

NEC EUROPE LTD

Modern Slavery and Human Trafficking Statement

*"The NEC Group respects human rights in all its corporate activities,
Never accepting any discriminatory practices or child or forced labor."
NEC Group Charter of Corporate behavior - April 2004*

This statement is published by NEC EUROPE LTD, and refers to Section 54 of the Modern Slavery Act 2015. It covers the organisation and supply chain of NEC EUROPE LTD, its subsidiaries and branch offices, including NEC (UK) LTD., for the Financial Year that ended 31st March 2016.

Our organisation and supply chain

We, NEC EUROPE LTD, are the EMEA regional headquarters, and a wholly owned subsidiary, of NEC Corporation, a global provider of technology products, services and solutions headquartered in Japan. Our subsidiaries are located in Russia, the Netherlands, Spain, Germany, France, Italy, Turkey, Sweden, Hungary, Portugal, South-Africa and the UK. We are engaged mainly in a variety of B2B activities focused on business development, sales and marketing, customer support to private and public organisations, including governments and local authorities, as well as research & development.

We don't engage in manufacturing activities and we source our products mainly from our parent company, NEC Corporation. Only about 30% of our product suppliers are third parties outside of the NEC Group companies.

Our service suppliers consist mainly of professional services providers and advisors, from small to medium size or global reach with regional offices.

About 90% of those third party product and service suppliers are based in the European Union.

We believe in respectful sourcing and procurement and, whilst, we carefully assess suppliers and expect from them, as a minimum, that they abide by applicable law and regulations and the respect of labour rights, we encourage transparency to establish a cooperative and trustful partnership.

Our commitment

We are committed to conduct our business ethically and to ensure that there is no slavery or human trafficking in our organisation or supply chain. We are aware that coerced labour can occur in many forms, including but not limited to, child labour, forced labour and workplace abuse and believe that we have a corporate responsibility to identify and help mitigating such risks to the best of our

abilities.

Our parent company, NEC Corporation, has been a signatory of the United Nations Global Compact (UNGC) since 2005, and we, as a member of the UK UNGC Network, endorse the Ten Principles of the UNGC on human rights, labour, environment and anti-corruption. In addition, we participate in a number of human rights events organised by relevant industry bodies.

Internal accountability

The importance of compliance and responsible business behaviour is promoted by the President and CEO of NEC EUROPE LTD and senior management through a variety of internal initiatives. In addition, we require all employees to comply with the NEC Group Code of Conduct which asserts the respect of human rights and dignity of any individual. Further details can be found at: <http://www.nec.com/en/global/about/code.html>

Our policies and controls

We have a variety of policies and procedures that affirm NEC's stance against slavery. These include policies led by NEC Corporation such as:

- The NEC Group Charter of Corporate Behaviour, which prohibits the use of child or forced labour and promotes the NEC Group companies commitment to ensure responsible conduct in their corporate activities. Further details can be found at: http://www.nec.com/en/global/about/co_behavior.html
- The NEC Group Human Rights Policy, which confirms the NEC group's zero tolerance approach to any abuse of human rights within any part of our business or supply chain, as well as NEC's commitment to take allegations of such abuse seriously. The NEC Group's approach on managing related concerns is disclosed on the NEC Group website. Further details can be found at: http://www.nec.com/en/global/csr/human_rights/index.html.

We also have regional policies and procedures in place, that are published on the NEC EMEA intranet, such as whistleblowing, ethical procurement, health & safety as well as various employment practices that promote the fair recruitment and treatment of employees.

Our whistleblowing policy explains the process for speaking up as well as the investigation of all reports made and the appropriate remedial actions, so that our employees can freely report any concerns.

We conduct mandatory online training on the NEC Group Code of Conduct for employees that includes modern slavery issues. However, in order to strengthen our approach against modern

slavery and human trafficking, and our employee's awareness, we are looking into making them more prominent into our policies and training portfolio.

Our due diligence process in our supply chain

We require our suppliers to comply with all applicable laws and regulations, including but not limited to those of the UK and the countries in which they operate, as well as international standards.

Regardless of their size or location, we subject all our suppliers to a due diligence process before accepting them as approved suppliers, with increased scrutiny and disclosure requirements based on our projected annual spend with them. An internal and cross functional team (legal, CSR, environment, procurement) analyses the responses of the suppliers to our assessment questionnaire. We complement this desk top review of their practices by benchmarking it against available media information and other sources, such as the Global Slavery Index, the Transparency International Corruption Perception Index and other reports by Non-For-Profit organisations. This enables us to create a risk profile for each supplier. In addition, we map our supply chain and classify our suppliers in terms of low, medium and high risk.

To ensure an appropriate risk based approach is achieved, we regularly review this process against the result of others, such as the general risk assessment in which all NEC Group companies in EMEA participate regularly. The general risk assessment has a sustainability dimension which helps us identifying potential compliance gaps.

We also maintain a register of all concerns raised during the selection or reassessment processes and are considering the introduction of performance indicators.

We have not identified specific modern slavery risks for any particular supplier for the period corresponding to this statement. However, while the assessment has not revealed specific risks or occurrences of modern slavery or human trafficking taking place within our direct organisation and supply chain, we have put some suppliers' approvals on hold or have not included them in NEC EMEA's preferred supplier's list due to the quality of their responses. We have also conducted a reassessment of our key suppliers and confirmed with them our expected ethical standards.

We are currently looking at taking further initiatives beyond the initial assessment of suppliers to improve their compliance with our ethical requirements. For example, we are working on including express references to modern slavery and human trafficking in our contractual process.

Audit and capacity building

Our expectations from suppliers are stated in the “NEC EMEA Vendor Charter of Responsible Business Conduct”, which covers a variety of required commitments on ethical conduct, including on modern slavery. Prior to any purchase, we send the Charter to each new supplier above a certain level of spend requiring their commitment to the principles therein contained.

Additionally, we seek to educate our direct suppliers on our expectations by sharing some of our policies and engaging with them on sustainability issues where appropriate.

Suppliers that are identified as higher risk in terms of health and safety undergo a full system audit performed by qualified third parties and / or NEC auditors. These are performed against NEC’s requirements based on a supplier’s risk profile and specific compliance concerns. Comprehensive action plans are drawn up to address any non-compliance, and we collaborate with our suppliers to help them make improvements.

This statement was approved by the Board of Directors of NEC EUROPE LTD.

Signed



Masahiro Ikeno,
President and CEO NEC EUROPE LTD
6 September 2016