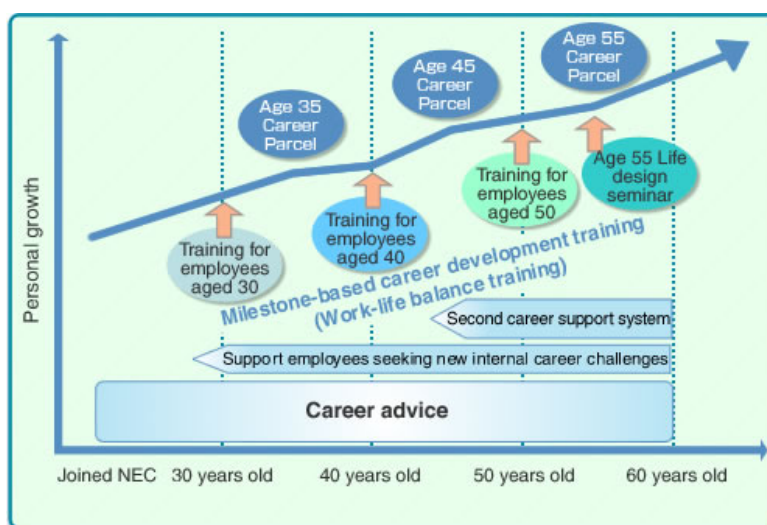
Lifetime Career Support Flow

1. In work-life balance training, participants review their own career paths and establish additional goals for skill development. Approximately 1,000 employees participated in this training in fiscal 2015.

2. NEC's Career Parcel is a program that provides employees at the key intermediate milestone ages of 35, 45 and 55 with the opportunity to assess their future careers and life plans using career-related and other information appropriate to each group. For employees in the age 55 group in particular, we offer the Life Design Seminar, a self-guided online training course on retirement benefits and pension plans.

3. Through this program established in 2002, NEC provides employees with career advice to support self-guided career development. Professional career advisors, from their specialized perspective, consult with employees on career development, including on the issue of work-life balance and making objective judgments on values and aptitudes.
   There are four career advisors who consult with around 700 employees each year.

Related Contents

▶ Main Activities and Results

▶ Objectives and Achievements

Policy and Systems | **Main Activities and Results** | Objectives and Achievements

Main Activities and Results

In fiscal 2015, we implemented the following measures based on the four key themes of our medium-term HR development targets (fiscal 2014 to fiscal 2016).

Fiscal 2015 Medium-term HR Development Targets (From fiscal 2014 to fiscal 2016)

- Upgrade and expand the pool of global leaders
- Strengthen professionals
- Strengthen training of young employees who can act autonomously with enthusiasm
- Develop a global human resources development platform

Upgrade and Expand the Pool of Global Leaders

he 26th NEC Management Academy, a key part of the Company's efforts to upgrade HR development programs for GKP candidates, was held from October 2014 to March 2015 for future division manager candidates. The program is designed to help participants acquire management knowledge and a managerial mindset from the standpoint of strategy, people, products and money and promote their evolution from function to management professionals. It begins with having participants think about the meaning to themselves of The NEC Way, NEC Group Vision 2017 and NEC Group Core Values. They then propose growth strategies for their own divisions (individual study component), make recommendations on cross-organizational initiatives for realization of the Mid-term Management Plan 2015 (group study component) and take part in leadership assessment and feedback.
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 conjunction with devising strategy for one's own division, starting in fiscal 2015 the focus of training for new divisional managers will shift from strategic planning to change management.
Moreover, in Drive NEC, the overseas version of the NEC Management Academy, was held in Japan for about one week in December 2014. This was held for members of overseas subsidiaries who are expected to be the leaders providing the impetus for the global business going forward.
This provides an opportunity for candidate leaders from various regions to meet in the same place at the same time and discuss or brush up thoughts about business, strategies and business models while spreading their human network globally.

Define an HR Ideal for "Solutions for Society"

NEC's Mid-term Management Plan 2015 sets forth the goal of "Becoming a 'Social value innovator,' and to this end we reformed existing business models, launched the "Solutions for Society", and considered and defined a specific job role and career path for business development personnel needed to further expand the business. In addition, based on interviews with NEC members already involved in the field, we formulated a specific job role model with reference to other companies' benchmarks and the conclusions of the Ministry of Economy, Trade and Industry's Frontier HR Research Committee.
We intend to utilize this model in creating specific development policies, programs and systems going forward.

Enhance the Systematic Training of Young Employees

The 3 Years Fundamental Program (3FP) was started in fiscal 2014 with the goal of enabling all young employees to embody the NEC Group Vision 2017 and NEC Group Core Values by the end of their third year at the company. The program seeks to shore up fundamentals of young hires and get them ready to more fully contribute.

The program has a variety of components, including milestone training in which employees review their experiences each year, practical onsite training sessions at production facilities and in the sales arena, as well as a program in which employees utilize what they have learned to solve problems at their own workplaces.

In addition, to foster a culture of young employee development throughout the organization, we have extended the on-the-job development (OJD) period to three years, hold seminars for supervisors, and issue an email newsletter with helpful information on training and development.

"Visualization" and Development of Global Professionals

NEC has been creating systems since fiscal 2011 for the development of professional personnel from the standpoint of global optimization to provide HR support for the NEC Group's global business development. One such system is a Web-based SaaS-style human resource and skill management tool created on the basis of our global standard human resources and skill framework, which is intended to provide a common global metric for assessing human resources. This tool, which can be utilized to create a global, Web-based visualization of the skills of professional personnel at overseas subsidiaries, was instituted at NEC Telecom Software Philippine.

Skill surveys were also conducted in fiscal 2015 at overseas subsidiaries that have not introduced the tool, which has made it possible for us to visualize the skills of approximately 80% of service personnel, system engineers and software developers both domestically and overseas. We will continue to promote skill visualization in and beyond fiscal 2016.

Cultivate Key Global Personnel

Since fiscal 2009, NEC has conducted the Global Track to Innovator (GTI) program to foster globally viable innovators by assigning new employees overseas for a period of one to two years. Over 100 employees have been sent overseas as a part of the program.

The program selects new employees with the potential to become a key part of future global operations and conducts global business skills training in English for around 20 days in Japan. Then, after about one year at NEC, participants are sent to overseas affiliates and other companies to conduct overseas work for one to two years in a specialized field alongside local employees.

SIES Results

NEC utilizes the Self Innovation and Empowerment System (SIES), an information management system for HR development that serves as a platform for HR development activities. The number of training days per NEC employee and per NEC Group employee registered in the system in fiscal 2015 was 4.6 and 3.5 days respectively.

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 Management Partner, 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.

Related Contents

▸ Policy and Systems
▸ Objectives and Achievements

Human Resources Development

Policy and Systems	Main Activities and Results	**Objectives and Achievements**

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

- Upgrade and expand the pool of global leaders
- Strengthen professionals
- Strengthen training of young employees who can act autonomously with enthusiasm
- Develop a global human resources development platform

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	Expand training program for senior-level management
Achievements and Progress	- Since fiscal 2012 we have specified key positions and clarified successors worldwide, and have strengthened coordination with off-the-job training programs. - The global version of the NEC Management Academy ("Drive NEC") was held in December 2014 and the domestic version was held from October 2014 to March 2015. - Reviews were conducted of the organization leader development training program, which targets the next term's division manager candidates to strengthen strategy formulation and organizational management abilities. - Executive coaching was conducted by in-house coaches for 18 young business division managers.
Degree of Completion	Achieved

Objective 2	Develop human resources for the "Solutions for Society" business
Achievements and Progress	- Basic training on business model generation, lean start-ups and other topics was conducted for approximately 300 employees by the Business Innovation Unit. - Programs were expanded utilizing the Business Model Canvas for trainings of newly promoted members and select trainings to further enhance business model development capacities. - Considered and defined a specific job role and career path for business development personnel needed to expand the "Solutions for Society" business.
Degree of Completion	Some progress

Objective 3	Train young employees to embody the NEC Group Vision 2017 and NEC Group Core Values
Achievements and Progress	- At the NEC Group common training for new employees, the Vision and Values Workshop was conducted to convey the background and necessity of the NEC Group Vision and NEC Group Core Values. - New NEC Group employees (approximately 1,200) assembled under one roof and the One NEC Program was conducted. Understanding was deepened with respect to the NEC Group Vision and Core Values through group work and a talk by the president. - Milestone training was conducted for early development of human resources, specifically employees in their first, second and third years at the company, so that they come to embody the NEC Group Core Values.
Degree of Completion	Mostly achieved

Objective 4	Maintaining a personnel training platform for global expansion
Achievements and Progress	• Plans have been formulated to build a new HR information system to serve as a common HR development and activities platform for One NEC at the global level, and in fiscal 2015 detailed process requirements were specified and a development plan created. We will complete development of the system during fiscal 2016 and implement it at companies in each country starting in April 2016.
Degree of Completion	Mostly achieved

Fiscal 2016 Objectives

Medium-Term Objectives	• Upgrade and expand the pool of global leaders • Strengthen professionals • Strengthen training of young employees who can act autonomously with enthusiasm • Develop a global human resources development platform
Objective 1	Further expand and globalize the training program for senior-level management
Objective 2	Accelerate training for personnel who will lead "Solutions for Society"
Objective 3	Strengthen training to enable young employees to experience NEC Group Vision 2017 & Core Values
Objective 4	Maintain a globally unified personnel training platform

Related Contents

▶ Policy and Systems

▶ Main Activities and Results

Strengthening Risk Management and Enforcing Compliance

NEC must strengthen risk management and compliance practices to ensure that business management is always sound from the standpoint of society. To this end, we will develop more secure internal systems and procedures across the NEC Group, and strengthen supply chain initiatives.

Internal Control

To ensure systematic risk management throughout the Company, every year NEC selects risks that require group-wide priority countermeasures from a management perspective, examines those risks, and implements countermeasures. Each division reinforces its risk management activities based on individual activities it has engaged in to date.

Fair Trading

NEC is actively involved in promoting fair trade by reinforcing systems for compliance with competition law and regulations for preventing bribery in order to continue to exist as company with a strong reputation in society.

Supply-Chain Management

NEC has established the NEC Group Procurement Policy and is using this policy to develop internal controls for CSR and expand them to suppliers.

▶ NEC Group Procurement Policy

Business Continuity

NEC provides numerous information and communications systems that support social infrastructure. Accordingly, NEC has a social responsibility to maintain those systems in the event of a natural disaster, as well as fulfill its responsibility to help maintain supply chains that have become increasingly complex and technically advanced. To this end, the NEC Group as a whole is systematically formulating business continuity plans (BCPs) and conducting business continuity management (BCM) to maintain and improve BCPs.

Information Security

NEC recognizes that it must protect the information assets it keeps for its customers and business partners as well as its own information assets, in order to contribute to society through the provision of better products and services. Accordingly, NEC has built an information security management system by establishing the NEC Information Security Statement.

▶ NEC Information Security Statement

Personal Information Protection

For NEC, appropriately protecting personal information received from customers, shareholders, investors, business partners, employees and others during the course of business constitutes one of its major responsibilities to society, and in July 2000 on the basis of this commitment the company formulated the NEC Privacy Policy.

▶ About Our Privacy Practices

Internal Control

Policy   and Systems   Main Activities and Results   Objectives and Achievements

Policy

NEC establishes and implements internal control systems in keeping with the Basic Policy on Internal Control Systems that the Board of Directors formulated to ensure the appropriateness of its corporate activities under Japan's Companies Act. The pillars of NEC's internal control systems are compliance and risk management. NEC regards these pillars as essential to being a respected company in society and meeting the expectations of stakeholders. Under the NEC Way, a cohesive framework that outlines the NEC Group's management practices and operations, for ensuring the compliance and risk management, NEC enacted the NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct.

Guided by the key concepts of "awareness" and "information sharing," the NEC Group's basic approach to implementing compliance is to foster awareness among every officer and employee so that irregularities are recognized as "abnormal. In addition, the Group encourages officers and employees to consult with supervisors, related departments or the Compliance Hotline without brushing under the carpet any issues they may have noticed with a view to resolving and improving those issues collectively as an organization.

From risk management perspectives, NEC determines the priority risks to be addressed in each fiscal year, and considers preventive measures and implements and evaluates them.

Related Link

▶ Basic Policy on Internal Control Systems
▶ NEC Group Charter of Corporate Behavior
▶ NEC Group Code of Conduct
▶ The NEC Way

Framework

To enforce compliance and implement effective risk management, NEC Corporation conducts activities led by the Risk Control and Compliance Committee, the Internal Control Division and the Risk Control and Compliance Promoters.

1. The Risk Control and Compliance Committee
   The committee, whose members are officers, investigates the underlying causes of serious compliance breaches, studies related preventive measures, and deliberates policies for risk management activities, selection of the priority risks and policies for addressing them.

2. The Internal Control Division
   This division exchanges opinions on various occasions with designated employees in corporate staff and other divisions specializing in matters described in the NEC Group Code of Conduct as concurrent assignment staff, and plans, formulates and implements various initiatives designed to enforce compliance, including instilling knowledge of the NEC Group Code of Conduct. In addition, the Internal Control Division provides necessary support and coordination, as well as guidance, to ensure that risk management at business divisions and corporate staff divisions is implemented systematically and effectively.

3. The Risk Control and Compliance Promoter
   NEC's Risk Control and Compliance Promoters assigned to business divisions (310 people*) and NEC Group subsidiaries in Japan (92 people*) serve as points of contact for the Internal Control Division and ensure individual employees are aware of policies and measures related to NEC Group compliance and risk management. (* As of March 31, 2015)

4. The Executive Committee
   The Executive Committee deliberates important risks related to NEC's management strategies, including the priority risks.

5. Board of Directors
   Given its oversight role with respect to business execution, the Board of Directors receives reports related to material misconduct and reports on the priority risks.

6. Corporate Auditing Bureau and audit & supervisory board members (KANSAYAKU)
   In keeping with their roles, Corporate Auditing Bureau and audit & supervisory board members (KANSAYAKU) audit whether he company and subsidiaries are operating lawfully, properly and efficiently.

7. Framework for Promoting Compliance Overseas
   NEC is proactively developing compliance frameworks at its five regional headquarters around the world to further strengthen 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 the job descriptions for these three functions. Moreover, NEC has clarified the system for escalating information to headquarters in Japan by developing escalation channels at each regional headquarters which will be followed in the event of a compliance-related issue arising.
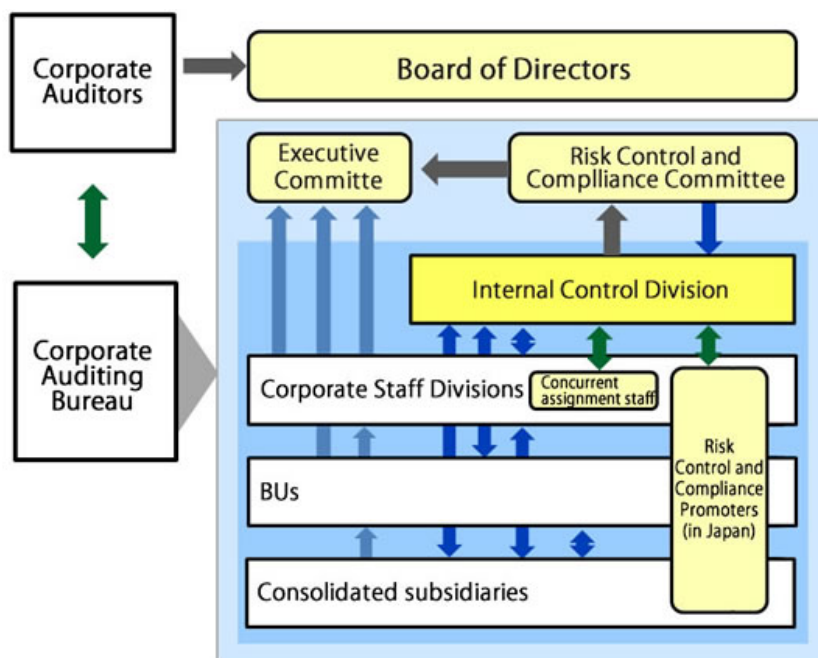
Framework for Internal Control

Related Contents

▶ Main Activities and Results

▶ Objectives and Achievements

Policy and Systems | **Main Activities and Results** | Objectives and Achievements

Main Activities and Results (Fiscal 2015)

Compliance

Education and Awareness-Raising Programs

NEC offers annual web-based compliance training programs to all officers and employees. Domestic subsidiaries also use this educational program. Almost all of our employees participated in the training, with 98% completing it in fiscal 2015. Once a year, the president speaks about compliance at the NEC Business Ethics Forum. NEC also uses educational opportunities for new graduate recruit programs and other rank-specific programs to impress the importance of complying with the NEC Group Code of Conduct.

The risk compliance portal on the domestic NEC intranet and DASHBOARD Global on the overseas intranet are dedicated to sharing in the NEC Group the information on the latest compliance issues. The company issues the fortnightly Compliance News email magazine, which provides timely topics considering the business situation.

Every year, it also updates the NEC Group Code of Conduct Case Sheet, which currently presents more than 160 case studies. These materials are distributed to new employees and used as educational materials for managers being promoted.

🔍 Larger view

Addressing Global Business Expansion

As global business expansion proceeds, the enforcement of compliance at overseas business sites has become an ever more urgent priority. NEC therefore prepares common multilingual contents related to competition law and bribery prevention for its overseas subsidiaries to use in training programs. NEC provides guidance to executives posted to overseas subsidiaries and ongoing training locally to executives to reinforce compliance management functions, and shares information with overseas compliance officers.

Compliance Hotline (Whistle-blowing system for employees and business partners)

The NEC Group believes that creating a positive working environment for all is important to enforcing compliance. Accordingly, we are thoroughly raising employee awareness so that they can consult any concerns or issues related to compliance in the workplace with their superiors, colleagues, and people from related divisions. In addition, the Compliance Hotline has been established in Corporate Auditing Bureau for consultations from employees facing cases of violationsknown or suspected violations of the NEC Group Code of Conduct. NEC has established an additional contact point for this 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 employees, but also NEC Group companies and suppliers in Japan.

Awareness of this system within the Group has remained above 90% for two consecutive years. In fiscal 2015, the number of consultations to the Compliance Hotline contact points reached 65. They includes queries or suggestions about internal systems and management, suggestions about the potential violations of ethical conduct.

NEC Group companies overseas have also set up in-house consultation and reporting systems and third-party systems, which are available to officers and employees of overseas subsidiaries.

Survey on Corporate Ethics Initiatives

NEC Corporation conducts online surveys to officers and employees on an annual basis to gauge ethical awareness among officers and employees and to evaluate the status of business ethics improvements The results are put to good use in developing and implementing business ethics improvements.

In the survey conducted in fiscal 2015, we received many comments such that respondents recognized the underlying compliance risks in immediate areas. We fed back some of the survey results disclose information to NEC Group officers and employees by posting 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. These are obtained through a questionnaire-based risk management survey and interviews, the risk management effectiveness evaluation by the Corporate Auditing Bureau, findings of audit & supervisory board members (KANSAYAKU) and accounting auditors, and other information. 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 affect the NEC Group's continuity. The divisions nominated by the Risk Control and Compliance Committee devises, with other divisions, countermeasures for domestic and overseas Group companies.

Risk Management Activities

The Risk Control and Compliance Committee receives quarterly reports on the status of examining the above specific priority risk countermeasures and progress of fermentation from each division in charge. Through these reports, the committee supervises the Group-wide implementation of risk management by verifying results and issues from activities, activity plans, and other matters. It issues instructions as necessary on the direction of improvement and reinforcement measures.

The Internal Control Division gathers external information, conducts risk management surveys, and interviews domestic and overseas subsidiaries. It shares know-how from these processes as part of ongoing support for the risk management activities of divisions, including their subsidiaries, to reinforce the overall risk management capabilities of the NEC Group.

Addressing Inherent Fraud Risks

In fiscal 2015, NEC instituted compliance self-assessments for all general managers and executives of domestic unlisted subsidiaries. The goal was to encourage swift identification of compliance weaknesses within business units and the deployment of fast countermeasures. NEC feeds back analysis results and best practices information to respondents. It looks to maintain this self-assessment program in the next and subsequent fiscal years.

Participation in Activities of External Organizations

Business Ethics Research Center (BERC)

NEC Corporation has been a member since the center was established in 2000. We have exchanged related information with other participants, cooperated in the center's activities for prevailing corporate social responsibility into Japanese companies, and utilized such information to plan prevailing measures of corporate social responsibility in the company.

Related Link

Business Ethics Research Center

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

Policy and Systems	Main Activities and Results	**Objectives and Achievements**

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

- 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.
- To continuously develop and operate internal control systems
- To continuously implement compliance promotion measures and improve the Group-wide implementation level
- To continuously operate the Compliance Hotline and improve awareness Group-wide
- To continuously implement risk management activities

Fiscal 2015 Objectives, Achievements and Progress, and Degree of Completion

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

Objective 1	• To promote PDCA cycles for internal control systems and continuously improve the compliance framework
Achievements and Progress	• We conducted interviews with internal unit, business units and corporate staff (a total of 30 divisions), confirming the operational status of internal control systems.
Degree of Completion	Achieved

Objective 2	• To continue risk management activities, such as responding to priority risks and overcome issues facing the NEC Group.
Achievements and Progress	• We selected the priority risks based on the Rules of Basic Risk Management and promoted certain execution of countermeasures by managing the progress status of countermeasures.
Degree of Completion	Achieved

Objective 3	• To continue compliance training in Japan and overseas and gain employee acceptance of compliance awareness.
Achievements and Progress	• We conducted web-based compliance training for almost all employees, with 98% completing it. • We held the NEC Business Ethics Forum, at which the president spoke about the importance of compliance. • We implemented new graduate recruits and rank-specific training programs (including those for new managers, new general managers, and new executives). • We prepared common multilingual contents related to competition law and bribery prevention, and provided training for domestic and overseas subsidiaries. • We provided guidance to executives posted to overseas subsidiaries, and provided training locally to executives.
Degree of Completion	Achieved

Objective 4	• To continue activities to popularize and inform about the Compliance Hotline, and promote early discovery and solution of problems and issues.
Achievements and Progress	• Internal awareness of the Compliance Hotline remained at above 90% for two consecutive years (it was 90.6% in fiscal 2015). We will continue efforts to boost awareness to 100%.
Degree of Completion	Achieved

Fiscal 2015 Objectives

Objective 1	To continue activities to popularize and inform about the Compliance Hotline, and promote early discovery and solution of problems and issues early and promote early solutions.
Objective 2	To continue risk management activities, such as addressing the priority risks and overcome issues facing the NEC Group.
Objective 3	To continue compliance training in Japan and overseas and gain employee acceptance of compliance awareness.
Objective 4	To continue activities to popularize and inform about the Compliance Hotline, and promote early discovery and solution of problems and issues.

Related Contents

▶ Policy and Systems

▶ Main Activities and Results

Fair Trading

Policy

Basic Policy

NEC regards ethics as the basis of economic activity. We carry out business activities in line with this belief in part to maintain recognition from society as a company that contributes to customers, markets, and so forth. In addition, we believe it is important to always put compliance first, even amid tough competition in countries worldwide, and we believe it is important to put this into practice.

This is because generating sales, profits, or other gains without regard to rules in an unethical manner is perilous. One consequence is financial penalties such as compensation for damages and fines stemming from rule violations. Moreover, such actions threaten NEC's continued existence by instantaneously destroying the trust that we have earned from society to date.

Policies and Regulations

Countries around the world have reinforced execution of competition laws and anti-bribery regulations in recent years. Since 2008, NEC Group has encouraged overseas NEC Group companies to formulate competition policies. In Japan, NEC has for some time had a compliance manual to accommodate the Antimonopoly Act. It additionally formulated a Competition Law Compliance Policy in October 2011 mindful of complying with overseas competition laws.

The Competition Law Compliance Policy is comprised of a main text section with basic consideration on compliance with competition law in Japan and overseas and commentary on each section. The policy is intended to raise the compliance awareness of corporate officers and employees of NEC and NEC Group companies in Japan while reducing the risk of competition law infractions.

NEC has also established the Rules for Contacts with Competitors and the Basic Rule on Anti-bribery. The Rules for Contacts with Competitors are intended to restrict unnecessary interactions with competitors to reduce the risk of being suspected of, or becoming involved in, collusion or cartel-like practices. The Basic Rule on Anti-bribery establishes basic systems for preventing bribery and corruption at NEC and basic rules for corporate officers and employees in order to ensure that bribes are neither offered nor received in Japan or abroad in connection with the business activities of the NEC Group.

Nevertheless, in November 2014, the Fair Trade Commission conducted on-site inspections on suspicion of NEC's violation of the Antimonopoly Act of Japan in connection with transactions concerning radio systems for firefighting.

Moreover, in May 2015, there were more such inspections in connection with transactions concerning telecommunications equipment for electric power systems.

Taking these incidents very seriously, the NEC Group is cooperating fully with the commission's investigations.

And at the same time, we take these incidents as an opportunity to re-acknowledge the importance of ethics and prioritizing compliance. Specifically, we are proactively working to encourage fair trading including by bolstering frameworks for compliance with anti-bribery, competition, and other laws.

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Competition Policy

(Contacting Competitors)

1. Contact competitors only if it is absolutely necessary.
(Exchanging Information and Entering into Agreements with Competitors)

2. Do not exchange information or agree with competitors on matters important for competition such as prices, quantities, sales territories, allocation of customers and intention to (or not to) deal with a specific customer (including eagerness for an order or bid).
(Illicitly Obtaining Bid-Related Information)

3. Do not obtain or request confidential information from the national or local government or other public entity that would facilitate bid-rigging among the competitors or information about a bidder to whom such government or public organization is intending to award a contract before participating in a bid offered by such government or public organization.
(Recording and Keeping Records of Contact with Competitors)

4. Appropriately record the sequence of events and interaction when contacting a competitor and keep copies of those records.
(Interfering with Transactions between Distributors or Licensees and Their Business Partners)

5. Do not unjustifiably restrict prices, quantities, sales territories, business partners, sales methods or other matters in transactions between our distributors or licensees and their customers.
(Unjustifiably Discriminating against Distributors or Other Business Partners)

6. Do not unjustifiably discriminate among distributors or other business partners regarding transaction conditions such as prices, quantities, payment conditions and rebates, conditions for participating in sales promotion campaigns and others.
(Dumping)

7. Do not sell products and services at an unjustifiably low price ignoring profitability.
(Abusing Dominant Bargaining Position)

8. Do not push unjustifiable conditions onto materials suppliers, subcontractors, distributors and other business partners using your dominant bargaining position.
(False Labeling)

9. Do not attach labels or make statements that are not based on the fact or are exaggerated or unsubstantiated in sales activities and advertisements.
(Advance Consultation)

10. If you have doubts or cannot make a judgment regarding competition law, immediately consult with the Company's fair trade promotion department.

</div>

Systems

Competition Law Compliance

It takes effort on various fronts to comply with competition law, including sales, technology transactions and materials procurement. NEC promotes compliance with the law through cooperation and coordination among multiple divisions involved in each of these areas. Specifically, the Legal Division

and the Internal Control Division serves as the co-lead management division (for overseas transactions, including licenses and technology related transactions such as joint developments), and the Purchasing Division (for materials procurement) and other divisions cooperate to promote compliance with competition law throughout NEC and the NEC Group.

Bribery Prevention

Co-led by the Legal Division and the Internal Control Division, NEC enforces the Basic Rule on Anti-bribery and provides related instruction, support, direction and training for internal divisions and NEC Group companies. Checking daily operations is an important part of preventing corruption, so guidelines have been established by the General Affairs Division (for entertainment, gifts and donations), the planning divisions of each Business Unit (for operating expenses), and the Materials Division (for materials expenses), and expenditures requested by the company's divisions are checked to ensure there are no problems.

Related Contents

▶ Main Activities and Results

Policy and Systems | **Main Activities and Results**

Main Activities and Results for Fiscal 2015

Ongoing employee education is vital to robust promotion of fair trade. When NEC established the Competition Law Compliance Policy, the Rules for Contacts with Competitors, and the Basic Rule on Anti-bribery in October 2011, we held 75 group training sessions to ensure awareness of these policies throughout the organization. The sessions covered about 6,100 employees, focused on NEC's corporate officers and management. NEC has kept up such group training. In fiscal 2014 and fiscal 2015, subjects addressed include compliance with competition laws and bribery prevention. In fiscal 2014, there were roughly 3,200 participants. In fiscal 2015, there were about 4,300 participants.

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 15 times in total for eight companies during fiscal 2015. Approximately 650 corporate officers and employees participated.

Overseas, NEC works to train all executives and employees of NEC Group companies on promoting fair trade through e-learning courses held in coordination with regional management companies and thereby raise awareness of the issue.

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.

As for preventing bribery, NEC instructed domestic and overseas NEC Group companies to establish appropriate anti-bribery frameworks and rules with the same purposes as the Basic Rule on Anti-bribery. As a result, we finished putting in place the Basic Rule on Anti-bribery at all domestic NEC Group companies (*) by the end of fiscal 2015.

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 2015, nearly all overseas subsidiaries* had created regulations. NEC intends to continue to provide instruction and support going forward, so that all NEC Group companies promptly formulate and enforce these basic regulations for preventing bribery and corruption.

In addition, NEC created the Anti-bribery Manual for Business Divisions based on the Basic Rule on Anti-bribery. It stipulates the roles of divisional managers and specific methods for preventing bribery, which include bribery risk assessment at the business and process levels, and due diligence on third parties employed in the company's business operations. In fiscal 2015, bribery risk assessments were again conducted on the businesses and processes of all business divisions, and for divisions assessed as high risk, the abovementioned group training was rigorously enforced for all affiliated employees. The Basic Rule on Anti-bribery establishes strict systems for responding in the event a case of bribery is discovered; it sets forth a reporting route from the person that discovered the incident to the Legal Division.

Going forward, NEC will continue to ensure appropriate application of the manual as it works to prevent bribery throughout the NEC Group and down its value chains.

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

Related Contents

▸ Policy and Systems

Policy

NEC formulated the Group Procurement Policy based on CSR management, which is in accordance with ISO 26000, to deploy CSR in internal controls and among business partners. Regarding purchasing ethics and other forms of internal control, NEC has established the Basic Rules for Procurement and ensures that all employees remain in compliance with the regulations. To strengthen procurement-related internal controls, we have established specific business regulations in the purchasing process, and are striving to make staff members involved in purchasing activities fully aware of them by holding regular training sessions. NEC formulated Supply-Chain CSR Guidelines to promote CSR-related activities together with its suppliers. We are continuing to make efforts to nurture partnerships from a long-term perspective so that steady progress is made while deepening mutual understanding. Based on the above policies and guidelines, and pivoting on six priority risk categories, initiatives are promoted at the stages of awareness raising, document review and onsite auditing.

▶ NEC Group Procurement Policy

🔖 Supply-Chain CSR Guidelines
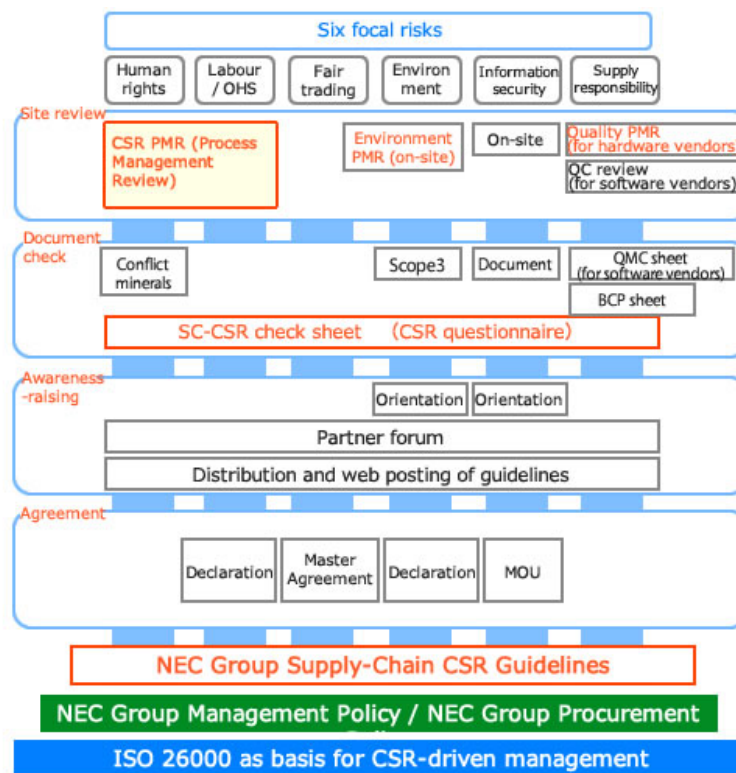
CSR Procurement Framework

Related Contents

▶ Main Activities and Results

▶ Objectives and Achievements

Partnering with Suppliers

Policy and Systems **Main Activities and Results** Objectives and Achievements

Main Activities and Results in Fiscal 2015

Confirming CSR Practices among Suppliers

In fiscal 2013, NEC launched the CSR Process Management Review Assessment as an on-site diagnostic program that focuses on human rights and occupational safety and health to improve management weaknesses among suppliers. This program evaluates sites from an array of aspects, including through interviews with top management and employees and through plant visits. This program is based on NEC Group employees personally visiting suppliers and bases to engage in direct dialogue based on direct observations. Both NEC and suppliers mutually understand each other's situations through an approach called Co-Capacity Building, which aims to enhance the CSR capabilities of both parties.

In fiscal 2015, NEC collaborated with a nongovernment organization with expertise in resolving regional issues to deploy the program for three Chinese production subcontractors. While the program highlighted numerous excellent practices, it also identified several issues relating to working conditions, overtime, and occupational safety and health management, recommending corrective actions and confirming progress toward improvements.

*   PMR=Process Management Review

Plant diagnostics

Document checks

Environmental Measures

NEC has been promoting green procurement of parts and materials, and 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, and European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Regulation, NEC continuously conducts chemical substance content surveys covering purchased items.

Combating global warming has become an urgent priority, so in fiscal 2013 NEC launched activities to reduce the environmental impacts of upstream suppliers under the Scope 3 framework. In fiscal 2015, NEC changed and stepped up its Standards Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products in line with changes in the European Union's RoHS Directive. In addition, NEC began globally mandating suppliers to submit environmental health and safety declarations to bolster compliance with environmental (hazardous chemicals) and occupational health and safety requirements.

Related Links

▶ Standards Pertaining to Procurement Restrictions for the Inclusion of Chemical Substances in Products, EHS declarations

▶ Scope 3

Strengthening Information Security

To date, ongoing activities have included holding briefings on CSR and information security measures (16 briefings held in 11 locations across Japan, attended by about 1,700 companies and approx. 2,200 people); organizing seminars for information security instructors (seminar materials were downloaded by around 1,100 companies); conducting assessments of implementation status through document and on-site inspections (about 1,800 companies); and implementing rigorous management of subcontracting. NEC will continue to implement these measures.

Addressing the Issue of Mineral Resources that Fuel Conflict

It is claimed that minerals mined in the Democratic Republic of the Congo and neighboring countries are financing armed groups, contributing to tribal conflict, human rights violations, and environmental destruction. From fiscal 2012, the NEC Group clarified its policy of neither using nor procuring mineral products mined improperly in conflict areas, seeking the understanding and cooperation of suppliers by establishing the Conflict Minerals Guidelines. NEC established a response structure drawing on liaison between internal sales and business units, responding to all requests from customers for conflict minerals surveys In fiscal 2015.

A JEITA joint briefing on May 26, 2014

NEC Continues to collaborate in industry activities as a member of the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA). In fiscal 2015, NEC provided explainers for a joint supplier briefing as part of efforts to cultivate understanding among them.

Related Links

▶ Conflict Minerals Guidelines

In-House Training and Monitoring

The NEC Group regularly implements various educational and training programs for purchasing staff as part of the endeavors to maintain proper business conduct. NEC continued such initiatives in fiscal 2015 based on an annual plan. The content was closely related to purchasing tasks, including CSR, corporate ethics, and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (the Subcontracting Act), and also included courses needed to enhance operational skills. NEC's compliance training related to procurement puts special emphasis on onsite contracting, dispatch staffing and the Subcontracting Act.

In connection with accepting employees from suppliers in the form of onsite contracting or dispatch staffing, training is conducted so that the employees learn the compliance requirements at their respective workplaces. Since fiscal 2008, all newly appointed management personnel each year are provided e-learning training. And, they must also take an e-learning training course on the Subcontracting Act.

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 particular, Compliance Promoters are also trained to enhance the level of compliance promotion regarding on-site contracting and dispatch staffing and the Subcontracting Act. In fiscal 2015, NEC continued to conduct e-learning training for new managers and training for Compliance Promoters.

We continued to conduct internal auditing activities in fiscal 2015 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 during fiscal 2015 revealed no major problems pertaining to on-site contracting and dispatch staffing practices.

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.

Related Links

▶ Compliance Hotline

Participating in Draft Consultations for ISO 20400

The ISO 20400 Evaluation Working Group of the Japan Business Federation was established under the auspices of the Subcommittee on Socially Responsible Management. This move was against the backdrop of efforts to formulate ISO 20400 as a new international standard for sustainable procurement. In April 2015, the subcommittee gathered industry views on the standard and submitted its opinion on the draft. NEC participated extensively in this initiative as a member of the working group.

Activities in EMEA

In EMEA, NEC continued to strengthen its Third Party's due diligence ("Third Party" includes any advisors, agents, external consultants, business partners (together with suppliers) or lobbyists acting for or on behalf of NEC) and compliance approach, for example with its suppliers. Such efforts are implemented through collaboration between various divisions of NEC Europe (CSR, legal, procurement, compliance, sales and finance).

At minimum, regulatory compliance is a precondition for doing business with NEC. In addition, the NEC EMEA Group Vendor's Charter of Responsible Business Conduct contractually requires its Third Party to understand and apply international codes of conduct. It covers quality, health and safety, the environment, society, governance, ethics and other areas. The charter is based on the NEC Group Procurement Policy, NEC Group Supply-Chain CSR Guidelines and other best practices in the industry, and refers to the ILO, OECD and ISO 26000 regulations, the UN's Guiding Principles on Business and Human Rights, the UK Bribery Act, and the UN Global Compact.

Any Third Party engaged by NEC is also required to comply with NEC EMEA's Anti-Corruption Policy and needs to complete a comprehensive self-assessment questionnaire. This assessment is positioned as the first step in a collaborative engagement process to improve supply chain practices particularly with middle-market suppliers.

Going forward NEC plans to enhance its activities through continuous buyer training, awareness-raising for middle market companies, quarterly reviews and other initiatives.

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

Partnering with Suppliers

Policy and Systems | Main Activities and Results | **Objectives and Achievements**

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Build systems for autonomously promoting CSR at suppliers

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	Expand the on-site CSR assessment program for suppliers to the Asian region
Achievements and Progress	• Collaborated with a nongovernment organization in site diagnostics for three Chinese production subcontractors. Were thereby able to validate the CSR Process Management Review Assessment scheme.
Degree of Completion	Achieved

Objective 2	Start building a platform for coordinating with NPOs and specialists inside and outside Japan through participation in stakeholder engagement programs. (* Activities to raise solutions capacities for child labor and other material issues on the supply chain)
Achievements and Progress	• Participated in Stakeholder Engagement Program of Caux Round Table Japan.
Degree of Completion	Mostly achieved

Fiscal 2016 Objectives

Objective 1	Formulate CSR policy to promote solutions procurement
Objective 2	Continue expanding CSR Process Management Review Assessment scheme in China

Related Contents

▶ Policy and Systems
▶ Main Activities and Results

Business Continuity

Policy

NEC has been involved for many years in the construction of social infrastructure using information and communications technologies. As forms of social infrastructure, communication networks and core systems for traffic, defense and financial services must be capable of being restored quickly in the event of an emergency or disaster.

Therefore, it is our responsibilities to quickly recover and continue their systems and operations.

NEC has established the following three specific disaster response policies.

1. Ensure the safety of employees and visitors.
2. Fulfill NEC's social responsibilities.
   Maintenance and recovery of backbone systems for communications, public infrastructure, traffic, defense, finance, etc.
3. Minimize management damage caused by operation disruption.

Framework

NEC maintains proactive and flexible business continuity through the following three organizations.

(1) The Headquarters for Business Continuity and Disaster Recovery
Administers the BCP for management function to maintain top management decision-making and restore operations.

(2) Business Unit BCP team
Administer the BCP for each business to recover specific businesses such as collecting information on damage to customers and operations, securing the personnel needed, and securing materials supply and distribution routes.

(3) Workplace BCP team
Administer the BCP for each workplace. Secure the safety of workplaces, confirm the safety of employees, support employees' life and collaborate with communities.

NEC's Framework for Disaster Response
and Business Continuity

In the Business Unit BCP team, there are the BCP Promoters and the BC Team Members who promote Business Continuity Management Systems (BCMS) under the BCDR managers.
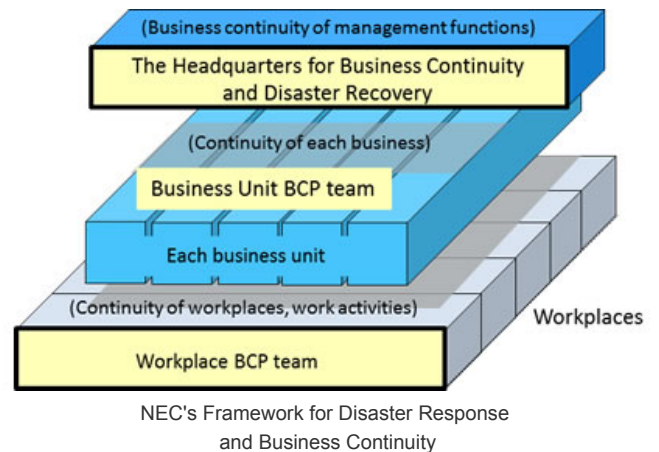
Related Contents

▶ Main Activities and Results
▶ Objectives and Achievements

Policy and Systems | **Main Activities and Results** | Objectives and Achievements

Main Activities and Results for Fiscal 2015

Sharing Information during Disasters (BCP Teams Support System)

It can be difficult to communicate and share information in a disaster, because of the interruption of telecommunications.
This is accomplished by centralizing information o make it possible to appropriately disseminate the information that is needed by each BCP team, including top management, while also conveying company policies and decisions to workers.
In fiscal 2015, we continued to conduct visualization, which includes damage maps and damage status tables, while at the same time simplified the process used to input the information.

Information Sharing System for Disasters and Pandemics	Business continuity information distribution system	Damage to buildings and facilities
		Transportation and flight information, IT infrastructure restoration status
		SCM and DCM information
		Notification to employees from BCP
		Pandemic management
	Attendance support system	A route map with helpful information in a disaster
	NEC Group safety confirmation system	Safety confirmation system for employees outside office
		Safety confirmation system for onsite employees
		Disease onset management system for pandemic
	BCP team support system	NEC site damage status map
		Damage status table (main customers, suppliers, distribution)
		BBS for employees
	Business continuity portal, e-learning, guidelines	

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

List of sites in disaster areas

Plot the information of related sites and the number of employees on the map
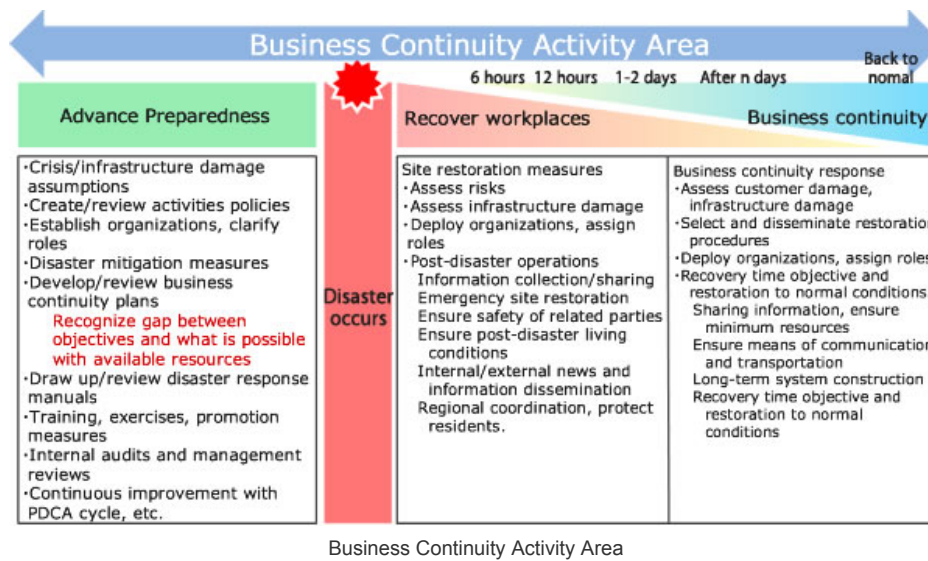⇒ Including the information of main customers and main suppliers

Infrastructure situation for each site, production and maintenance recovery information

Damage information for production sites, distribution sites.
Customers and suppliers information

Related Links

▶ Information Sharing System for Disasters and Pandemics

Upgrades of Business Continuity Management Systems (BCMS) (Development of Own Maturation Indicator)

NEC has been developing BCPs for all NEC Group consolidated subsidiaries in Japan since FY2007. We developed over 400 BCPs in FY2008. After the Great East Japan Earthquake, we analyzed the various problems it brought to light and further upgraded our plans in order to make improvements. In fiscal 2015, we created an indicator to measure our progress and its relative depth (maturation management table) in accordance with various international standards and NEC's BCMS Operations Manual, and continued to make improvements.

Business Continuity Activity Area

Basic Approach to Business Continuity Management (BCM) Activities

NEC has obtained the third-party certification (BS259999-2) in February 2009 for the main businesses. Since then, we have continuously been updating the third-party certifications. February 24, 2014,we acquired the international standard for business continuity management systems, ISO 22301:2012.
Currently, we have obtained ISO 22301 certification in 42 business areas, the highest number of any company in Japan. The business-related fields for which certification has been obtained cover a broad range, from design and system construction to manufacturing and maintenance.

ISO 22301 certification

Related Links

▶ The NEC Group has obtained ISO 22301 certification, the international standard for business continuity management systems, in 44 divisions, the most in Japan. (Japanese)

Penetration Measures (exercises and training)

In developing business continuity and recovery plans, simply building an information-sharing system for use in a disaster is not enough for it to actually function properly. To ensure that plans and systems are utilized in the restoration process and workers take appropriate actions during disasters, we strive to ensure that action guidelines and business continuity methods fully penetrate and establish the organization through a variety of training programs and exercises. In exercises workers and divisions conduct activities based on simulated infrastructure damage (in fiscal 2015, it was an earthquake in the northern part of Tokyo Bay), and BCP teams carry out measures to appropriately maintain business continuity. Top management also takes part in the exercise and work to improve their skills.

Exercise including Top management

Video simulation of damage at home

Initiatives Overseas

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. We have prepared BCPs to cover country and regional risks for main overseas subsidiaries.

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 have conducted the notification exercise for all overseas subsidiaries twice a year since 2012. We are prepared to quickly resume businesses by minimizing their damage in a disaster.

Disaster Report (Smartphone)

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Obtain ISO certification on business continuity for the entire NEC Group, while entrenching effective BCM activities based on the ISO approaches.

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	Implement measures to improving BCPs and BCM activities of NEC and the NEC Group companies.
Achievements and Progress	IImplement BCM activities such as improvement of BCPs, internal and third-party audits and maturation surveys.
Degree of Completion	Mostly achieved

Objective 2	Continue to reviewing and improving BCPs and conduct BCM activities at overseas subsidiaries.
Achievements and Progress	BCP reviews and improvements were made by conducting exercises and trainings at all overseas subsidiaries.
Degree of Completion	Mostly achieved

Objective 3	Continuously implement BCDR exercises worldwide and e-learning.
Achievements and Progress	The following contents were conducted; NEC Group exercises (twice a year), exercises at separate sites, BCP basic training, internal auditor training, disaster preparedness seminars, DIG drills and Web training.
Degree of Completion	Mostly achieved

Fiscal 2016 Objectives

Objective 1	Further upgrade BCM by utilizing the PDCA cycle
Objective 2	Check BCM levels of achievement at companies and divisions, including overseas NEC Group companies

Data, graphs (caption)

BCP level check format and results sheet sample

Related Contents

▸ Policy and Systems
▸ Main Activities and Results

Policy and Systems | Main Activities and Results | Objectives and Achievements

Policy

NEC recognizes that it must protect the information assets it keeps for its customers and suppliers as well as its own information assets, and has codified this duty in the NEC Information Security Statement. Moreover, to fulfill the duty set forth in the statement, we are establishing an information security promotion framework and information security management systems (the formulation, operation and improvement of information security policies), and putting in place a highly advanced information security infrastructure.
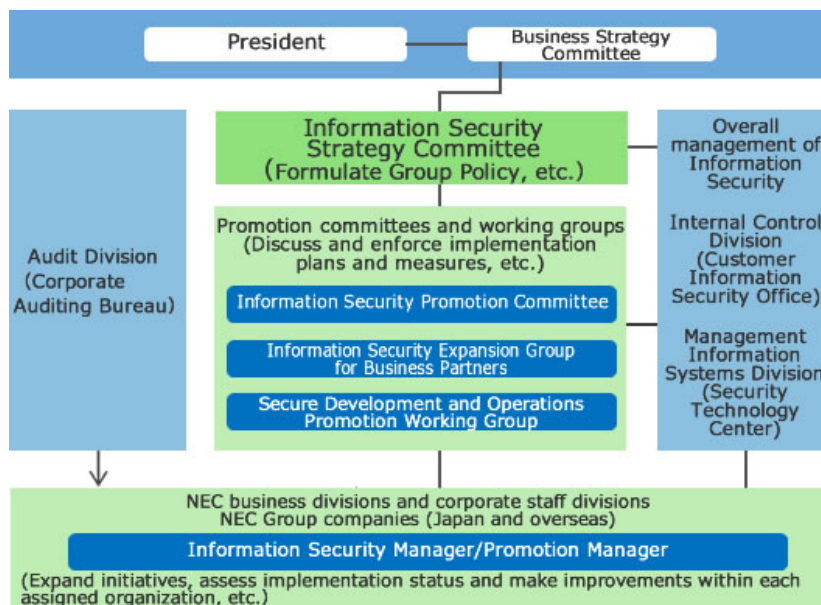
Promotion Framework

NEC's information security implementation framework consists of the Information Security Strategy Committee and its subcommittees, as well as the promotion systems of each organization. The information security initiatives of the overall NEC Group are directed and managed by the company's Management Information Systems Division and Internal Control Division, which implement and manage activities at each organization through the Information Security Strategy Committee and its subcommittees, while working closely with Information Security Managers and Promotion Managers appointed to each business division, corporate staff division and Group company.

Information Security Strategy Committee

Aiming to decrease the number of information security incidents throughout the NEC Group, this committee deliberates important issues such as the decision, assessment, and improvement of information security reinforcement measures, the clarification of the causes of severe incidents and decision on measures to prevent reoccurrence, and the reflection of achieved results into NEC's own information security business.

Promotion Committees and Working Groups

There are three subcommittees of the Information Security Strategy Committee, promotion committees and working groups. These subcommittees perform various tasks to maintain and improve the information security of the NEC Group as a whole. Tasks include discussion and coordination of implementation plans and measures to be executed, as well as enforcing directives and monitoring progress on various measures. By sharing information about incidents and monitoring the situation and issues faced by each organization, the subcommittees strive to enhance the effectiveness, efficiency, and feasibility of various security measures.

Information security implementation framework

Related Contents

▶ Main Activities and Results

▶ Objectives and Achievements

Main Activities and Results for Fiscal 2015

Strengthen Global Information Security Infrastructure

NEC worked to expand an integrated management platform that enables the visualization of the status of information security measures for PCs (e.g. installation of security patches, malware countermeasures and PC encryption) at overseas subsidiaries.

In fiscal 2015 visualization was nearly complete in the North America region. In Europe, Australia and New Zealand, it was completed through linkage with existing systems. In addition, to further enhance security functions, we are gradually expanding implementation of device control functions (data read/write controls for USB memory and other devices) in the China and Asia-Pacific regions. Moreover, a network quarantine function that blocks access to networks by PCs without adequate security measures was partially introduced in the China region.
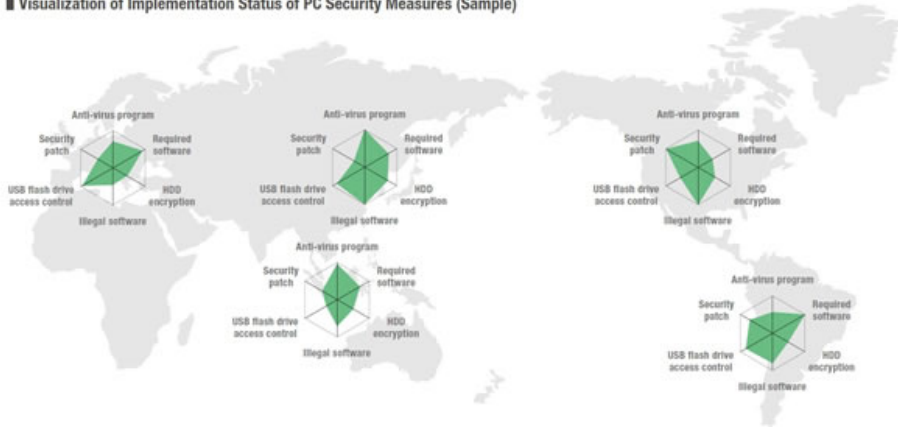
Visualization example (summary of information security implementation by region)

The graph used here is a dummy and has no association with actual conditions.

- "Visualization" in this context refers to systems for quantitatively confirming the status of information security measures at overseas subsidiaries, which includes, for example, security patch installation and implementation rates for PC encryption measures. Information Security Managers at the Management Information Systems Division, regional headquarters and local subsidiaries can confirm their status and take specific actions to improve their information security.

By working with related divisions, we also confirmed local and regional laws and regulations concerning personal information protection, such as the EU Data Protection Directive, and based on this, began centralized management of the use of IDs that qualify as personal information within the NEC Group.

Strengthen Measures against Cyber Attacks

Targeted attacks are a form of cyber attack targeted at a specific company or organization, and they have been growing more advanced and sophisticated each year. To counter this threat we re-identified vulnerable areas on our intranet and designed systems to proactively thwart such attacks as well as to rapidly grasp the status of an intranet attack, block the intrusion and restore systems.
In addition, we have made it easier to respond to information security events by making it possible to analyze large access logs at high speeds and more clearly detect the presence of attacks.
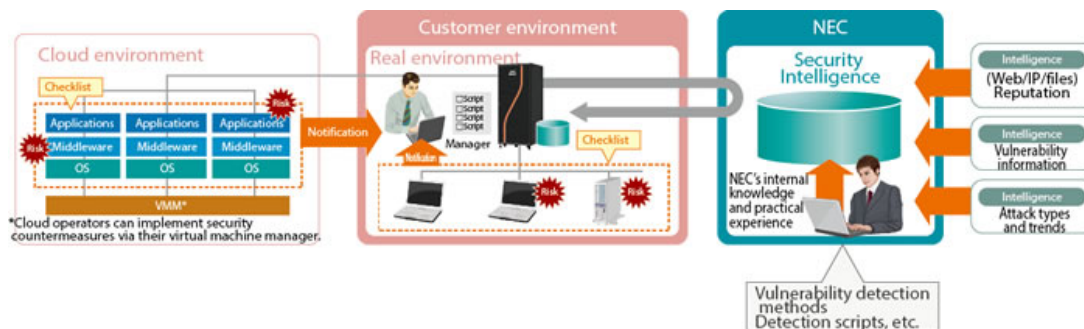
Identification of vulnerable areas based on intelligence

Moreover, we implemented tools to counter targeted attacks on email software and conducted targeted attack drills as in the previous year to continuously raise employees' awareness.
We also started to implement cyber attack measures for overseas subsidiaries first in the Asia-Pacific region.
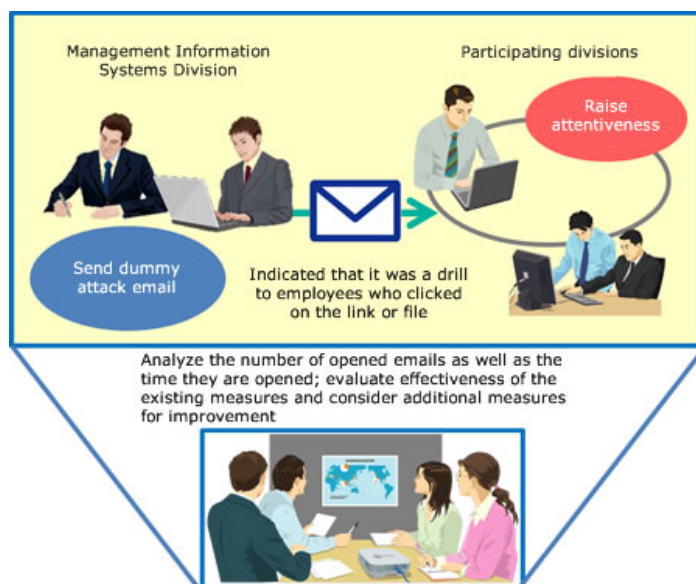
Targeted attack email response drill

Promote and Enforce Secure Development and Operations

To further strengthen measures to prevent unauthorized acts internally, five security levels were defined based on the relative importance and impact if information handled on the customer system were leaked, and new standards were established for measures to be implemented based on the requirements of each level. For example, Level 3 corresponds to systems that handle information that could have a serious impact on customer business operations if a security incident occurs and so requires measures such as various diagnostics on source codes, Web applicatio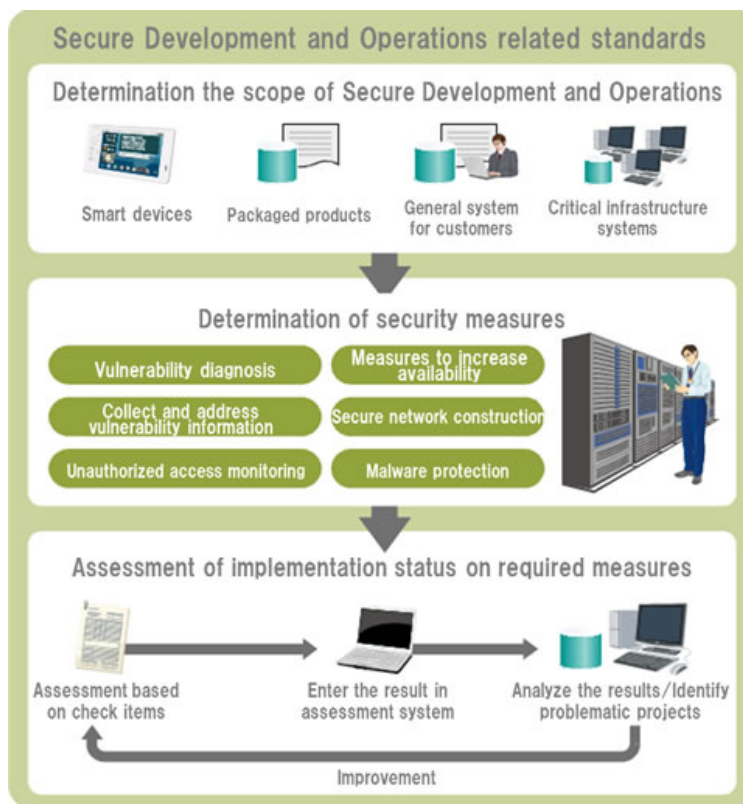ns and platforms, administrator ID management, and database encryption. Level 5 covers systems that handle confidential government information and requires the highest possible level of security, which includes mandatory access control, real-time monitoring and penetration testing that are even more advanced than Level 3.

Visualization of application and implementation of Secure Development
and Operation Implementation Standards

In addition, we promoted a system that visualizes the progress of security measures for customer projects within the NEC Group, conducted training to further strengthen the proposal capabilities of onsite project managers, and built mechanisms for rapidly providing vulnerability information related to customer projects.
Further, we provided individual support for overseas projects and implemented Secure Development and Operations measures for developers in the Asia-Pacific region (e.g. providing security technology guidelines, checklists, and vulnerability diagnostic tools).

Seminar on Secure Development and
Operations for developers in Singapore

Monitoring

Information Security Assessment Activities

Every year, NEC confirms the status of security measure implementation through information security assessment and conducts activities to propose and execute improvement plans.
In fiscal 2015, information security assessments were conducted at 76 NEC Group companies in Japan. Assessments were conducted both by general employees and managers of specific security measures to confirm the status of measure implementation based on their respective roles (personal assessment). By accurately assessing the actual security situation at worksites, we were able to improve effectiveness.

Personal assessments were also conducted at 39 overseas subsidiaries, which provided us a detailed status of security measures, with efforts being made to further raise awareness and recognition.

Assessment of Business Partners

Based on the "Information Security Standards for NEC Group Business Partners", the "Basic Rules for Customer Related Work for Business Partners" and other guidelines for Business Partners, we conducted assessments and evaluations of the implementation status of information security measures in Business Partners (on-site assessments and web-based self-assessments). We provided Business Partners with feedback in the form of the assessment and evaluation results, and thoroughly implemented improvements.

Assessment of Security Measures for Products and Systems Provided to Customers

By promoting a system that visualizes the progress of security measures for customer projects within the NEC Group, we could identify projects for which measures were inadequate and made necessary improvements.

Related Contents

▶ Policy and Systems
▶ Objectives and Achievements

Policy and Systems	Main Activities and Results	**Objectives and Achievements**

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

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 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	Strengthen global information security infrastructure • Expand regional scope of security service functions (device control, network quarantine, etc.) • Achieve integrated management of security measures implemented in a global environment • Realize personal information usage management in compliance with the EU Data Protection Directive and other applicable laws and regulations
Achievements and Progress	• Visualization in the North America region is nearly complete, and visualization has been completed in Europe, Australia and New Zealand through linkage with existing systems. • Device control functions were steadily implemented in the China and Asia-Pacific regions. • A network quarantine function is currently in the process of implementation across the China region. • Surveys of local and regional laws and regulations including the EU Data Protection Directive were conducted, and based on the survey results, centralized management was established for use of IDs that qualify as personal information within the NEC Group.
Degree of Completion	Achieved

Objective 2	Strengthen measures against cyber attacks • Strengthen measures for blocking intrusions, visualizing and analyzing attacks and centralized management, etc. • Strengthen measures against cyber attacks for overseas subsidiaries
Achievements and Progress	• Advanced protection systems for proactively countering attacks were designed along with systems that enable rapid incident response by analyzing the situation, blocking the intrusion and restoring affected services quickly. • Network visualization, etc. was achieved through strengthening integrated monitoring of Intranet packets and logs. • Measures for overseas subsidiaries started to be deployed first in the Asia-Pacific region.
Degree of Completion	Achieved

Objective 3	Promote and enforce Secure Development and Operations
	• Strengthen promotion of Secure Development and Operations in critical infrastructure sectors
	• Expand scope of Secure Development and Operations in Business Partners (supplier and offshore development)
	• Better establish Secure Development and Operations (visualization of progress, reduction of problematic projects)
Achievements and Progress	• A five-level system was established for security measures based on the relative importance and impact if customer information were leaked. New implementation standards were created based on these levels, and assessments were conducted.
	• Implementation guidelines were continuously enforced and ensured to Business Partners.
	• Seminars to help developers improve their understanding were held primarily in the Asia-Pacific region as a part of support for overseas projects.
	• Use of systems to visualize the progress of security measures was promoted for customer projects. Training was conducted for onsite project managers.
	• A system was developed for sharing vulnerability information rapidly among customer projects.
Degree of Completion	Achieved

Fiscal 2016 Objectives

Objective 1	Strengthen global information security infrastructure
	• Expand security service functions (visualization) geographically (remaining regions are North America, South America and a part of India).
	• Achieve integrated management of security measures implemented in a global environment
Objective 2	Strengthen measures against cyber attacks
	• Build and deploy a next-generation security management platform (design completed in fiscal 2015) capable of countering the latest cyber attacks, which are becoming more advanced and sophisticated
	• Formally begin operations to increase the sophistication and efficiency of CSIRT through network visualization
	• Strengthen global cyber attack measures (in particular, provide advanced functions to the Asia-Pacific region and increase related staff at overseas subsidiaries)
Objective 3	Promote and enforce Secure Development and Operations
	• Reduce the burden on onsite projects through security testing and vulnerability diagnostic services
	• Expand business through proposals to customers based on Secure Development
	• Further promote global expansion

Related Contents

▶ Policy and Systems

▶ Main Activities and Results

Personal Information Protection

Policy and Systems | Main Activities and Results | Objectives and Achievements

Policy

For NEC, appropriately protecting personal information received from customers, shareholders, investors, business partners, employees and others during the course of business constitutes one of its major responsibilities to society, and in July 2000 on the basis of this commitment the company formulated the NEC Privacy Policy.
NEC built a system for promoting privacy protection and in 2004 a privacy protection management system in conformance with the Personal Information Protection Law and JIS Q 15001. Privacy Mark certification was subsequently acquired in October 2005 (as of the end of March 2015, 25 NEC Group companies had obtained such certification).
NEC has since worked to continually improve its management system while protecting personal information in coordination with its Group companies.

🖵 PrivacyMark System

▶ NEC Privacy Policy

Framework

At NEC, the head of the managing division for protecting personal information serves as the Personal Information Protection Manager, the person with ultimate responsibly for implementation and operation of the privacy protection management system.
Staff and managers are assigned under the supervision of divisional managers for each type of personal information handled to raise awareness at sites and offices that handle personal information. Staff in charge of promoting privacy protection are also appointed under management systems established in each corporate division.
In addition, NEC conducts regular audits of privacy protection in conformance with JIS Q 15001, with the head of the Corporate Auditing Bureau serving as chief personal information protection auditor.

Group-wide Management Framework

Personal Information Protection Administrator

Personal Information Protection Office Manager

Personal Information Protection Office

Instructions from the Personal Information Protection Administrator and Personal Information Protection Office Manager are responsible for promoting the Group-wide personal information protection management system, thoroughly informing employees of the details, planning training and implementation and responding to inquiries.

Management Framework at Business Divisions, etc.

Heads of Business Divisions, etc.
Assumes overall responsibility for management of personal information protection in business divisions, etc.

Responsible Handler
Assumes responsibility for personal information protection for specific duties.

Responsible Handler
Manages personal information protection for specific duties.

Personal Information Protection Promoter
Assists heads of business divisions, etc., and rigorously ensures the establishment of a personal information management framework, its operation and improvements within the business division, etc.

At domestic Group companies as well, equivalent systems have been established to ensure personal information is protected at each company in conjunction with full enforcement of the Personal Information Protection Law in April 2005. Overseas Group companies also engage in personal information protection in accordance with the laws of their respective countries.

Emergency Response to Information Leaks

NEC maintains systems at domestic and overseas Group companies for responding quickly if an incident occurs involving the loss, outflow or leak, etc. of personal information, and for disclosing appropriate information about it. If an incident should occur, the response is coordinated based on standardized procedures. If an incident occurs that is related to personal information or an event takes place for which there is that risk, the employees involved or making the discovery contact their divisional supervisors and the Group contact point for information security incidents. That contact point then coordinates a response with the related staff divisions that make up the Personal Information Protection Office in accordance with applicable laws, ordinances, ministry guidelines and other regulations and upon considering the potential for infringing on the rights and interests of the persons involved.

Related Contents

▶ Main Activities and Results
▶ Objectives and Achievements

Policy and Systems | **Main Activities and Results** | Objectives and Achievements

Main Activities and Results for Fiscal 2015

Recognizing the importance of protecting personal information, the NEC Group formulated the NEC Privacy Policy and privacy protection regulations based on the NEC Group Charter of Corporate Behavior and the NEC Group Code of Conduct as shared Group tools for running its personal information protection management system. Each NEC Group company executes PDCA cycles autonomously, contributing to the appropriate management of personal information.

Training for Personal Information Protection

The NEC Group conducts the following training for employees at different levels in the organization.

1. Training for all employees (for domestic NEC Group companies)
   Training of personal information protection is held once a year using NEC's online training system in conjunction with information security training for all executives and employees of the 60 NEC Group companies in Japan. Every year, each applicable employee completes the training. In fiscal 2015, there was 100% completion of training for all employees.
2. Training for promotional staff (for domestic NEC Group companies)
   Group training was held four times in fiscal 2015 for information security promotional staff involved in promoting personal information protection.
3. Training for new hires and transfers
   A handbook on personal information protection has been created and is distributed yearly, including fiscal 2015, to new hires and transfers as initial training material.

Also, when there is a request from a division where an incident has taken place, or when it is otherwise judged necessary by the Personal Information Protection Office, awareness training is conducted as appropriate at divisions or at the Group company level.

Management of Personal Information (Initiatives for the NEC Group)

NEC has developed the Personal Identifiable Information Control System, which is managed and operated to conduct ledger-based management of various types of personal information and make its management more transparent. Company-wide management procedures have been documented and a personal information protection management system is operated by the NEC Group as a whole. Also, as necessary, operational rules are created and rigorously enforced at the division level and for different types of personal information.
In addition, to raise awareness of information security overall, which includes personal information protection, the Basic Rules for Customer Related Work and Trade Secret has been established, and electronic pledges are received every year from all NEC Group employees.
As a result of these efforts, there were no incidents involving the loss, outflow or leak, etc., of personal information in fiscal 2015. There were also no complaints from the Ministry of Economy, Trade and Industry, which oversees this field, or from other third-party institutions about customer privacy violations or other issues.

Management of Personal Information (Initiatives for Business Partners)

The NEC Group requests that contractors handling personal information conduct privacy management with systems equivalent to those of the Group. Moreover, employees of suppliers engaged in work for the NEC Group must also submit a pledge on the Basic Rules for Customer Related Work and take a regular online test to verify their knowledge. These steps help ensure rigorous management of personal information. As a result of these efforts, there were no incidents involving the loss, outflow or leak, etc., of personal information in fiscal 2015.
The National ID number system is designed to ensure that the burdens and benefits of social security and taxation are shared fairly. This setup makes it possible to undertake more efficient procedures and more transparent administrative services. For example, the system eliminates the need to submit supporting documentation to government bodies. Because the system handles certain personal information, however, it must be managed carefully. It is accordingly important to deploy technical measures to ensure secure operations by controlling access, block unauthorized external access, and prevent information leaks, etc., while maintaining sufficient privacy protection levels in each system.

Monitoring and Improvement

The NEC Group appropriately manages personal information by executing PDCA cycles on an autonomous basis through various inspection activities. Also, regular internal audits are conducted based on internal audit items stipulated in JIS Q 15001.

1. Verification of the operation of information security measures
   At the NEC Group, implementation of information security measures by employees are verified once a year, and if there are cases of non-compliance, activities are conducted to devise and execute improvement plans at the organization level.

2. Verification of personal information management
   At the NEC Group, management of the various types of personal information handled by each organization is reviewed at least once a year. Management slips registered in the Personal Identifiable Information Control System are reviewed in detail. Also, there are regular inspections (once every six months) by the system of personal information at a high management level.

3. Verification of emergency operation
   Operation of the above is re-verified as appropriate in the event of an incident involving the loss, outflow or leak, etc. of personal information.

Related Contents

▶ Policy and Systems

▶ Objectives and Achievements

Personal Information Protection

Policy and Systems   Main Activities and Results   **Objectives and Achievements**

Objectives and Achievements

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Contribute to society by protecting personal information received from customers and business partners and information related to NEC employees, administering personal information protection measures and providing trusted, safer and more secure products, services and solutions.

Fiscal 2016 Objectives

Objective 1	Rebuild the personal information protection management system to take into account the integration and dissolution of domestic Group companies • Review standard rules and revise implementation standards • Fully operate systems at applicable group companies
Objective 2	Ensure clerical compatibility with the National ID number system by revising personal information protection standards • Review rules in conjunction with changes in the Personal Information Protection Law and related ministry and agency guidelines • Step up operations and support within the NEC Group
Objective 3	Globally develop and enhance privacy protection • Conduct training related to personal information protection and strengthen related communications • Support full operation of personal information protection in each region

Related Contents

▶ Policy and Systems
▶ Main Activities and Results

Consistency with International Initiatives

In the course of preparing this report, NEC referred to the following international reporting initiatives:

Global Reporting Initiative

This table compares NEC's CSR activities with the international guidelines for sustainability reports issued by the Global Reporting Initiative (GRI). NEC currently reports in accordance with 'Core' application level.

Global Compact

This table compares NEC's CSR activities with the Ten Principles of the United Nations Global Compact advocated by the United Nations. NEC Corporation became a signatory to the United Nations Global Compact in May 2005. NEC supports the Global Compact's Ten Principles in the areas of human rights, labor, the environment and anti-corruption, and implements these principles through its business activities.

ISO 26000

The ISO26000 is a standard consisting of 7 core subjects that all organizations are advised to put into practice.
36 issues related to social responsibility are spread across these 7 core subjects that organizations may select in accordance with their needs. NEC has classified its CSR activities based on the core subjects of ISO 26000, and has created a table comparing these activities with each of the seven core subjects.

Global Reporting Initiative

The NEC CSR Report 2015 conforms with the core of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

GRI＝Global Reporting Initiative

Items	GRI indicator	Corresponding page on NEC website
Strategy and Analysis		
G4-1	a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Top Message
Organizational Profile		
G4-3	a. Report the name of the organization.	▶ Corporate profile
G4-4	a. Report the primary brands, products, and services.	▶ Business outline
G4-5	a. Report the location of the organization's headquarters.	▶ Corporate profile
G4-6	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	▶ NEC worldwide
G4-7	a. Report the nature of ownership and legal form.	Annual Securities Report（Japanese）
G4-8	a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Annual Securities Report（Japanese）
G4-9	a. Report the scale of the organization, including: ・Total number of employees ・Total number of operations ・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) ・Quantity of products or services provided	▶ Corporate profile
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	▶ Promoting Diversity
G4-11	a. Report the percentage of total employees covered by collective bargaining agreements.	Annual Securities Report（Japanese）
G4-12	a. Describe the organization's supply chain.	▶ Supply Chain Management
G4-13	a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	Annual Securities Report（Japanese）

Items	GRI indicator	Corresponding page on NEC website
Commitments to External Initiatives		
G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization.	▸ Reducing Environmental Impacts ▸ Activities for Controlling Chemical Substances in Products
G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	▸ Global Compact ▸ JEITA Responsible Minerals Trade Working Group ▸ Energy-saving Promotion System and Measures ▸ BERC ▸ IAUD
G4-16	a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic	▸ Global Compact ▸ JEITA Responsible Minerals Trade Working Group ▸ BERC ▸ IAUD
Identified Material Aspects and Boundaries		
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	▸ NEC organization ▸ Corporate profile
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	▸ Management Approach to Sustainable Development
G4-19	a. List all the material Aspects identified in the process for defining report content.	▸ CSR Information Disclosure Policy
G4-20	a. For each material Aspect, report the Ashttp://jpn.nec.com/eco/ja/annual2015/company/index.htmlpect Boundary within the organization, as follows: • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: The list of entities or groups of entities included in G4-17 for which the Aspect is not material or The list of entities or groups of entities included in G4-17 for which the Aspects is material • Report any specific limitations on the Aspect Boundary within the organization	▸ CSR Information Disclosure Policy ▸ Scope of Environmental Report 🔺 Annual Securities Report（Japanese）
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: • Report whether the Aspect is material outside of the organization • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organization	▸ CSR Information Disclosure Policy ▸ Scope of Environmental Report 🔺 Annual Securities Report（Japanese）
G4-22	a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	No re-states of information
G4-23	a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	▸ NEC Group Environmental Management Action Plan 2017/2030

Items	GRI indicator	Corresponding page on NEC website
Stakeholder Engagement		
G4-24	a. Provide a list of stakeholder groups engaged by the organization.	▶ Stakeholder Engagement
G4-25	a. Report the basis for identification and selection of stakeholders with whom to engage.	▶ Stakeholder Engagement ▶ Guidelines for coordination with NPOs (social contributions)
G4-26	a. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	▶ Stakeholder Engagement
G4-27	a. Report 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. Report the stakeholder groups that raised each of the key topics and concerns.	▶ NEC Stakeholder Review 2015 ▶ Independent review on Environment Report
Report Profile		
G4-28	a. Reporting period (e.g., fiscal/calendar year) for information provided.	▶ CSR Information Disclosure Policy
G4-29	a. Date of most recent previous report (if any).	▶ CSR Information Disclosure Policy
G4-30	a. Reporting cycle (such as annual, biennial).	▶ CSR Information Disclosure Policy
G4-31	a. Provide the contact point for questions regarding the report or its contents.	▶ Contact Us
GRI Content Index		
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance, but it is not a requirement to be 'in accordance' with the Guidelines.	▶ GRI Content Index
Assurance		
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	▶ CSR Information Disclosure Policy ▶ NEC Stakeholder Review 2015 ▶ Independent review on Environment Report
Governance		
G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	▶ Corporate Governance
Ethics and Integrity		
G4-56	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	▶ NEC Group Code of Conduct

Items	GRI indicator	Corresponding page on NEC website
Economic		
Economic Performance		
G4-EC1	Direct Economic Value Generated and Distributed	📄 [Annual Securities Report（Japanese）](#) ▶ Social Contribution Expenses ▶ Environmental accounting
G4-EC2	Financial Implications and Other Risks and Opportunities for the Organization's Activities due to Climate Change	▶ Reducing Environmental Impacts
G4-EC3	Coverage of the Organization's Defined Benefit Plan Obligations	No Coverage
G4-EC4	Financial Assistance Received from Government	No Coverage
Market Presence		
G4-EC5	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage at Significant Locations of Operation	No Coverage
G4-EC6	Proportion of Senior Management Hired from the Local Community at Significant Locations of Operation	No Coverage
Indirect Economic Impacts		
G4-EC7	Development and Impact of Infrastructure Investments and Services Supported	▶ Business Activities for Value Creation ▶ Activities for contributing to society
G4-EC8	Significant Indirect Economic Impacts, Including the Extent of Impacts	▶ Business Activities for Value Creation ▶ Activities for contributing to society
Procurement Practices		
G4-EC9	Proportion of Spending on Local Suppliers at Significant Locations of Operation	▶ Supply Chain Management
Environmental		
Refer to the following URL for the environmental performance. http://www.nec.com/en/global/eco/annual2015/guideline/gri.html		
Social		
Labor Practices and Decent Work		
Employment		
G4-LA1	Total Number and Rates of New Employee Hires and Employee Turnover by Age Group, Gender and Region	No Coverage
G4-LA2	Benefits Provided to Full-Time Employees That are not Provided to Temporary or Part-Time Employees, by Significant Locations of Operation	No Coverage
G4-LA3	Return to Work and Retention Rates After Paternal Leave, By Gender	No Coverage
Labor/Management Relations		
G4-LA4	Minimum Notice Periods Regarding Operational Changes, Including Whether These are Specified in Collective Agreements	No Coverage
Occupational Health and Safety		
G4-LA5	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

Items	GRI indicator	Corresponding page on NEC website
G4-LA6	Type of Injury and Rates of Injury, Occupational Diseases, Lost Days, and Absenteeism, and Total Number of Work-Related Fatalities, by Region and by Gender	▶ Health & Safety
G4-LA7	Workers with High Incidence or High Risk of Diseases Related to Their Occupation	▶ Health & Safety
G4-LA8	Health and Safety Topics Covered in Formal Agreements with Trade Unions	▶ Health & Safety
Training and Education		
G4-LA9	Average Hours of Training per Year per Employee by Gender, and by Employee Category	▶ Human Resources Development
G4-LA10	Programs for Skills Management and Lifelong Learning That Support the Continued Employability of Employees and Assist Them in Managing Career Endings	▶ Human Resources Development
G4-LA11	Percentage of Employees Receiving Regular Performance and Career Development Reviews, by Gender and by Employee Category	▶ Human Resources Development
Diversity and Equal Opportunity		
G4-LA12	Composition of Governance Bodies and Breakdown of Employees per Employee Category According to Gender, Age Group, Minority Group Membership, and Other Indicators of Diversity	▶ Corporate Governance ▶ Promoting Diversity
Equal Remuneration for Women and Men		
G4-LA13	Ratio of Basic Salary and Remuneration of Women to Men by Employee Category, by Significant Locations of Operation	No Coverage
Supplier Assessment for Labor Practices		
G4-LA14	Percentage of New Suppliers That Were Screened Using Labor Practices Criteria a. Report the percentage of new suppliers that were screened using labor practices criteria.	No Coverage
G4-LA15	Significant Actual and Potential Negative Impacts for Labor Practices in the Supply Chain and Actions Taken	No Coverage
Labor Practices Grievance Mechanisms		
G4-LA16	Number of Grievances About Labor Practices Filed, Addressed, and Resolved Through Formal Grievance Mechanisms	▶ Compliance
Human Rights		
Investment		
G4-HR1	Total Number and Percentage of Significant Investment Agreements and Contracts That Include Human Rights Clauses or That Underwent Human Rights Screening	No Coverage
G4-HR2	Total Hours of Employee Training on Human Rights Policies or Procedures Concerning Aspects of Human Rights That are Relevant to Operations, Including the Percentage of Employees Trained	▶ Human Rights
Non-discrimination		
G4-HR3	Total Number of Incidents of Discrimination and Corrective Actions Taken	No Coverage
Freedom of Association and Collective Bargaining		
G4-HR4	Freedom of Association and Collective Bargaining Operations and Suppliers Identified in Which the Right to Exercise Freedom of Association and Collective Bargaining may be Violated or at Significant Risk, and Measures Taken to Support These Rights	No Coverage
Child Labor		
G4-HR5	Operations and Suppliers Identified as Having Significant Risk for Incidents of Child Labor, and Measures Taken to Contribute to the Effective Abolition of Child Labor	▶ Human Rights ▶ Supply Chain Management
Forced or Compulsory Labor		
G4-HR6	Operations and Suppliers Identified as Having Significant Risk for Incidents of Forced or Compulsory Labor, and Measures to Contribute to the Elimination of All Forms of Forced or Compulsory Labor	▶ Human Rights ▶ Supply Chain Management

Items	GRI indicator	Corresponding page on NEC website
Security Practices		
G4-HR7	Percentage of Security Personnel Trained in the Organization's Human Rights Policies or Procedures That are Relevant to Operations	No Coverage
Indigenous Rights		
G4-HR8	Total Number of Incidents of Violations Involving Rights of Indigenous Peoples, and Actions Taken	No Coverage
Assessment		
G4-HR9	Total Number and Percentage of Operations That Have Been Subject to Human Rights Reviews or Impact Assessments	▶ Human Rights ▶ Supply Chain Management
Supplier Human Rights Assessment		
G4-HR10	Percentage of New Suppliers That Were Screened Using Human Rights Criteria	▶ Supply Chain Management
G4-HR11	Significant Actual and Potential Negative Human Rights Impacts in the Supply Chain, and Actions Taken	▶ Supply Chain Management
Human Rights Grievance Mechanisms		
G4-HR12	Number of Grievances About Human Rights Impacts Filed, Addressed, and Resolved Through Formal Grievance Mechanisms	▶ Human Rights
Society		
Local Communities		
G4-SO1	Percentage of Operations with Implemented Local Community Engagement, Impact Assessments, and Development Programs	▶ Business Activities for Value Creation ▶ Reducing Environmental Impacts ▶ Activities for Contributing to Society
G4-SO2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	▶ Respecting Human Rights
Anti-corruption		
G4-SO3	Total Number and Percentage of Operations Assessed for Risks Related to Corruption and the Significant Risks Identified	▶ Fair Trading
G4-SO4	Communication and Training on Anti-Corruption Policies and Procedures	▶ Fair Trading
G4-SO5	Confirmed Incidents of Corruption, and Actions Taken	No Coverage
Public Policy		
G4-SO6	Total Value of Political Contributions by Country and Recipient/Beneficiary	No Coverage
Anti-competitive Behavior		
G4-SO7	Total Number of Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices and Their Outcomes	No Coverage
Compliance		
G4-SO8	Monetary Value of Significant Fines and Total Number of Non-Monetary Sanctions for Non-Compliance with Laws and Regulations	No Coverage
Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of New Suppliers That Were Screened Using Criteria for Impacts on Society	No Coverage
G4-SO10	Significant Actual and Potential Negative Impacts on Society in the Supply Chain and Actions Taken	No Coverage
Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of Grievances About Impacts on Society Filed, Addressed, and Resolved Through Formal Grievance Mechanisms	▶ Compliance

Items	GRI indicator	Corresponding page on NEC website
Product Responsibility		
Customer Health and Safety		
G4-PR1	Percentage of Significant Product and Service Categories for Which Health and Safety Impacts are Assessed for Improvement	▸ Design cases (Japanese) ▸ Environmentally Friendly Products
G4-PR2	Total Number of Incidents of Non-Compliance with Regulations and Voluntary Codes Concerning the 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		
G4-PR3	Type of Product and Service Information Required by the Organization's Procedures for Product and Service Information and Labeling, and Percentage of Significant Product and Service Categories Subject to Such Information Requirements	▸ Environmentally Friendly Products
G4-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
G4-PR5	Results of Surveys Measuring Customer Satisfaction	▸ Customer satisfaction survey (Japanese)
Marketing Communications		
G4-PR6	Sale of Banned or Disputed Products	No Coverage
G4-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		
G4-PR8	Total Number of Substantiated Complaints Regarding Breaches of Customer Privacy and Losses of Customer Data	▸ Personal Information Protection
Compliance		
G4-PR9	Monetary Value of Significant Fines for Non-Compliance With Laws and Regulations Concerning the Provision and Use of Products and Services	No Coverage

Related Contents

▸ Global Compact

▸ ISO26000

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 ▶ Approaches to Environmental Issues
	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 ▶ Fair Trading

Related Contents

▶ GRI（Global Reporting Initiative)
▶ ISO26000

ISO 26000

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	Corresponding Page on NEC website
Organizational Governance	Organizational Governance	▶ Corporate Governance ▶ Management Approach to Sustainable Development ▶ Internal Control ▶ 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 ▶ 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 ▶ Responding to Environmental Risks ▶ Preserving Biodiversity ▶ 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 ▶ Supply-Chain Management ▶ 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	▶ Personal Information Protection
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	▶ Business Activities for Value Creation ▶ For Communities

Related Contents

▶ GRI（Global Reporting Initiative)
▶ Global Compact

External Ratings and Evaluation

CSR Overall

MSCI Global Sustainability Indexes

These indexes have been designed by MSCI (Morgan Stanley Capital International) and are very famous SRI (Socially Responsible Investment) indexes in the world. Companies highly evaluated from the view point of ESG (Environment, Social and Governance) are included in these indexes. In 2015, NEC Corporation has become a member of MSCI ACWI ESG Index and MSCI World ESG Index for the first time.

THE INCLUSION OF NEC Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HERIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NEC Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI ESG indexes

STOXX Global ESG Leaders Index

NEC has been included in STOXX Global ESG Leaders Index since 2014.

STOXX Global ESG Leaders Index

Euronext Vigeo World 120 Index

NEC has been included in Euronext Vigeo World 120 index formulated jointly by NYSE Euronext and Vigeo since 2013.

Euronext Vigeo World 120 Index

FTSE4Good Global Index

The FTSE4Good Global Index has been designed by FTSE, which is an independent company owned by the London Stock Exchange.   Companies on the FTSE4Good Global Index have met stringent social and environmental criteria, and are positioned to capitalize on the benefits of responsible business practices. NEC Corporation has been on the FTSE4Good Global Index every year since 2002.

FTSE4Good Global Index

Ethibel Pioneer & Excellence

Forum Ethibel, which maintains Ethibel Investment Registers, is an independent consultancy agency for socially responsible investments that advises banks and brokers offering ethical savings accounts and investment funds. Ethibel Excellence Investment Registers is a universe for the investment composed by highly scored companies from a social responsibility perspective. This universe is continuously updated and monitored. NEC Corporation, which has been on the Ethibel Excellence Investment Registers every year since 2009, was awarded Ethibel Pioneer Investment Registers for the first time in 2013 as a result of higher recognitions of its performance.

Ethibel Pioneer & Excellence

Morningstar Socially Responsible Investment Index

The Morningstar Socially Responsible Investment Index was created jointly by Morningstar Japan K.K. and the Center for Public Resources Development, a non-profit organization. Companies are reviewed based on a thorough analysis of their performance on governance/accountability, market (consumers/customers, suppliers), employment, social contribution, and the environment. NEC Corporation has been on the Morningstar Socially Responsible Investment Index each year since 2003.
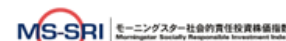
As of July 2015

Morningstar Socially Responsible Investment Index

Receives "Bronze Class" CSR Rating from RobecoSAM

NEC Corporation was named "Sustainability Award Bronze Class 2013" CSR rating for its "computer and office equipment" from RobecoSAM in 2013.
RobecoSAM evaluates approximately 2,500 companies every year based on the sustainability of each company's "economic", "environmental" and "social" performance. Companies whose CSR activities are evaluated within the top 10% are awarded with "Gold Class," "Silver Class" and "Bronze Class" recognition.

EcoVadis

NEC discloses details of its CSR practices proactively to its customers with the purpose of helping them to better manage their own environmental and social practices. NEC is proud to have its CSR performance rated "Gold" by EcoVadis.

Click here for the Certificate

Related Link

▶ Recognition and awards on the environment

Information Security Report

Today's advanced information communication technologies are making our society more sophisticated by enabling us to use information and IT systems in many ways. The information security problems such as information leakages and system failures caused by cyber attacks are increasing, however which may affect our daily lives. In the meantime, businesses need to be able to communicate information both internally and externally and therefore, information security is becoming one of the most critical business challenges today.

In the NEC Group, we are committed to protecting the information assets entrusted to us by our customers and trading partners, and pledge to provide reliable products, services, and information security solutions that will help realize a secure information society while delivering value to our customers.

We invite you to read this report to find out the measures the NEC Group is implementing to maintain information security, as well as the actions we are taking to improve our corporate activities by communicating thoroughly and openly with all our stakeholders, with the goal of maintaining our position as a company trusted by society.
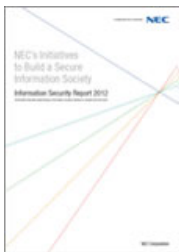
Information Security Report 2014

Download PDF file（7.13MB）

＜Contents＞

- NEC's Approach to Information Security
- Information Security Promotion Framework
- Information Security Governance
- Information Security Management
- Information Security Platform
- Information Security Staff
- Information Security at Overseas Subsidiaries
- Information Security Coordinated with　Business Partners
- Providing Secure Products and Services
- Examples of Information Security Activities
- Third-party Evaluations and Certifications
- Corporate Data

Archives

Information Security Report 2012

Download PDF file（4.92MB）

Information Security Report 2010

Download PDF file（1.96MB）

CSR Information Disclosure Policy

NEC aims to transform itself into a "Social Value Innovator" that uses ICT to support the infrastructure necessary for people to lead enriched lives. Accordingly, NEC considers communication with stakeholders, which provides the starting point for this transformation, to be a crucial responsibility.

NEC views the disclosure of CSR-related information through its website and PDF documents as important communication that is essential for earning the trust of all stakeholders, including shareholders and other investors, suppliers, local communities and employees.

NEC discloses CSR-related information by presenting relevant activities and achievements according to its priority initiatives.

The priority initiatives have been selected with emphasis on the results of stakeholder engagement from both standpoints of "Stakeholder Interests and Social Concerns" and "NEC's Perspective.
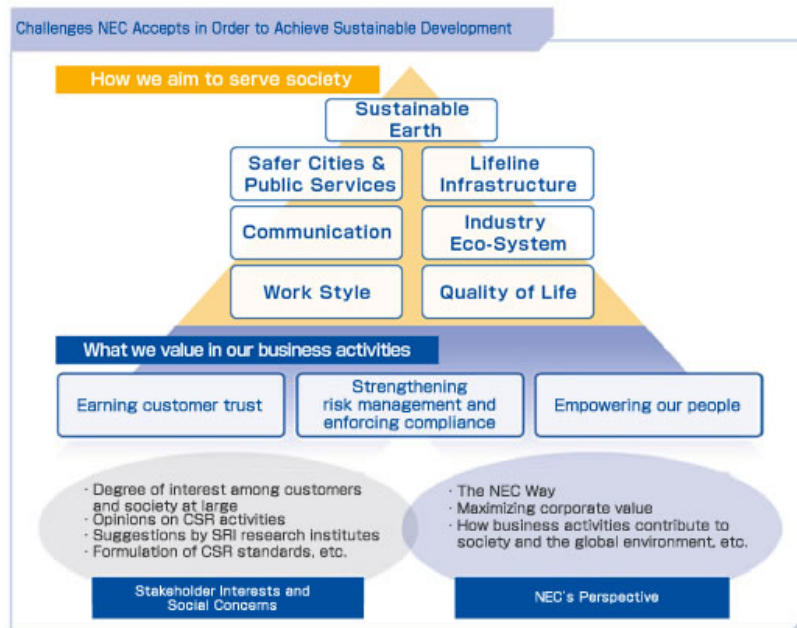
CSR Website

Harnessing various website features, NEC regularly discloses the latest information on its CSR activities via its CSR website, which is utilized as an interactive communication tool. Furthermore, It emphasizes detailed coverage of information to ensure conformance with international reporting initiatives such as GRI, while addressing the needs of CSR professionals such as SRI research institutes, the news media, universities and NPOs/NGOs.
Furthermore, NEC includes details of CSR activity achievements every fiscal year in its CSR Activity Report. Please use this as the traditional CSR Annual report.

Annual Report

Annual Report explains NEC's management strategies from both financial and non-financial perspectives, with the view to promoting the sustainable growth of NEC and society as a whole. From fiscal 2014, NEC has published an annual report that integrates the traditional annual report format centered on financial reporting with non-financial information highlights (the former CSR Report Digest).

Reference Guidelines

With the aim of achieving conformance with international reporting initiatives, NEC reports on CSR activities with reference to the following guidelines:

・GRI's Sustainability Reporting Guidelines 4.0(*)
・United Nations Global Compact
・ISO 26000

*GRI: International guidelines for sustainability reports issued by the Global Reporting Initiative

Please follow this link for information on conformance with International Reporting Initiatives.

Update of CSR Activity Report for Each Fiscal Year Issued:

September 2015 (previous: September 2014)

Other CSR-Related Reports

▶ NEC Annual Environmental Report 2015
▶ NEC Information Security Report
▶ Social Contribution Activities

Data Collection (Objectives and Achievements)

NEC discloses Activity Reports for each fiscal year on its website.
Detailed reports on each activity and results for fiscal 2015 are presented here.

Management Approach to Sustainable Development

Respecting Human Rights

Diversity and Inclusion

Promoting Diversity

Stakeholder Engagement

For Communities

Communication with Employees

IR Activities

Empowering Our People

Health & Safety

Human Resources Development

Strengthening Risk Management and Enforcing Compliance

Internal Control

Business Continuity

Personal Information Protection

Supply-Chain Management

Information Security

For Customers

Design Friendly to Humans and the Earth

Data Collection (Objectives and Achievements)

For Customers (Objectives and Achievements)

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

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 2015 Achievements and Progress, and Degree of Completion

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

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.
Achievements and Progress	For the above-mentioned three fields, we formulated improvement plans for each business division and implemented these as solutions. Of these plans, when it came to improved proposal-making capabilities, NEC formulated its seven themes for social value creation taking into account six megatrends confronting the world, and made detailed proposals about how ICT can contribute to each theme. Going forward, NEC will strengthen its proposals to customers in accordance with the seven themes for social value creation that we have formulated. http://www.nec.com/en/press/201411/global_20141119_02.html NEC was ranked No. 1 in eight categories in the 2015 Nikkei Computer Partner Satisfaction Survey. http://jpn.nec.com/ad/partner-award/
Degree of Completion	Mostly achieved

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.
Achievements and Progress	Every member of the NEC Group engaged in discussion about CS through the President's message, CS training (rank-specific and individual training) and informal gatherings for thinking about CS (with about 20,000 participants). On "The NEC Group Values Day," (July 17, the anniversary of foundation), about 30,000 pledged practical application of CS on the internal website. NEC is working to establish a CS corporate culture in several ways, such as sharing good examples within and outside of the Company through the in-house magazine and internal website.
Degree of Completion	Mostly achieved

Fiscal 2016 Objectives

Objective 1	Improvement activities based on customers' opinions are not implemented across the NEC Group, but according to the characteristics of each respective business.
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 (Objectives and Achievements)

Objectives for the Medium Term (From fiscal 2014 to fiscal 2016)

Build systems (regulations, guidelines, management system and training, etc.) for continuously developing innovative products and services based on outstanding universal design

Fiscal 2015 Achievements and Progress, and Degree of Completion

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

Objective 1	Incorporate universal design and "human centered design (HCD)" 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	The NEC Group has created guidelines for the human centered design (HCD) of hardware products. These guidelines aim to provide products, services and solutions that will deeply satisfy customers by designing them from the users' standpoint.
Degree of Completion	Achieved

Objective 2	To promote adoption of universal design and "human centered design (HCD)" within the NEC Group, study the effectiveness of using concepts in actual projects and undertake related cross-development.
Achievements and Progress	A process guide was created for utilizing human-centered design in software product planning, SI concept proposals and other work. It was applied to a wide array of actual projects in Japan and overseas (in Singapore, Taiwan and India) and the results of its adoption verified. The findings of this analysis were then utilized as internal training content and this has helped increase the efficiency of effective development based on human-centered design and produced greater recognition and understanding of raising customer satisfaction.
Degree of Completion	Achieved

Objective 3	Improve skills of development personnel in area of "human centered design (HCD)" (Revise and upgrade content of internal training materials; organize seminars held by guest instructors from inside and outside the NEC Group.
Achievements and Progress	• Seminars for employees involved in product planning and development were held approximately 50 times throughout the year for about 2,000 people to promote human-centered design and raise skill levels throughout the Group. • University professors were invited to hold regular study sessions and give seminars and workshops on human-centered design. These were held about 15 times over the year. • The human-centered design certification system was continuously implemented, with one individual obtaining this qualification. There are 26 people in the NEC Group who have obtained this qualification.
Degree of Completion	Achieved

Objective 4	Promote adoption of information on universal design and "human centered design (HCD)" activities within the NEC Group, and actively disseminate this information externally.
Achievements and Progress	• NEC's universal design activities were given as a case example of corporate initiatives in the Open University of Japan's eighth course in the first semester of fiscal 2015 on Universal Design in the Information Society entitled "Information Accessibility and How to Secure It" (broadcast on June 1). • NEC took part in the the 5th International Conference for Universal Design 2014 in Fukushima and Tokyo held by the International Association for Universal Design held from November 9 to 13. NEC took part as a trustee company, supporting the main international convention and exhibiting, as well as introducing an evacuation guidance simulation based on its universal design initiatives (Social Value Design). • For information communication, NEC provided outside lectures on six occasions to bodies such as the NPO Human Centered Design Organization (HCD-Net) and Japan Ergonomics Society, proactively introducing the NEC Group's human-centered design and the concept of Social Value Design. • NEC was the subject of a special feature in the Nikkei Design magazine with the October 2014 issue (on sale from September 24) giving examples of universal design products, and the November 2014 issue (on sale from October 24) featuring NEC's Social Value Design initiatives.
Degree of Completion	Achieved

Fiscal 2016 Objectives

Objective 1	Arrange a system for promoting human-centered design into development processes in collaboration with the relevant development process management division. (Promote dissemination and development of guidelines, and develop accessibility criteria for the whole of NEC.)
Objective 2	In an effort to promote adoption of human-centered design within the NEC Group, study the effectiveness of using concepts in actual projects, including those overseas, and strive to undertake related cross-development.
Objective 3	To improve skills of development personnel in the area of human-centered design, revise the content of internal training materials and upgrade the qualifications system.
Objective 4	• Promote adoption of information on human-centered design activities within the NEC Group, and also actively disseminate this information outside the Group. • Strengthen disclosure of information overseas.