

April 17th, 2007

Ms. Annabel Short, Senior Researcher
Mr. Chris Avery, Director
Business & Human Rights Resource Centre
1-3 Charlotte Street, Third Floor
London W1T 1RD
United Kingdom

Dear Ms. Short and Mr. Avery,

Thank you for your email dated March 2, 2007, regarding SACOM's Clean Computer Campaign. The email was forwarded to me by NEC Europe Ltd. I am pleased to provide NEC's response below.

NEC's commitment to promoting corporate social responsibility (CSR)

NEC Corporation ("NEC") is focused on CSR-driven management with CSR as one of our most important management policies. To better fulfill our social responsibility, in 2004 we established the NEC Group Charter of Corporate Behavior. It consists of ten core principles, including protecting human rights. This charter of corporate behavior has been adopted by our group companies and is being applied in their daily business practices. Moreover, NEC is part of the United Nations Global Compact, which the NEC Group Charter of Corporate Behavior is aligned with. Therefore, we are committed to strengthening our corporate social responsibility activities, including our efforts to help alleviate global issues such as human rights abuses. (For more details, please visit: <http://www.nec.co.jp/csr/en/index.html>.)

NEC's efforts to extend its CSR policy to its suppliers

In an effort to ensure appropriate CSR practices by our business partners, we have clearly stated our requirements in the NEC Group Procurement Policy. The policy was created from a CSR perspective. Under this policy, NEC provides suppliers with its Supply-Chain CSR Guidelines covering a comprehensive range of CSR-related issues, including occupational health and safety and human rights issues. For more details, please refer to our website: http://www.nec.co.jp/purchase/nec_p1e.html.

To further strengthen this effort, since September 2006 we have also had in place a supplier-survey program called the Supplier CSR Self-Diagnosis. It uses a checklist covering

comprehensive CSR issues. The checklist consists of seven areas: human rights and labor, occupational health and safety, the environment, fair dealing and ethics, product quality and safety, information security, and community involvement.

The labor-related area includes the following detailed guidelines:

- Prohibit forced labor
- Prohibit inhumane treatment and infringements of human rights
- Prohibit child labor
- Prohibit discrimination
- Pay appropriate wages
- Control working hours
- Respect the right to freedom of association

NEC believes that joint initiatives by industry leaders are very important and effective for ensuring that its suppliers carry out proper CSR-based practices. Therefore, we initiated the above efforts with other key industry players in Japan belonging to the Japan Electronics and Information Technology Industries Association (JEITA) in order to establish an industry code of conduct. The code was released in August 2006 as a joint Supply-Chain CSR Deployment Guidebook for member companies. This guidebook is in Japanese only now (<http://home.jeita.or.jp/ecb/csr/index.html>). However, JEITA plans to translate it into English and Chinese.

NEC's actions on the reported issues

After receiving your email, we checked whether we or our subsidiaries had any business relationship with the two factories that you referred to in your email. As a result of this investigation, we determined that one of our subsidiaries had indeed purchased certain components from one of the two factories. Consequently, our local representative visited the factory to see if the working conditions described in the SACOM report were factual. However, we did not find any illegal conduct, such as that in the SACOM report, taking place at the factory in connection with the business between this factory and our subsidiary. Nevertheless, we requested that the factory continue to abide by the NEC Group Procurement Policy and the Supply-Chain CSR Guidelines.

Our business relationship with the other factory referred to in your email is still under investigation. However, you can rest assured that NEC will use its compliance system to detect and eliminate any current and future problems.

NEC will continue to do its best to ensure that its suppliers properly carry out CSR-based practices in the area of human rights as well as in other areas. In addition, we will continue to contribute to the creation of a sustainable society as a good corporate citizen.

Yours sincerely,

Hitoshi Suzuki, Chief Manager
CSR Promotion Office
NEC Corporation
7-1, Shiba 5-chome, Minato-ku
Tokyo 108-8001, Japan

Attachment: Email message to NEC

Greetings. We are writing from the Business & Human Rights Resource Centre to invite NEC to respond to recent concerns raised by Students & Scholars Against Corporate Misbehavior (SACOM), with which we are not affiliated, regarding working conditions at two electronics factories in Shenzhen that reportedly supply NEC. We would like to give you the opportunity to respond before we draw international attention to this issue in an upcoming edition of our Weekly Update newsletter. Further information about this is in point 2 below.

1. About the Resource Centre

The Business & Human Rights Resource Centre (www.business-humanrights.org) is an independent non-profit organization that promotes greater awareness and informed debate about human rights issues relating to business. The Resource Centre was founded by a group of former business people, representatives of Amnesty International and Oxfam, environmental advocates and academics, now our trustees.

Our website covers over 3400 companies and receives over 1.5 million hits per month. It links to reports about positive initiatives by companies as well as reports about concerns that have been raised. Mary Robinson, former United Nations High Commissioner for Human Rights and President of Ireland, is Chair of our International Advisory Network. For further details please see the "About Us" section of our website: www.business-humanrights.org/AboutUs

2. Invitation to respond to concerns raised in SACOM's report, "Clean Computers Campaign: Report on Labour Rights in the Computer Industry in China"

From our website we have a link to a recent report by SACOM entitled, "Clean Computers Campaign: Report on Labour Rights in the Computer Industry in China". An English summary translation of the report is attached. We believe that it is important to give companies the opportunity to respond when concerns are raised about their conduct, to ensure that our readers have access to a range of perspectives. We therefore contacted five of the electronics factories about which the most serious labour rights concerns were raised by SACOM, inviting them to provide a response.

Delta Electronics and Fittec responded, but Bestec, Xinhao and Shenzhen Yonghong Factory have not yet responded. Links to the SACOM report (in Chinese and English) and to the company responses can be accessed here:

<http://www.business-humanrights.org/Documents/SACOMresponses2007>. Given that the SACOM report lists NEC as sourcing from both Yonghong and Xinhao factories, we would like to invite NEC to provide a response to these concerns. We would post your response on our website and include in our forthcoming Weekly Update on Wednesday 14 March 2007.

Our free Weekly Updates are sent via email to over 4000 opinion leaders, including people in the media, business, the UN and other international organizations, governments and NGOs worldwide.

We would be able to include your response in our 14 March update if we receive it by the end of your working day on Tuesday 13 March. We are also inviting other brands to respond and will indicate in the update which ones have and have not responded.

Finally, on a related subject, you may be interested in recent articles raising concerns about the closure of a factory in Shenzhen, after a Disney licensee ended its contract following the disclosure of labour rights abuses: <http://www.business-humanrights.org/Links/Repository/127230>

Please do not hesitate to get in touch if you require any further information. We look forward to hearing from you.

Yours sincerely,

Annabel Short (Senior Researcher) & Chris Avery (Director)
Business & Human Rights Resource Centre
www.business-humanrights.org