Respecting Human Rights

As a company that operates its business globally, NEC is committed to mitigating and preventing any negative impacts its corporate activities may have on the rights of its stakeholders. In particular, by making use of ICT, including social implementation of AI and utilization of biometrics and other data, each and every member of the Group, from executives to employees, shall maintain respect for human rights and view this issue as a top priority, making it a central theme to the Group's conduct and business practices.

Policy

Embedded in NEC's Principles is a promise for "Uncompromising Integrity and Respect for Human Rights." Likewise, our Code of Conduct clearly requires that human rights be respected in all situations.

In addition, NEC has specified "AI utilization with respect for human rights as the highest priority (AI and Human Rights)" as a theme in its "materiality"—priority management themes from an ESG perspective. As such, in addition to compliance with laws and regulations, NEC also plans to develop and supply products and services that are responsive to the different privacy needs of various countries and regions due to cultural perspectives and that are sensitive to human rights issues, such as discrimination. Through these means, NEC will strive not only to minimize adverse impacts on society but also to maximize social value.

Furthermore, we consider appropriate protection of personal information to be our social responsibility, and have established the NEC Privacy Policy.

| NEC Group Human Rights Policy | NEC Group AI and Human Rights Principles | NEC Privacy Policy |
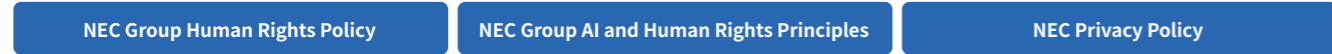
Promoting Human Rights Due Diligence in Accordance with the UN's Guiding Principles on Business (UNGPs)

NEC reports its efforts regarding human rights due diligence to the Board of Directors in a timely manner.

In fiscal 2021, we utilized the human rights risk data produced by the international NPO Business for Social Responsibility (BSR) to compile a list of human rights issues and identified the three issues on the right as the most prominent.

BSR also confirmed the specific content of business activities, management systems, and issues directly applicable to 22 divisions at NEC, focusing on the business units in particular and doing so from a third-party perspective. NEC then used the results to update its list of human rights issues to reflect truer conditions.

List of NEC's human rights issues

- **New technology and human rights (AI and human rights)**
- **Labor in supply chains**
- **Employee safety and health**

Dialogue with Experts: Strengthening Human Rights Due Diligence in Supply Chains

In fiscal 2020, we invited Mr. Daisuke Takahashi from Shinwa Sohgoh Law Offices, Mr. Ryusuke Tanaka from the ILO Office for Japan, and Ms. Asako Nagai from BSR to talk with officers and field-level employees about "labor in supply chains," which is one of the themes on our list of human rights issues.

These experts commended NEC for its speed, both in implementing its initiatives over the course of the year and in building a system to protect business partners and Company staff from COVID-19. They were also complimentary about the Sustainability Award, which shows appreciation to our business partners for their active efforts.

On the other hand, they also commented that they would like us to create a positive impact by going forward with efforts to find potential human rights risks, focusing on the ones that have the biggest impacts on the rights holders and working with business partners to take remedial measures. They also stressed the importance of dialogue between labor and management, as well as dialogue between the Company and society during times of crisis, such as what we have seen with the COVID-19 pandemic.

Going forward, we will continue to engage in dialogue with various stakeholders, share our vision with our business partners, and disclose the process of our efforts to ensure transparency.

For more information, please refer to the section "Working toward Robust and Resilient Human Rights Due Diligence throughout Supply Chains" on page 96 of *Sustainability Report 2021*

AI Utilization with Respect for Human Rights as the Highest Priority (AI and Human Rights)

We are also responding to growing concerns about adverse impacts on human rights, including violations of privacy and discrimination that have accompanied the use of AI and the IoT to enrich human life. In 2019, we announced the "NEC Group AI and Human Rights Principles."

These principles stipulate that all individuals, from officers to employees, are to recognize respect for human rights as the highest priority in each and every stage of the NEC Group's business operations in relation to AI utilization, such as social implementation of AI and utilization of biometrics, and to take appropriate action accordingly.

In accordance with the NEC Group Human Rights Policy, we are committed to the following three initiatives:

1	**2**	**3**
Ensure that all products and services are implemented and utilized by NEC employees, customers, and partners appropriately	Continue to develop advanced technology and talent to further promote AI utilization with respect for human rights as the highest priority	Engage with a range of stakeholders to build partnerships and collaborate with closely

Responding to the global spread of COVID-19, in fiscal 2021 we have conducted timely identification and analysis of trends related to the identification and tracking of infected individuals and its impact on human rights and privacy. We reflected the balance between public health and human rights and privacy in the specifications, and provided airports and stadiums with infection control solutions at an early stage.

☞ NEC-led team to provide Hawaii's airports with passenger screening technology

In addition, in fiscal 2021 we continued to hold the Digital Trust Advisory Council, established in fiscal 2020, to enhance our ability to deal with new issues arising in AI utilization. The council provides valuable input from external experts with specialized knowledge on legal systems, human rights, privacy, and ethics on how to use technology in a way that balances public health, human rights, and privacy (as in the example on the left), as well as on issues to be aware of when using cutting-edge technology researched and developed by the Company.

"Thinking About AI Utilization in Harmony with Human Rights" Symposium

NEC engages in dialogues with various stakeholders on issues to be kept in mind when developing and utilizing AI, and reflects the feedback from these dialogues in its corporate activities.

In March 2021, we held a symposium titled "Thinking About AI Utilization in Harmony with Human Rights" in conjunction with the Keio University Global Research Institute (KGRI). As part of the symposium, a panel discussion was held on the status of setting global AI principles and approaches toward actualizing these principles featuring industry, government, and academic experts.

S For more details, please refer to the section "Respecting Human Rights" on page 17 of *Sustainability Report 2021*.