



NEC EUROPE LTD

Modern Slavery and Human Trafficking

Statement 2022

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This Modern Slavery and Human Trafficking Statement (the "**Statement**")¹ is published by NEC Europe Ltd., and refers to the requirements of Section 54 of the Modern Slavery Act 2015 ("**The Act**"). The Statement covers the organisation² and the supply chain of NEC Europe Ltd., its subsidiaries and branch offices, including NEC (UK) Ltd. (collectively "**NEC Europe**", "**We**" or "**Us**").

The Statement outlines the steps that we have taken during the Financial Year that ended 31st March 2022 ("**Reporting Period**") to prevent any form of modern slavery and human trafficking from occurring within our organisation and supply chain.

About NEC Europe Ltd.

We³ are the regional headquarters of the NEC Group in the UK, and a wholly owned subsidiary of NEC Corporation⁴, a global provider of technology products, services and solutions headquartered in Japan.

Our principal activity is the purchase and supply of systems, hardware, professional services as an integrated solutions provider for high performance computing, a broad portfolio of communications and network applications, as well as software based solutions. Further information on our activities can be found on our website⁵.



We are signatory to the United Nations Global Compact ("**UN GC**") and are committed to the 10 principles⁶. We are also a member of the UN GC Network UK⁷.

The NEC Group

The NEC Group consists of various companies headed by NEC Corporation, including all NEC companies referenced in this Statement. It is focused on solutions for society businesses that utilize the strengths of ICT to create the social value of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential.

The NEC Group is currently recognised by EcoVadis as a leader in responsible business practices among global businesses, with a Platinum rating. This rating places NEC at the top 1% of all companies surveyed by EcoVadis⁸.

The latest NEC Group Annual Sustainability Report can be found on our website⁹.

Governance

NEC Europe has a "zero-tolerance approach" for any form of modern slavery including forced or compulsory

¹ We published our first Modern Slavery Statement in 2016 and this is our seventh statement

² https://www.nec europecareers.com/content/NEC_in_your_Country

³ <https://uk.nec.com/>

⁴ <https://www.nec.com/>

⁵ <https://uk.nec.com/>

⁶ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁷ <https://www.unglobalcompact.org.uk/>

⁸ <https://www.nec.com/en/global/csr/management/evaluation.html>

⁹ <https://www.nec.com/en/global/csr/index.html>

labour, servitude, slavery and human trafficking. These are some of the most severe forms of human rights violations. Managing the risk of human rights violations is essential for our business and for our stakeholders, including our employees, customers and suppliers.

Members of our Procurement, Sustainability and Human Resources senior Management review the implementation of modern slavery and human rights policies continuously within the organisation and external supply chain. They report modern slavery and human rights matters to the Board of Directors for appropriate review and relevant actions with the aim of ensuring that We maintains a reputation for high standards of business conduct and good governance.



The Board of Directors of NEC Europe reviews and approves the Statement which is signed by the NEC Europe President and CEO on behalf of the Board.

Progress from previous years

Initiatives beyond legal compliance

We have recognised the positive impacts of inclusion and diversity within our organisation and promoted a clear stance against discrimination and other forms of abuse through a variety of company talks, events, communications and literature.

Sustainability policy

The managing directors of our subsidiaries have agreed to follow our sustainability policy which reaffirms our commitment to identify and remedy negative impacts of our business requests and activities including modern slavery, child and forced labour issues.

NEC Group Guidelines for Responsible Business Conduct in Supply Chains

We have required key partners and approved suppliers of NEC Europe to confirm their understanding that the principles described in the NEC Group Guidelines for Responsible Business Conduct in Supply Chains¹⁰ are minimum requirements for continued business relationship with us.

On-site audits with a social element

The on-site audits that We have conducted have not identified signs of forced labour.

Engagement with non-compliant partners and suppliers

Most partners have agreed to the principles of the NEC Group Guidelines for Responsible Business Conduct in Supply Chains or to equivalent requirements. However, where an agreement could not immediately be reached, We have sought to engage further with each of those partners to understand their challenges and to reach a compromise with a level of compliance no less than those required by applicable laws.

Training and awareness for our organisation

We have led training and awareness initiatives on due diligence for all our purchasing specialists and other relevant members of staff.

¹⁰ <https://www.nec.com/en/global/purchasing/sustainable.html>

Engagement with peers

We have supported the UN Global Compact Network UK and have participated to peer reviews of modern slavery statements. We have also participated to a number of human rights events organised by the UN Global Compact and other organisations.

Organisation structure, business and supply chain

The companies covered by this Statement are listed in *Figure 1*. Other NEC Group Companies not listed in *Figure 1*, may publish a statement themselves or be covered by the NEC Group Modern Slavery Statement as applicable.

Figure 1

In UK	In the Europe Union
NEC Europe Ltd NEC (UK) Ltd.	NEC Deutschland GmbH; NEC Eastern Europe KFT.; NEC Finland OY; NEC France S.A.S.; NEC Iberica S.L.; NEC Italia S.p.A; NEC Laboratories Europe GmbH; NEC Nederland B.V.; NEC Portugal Telecomunicações e Sistemas, S.A. and NEC Scandinavia AB.

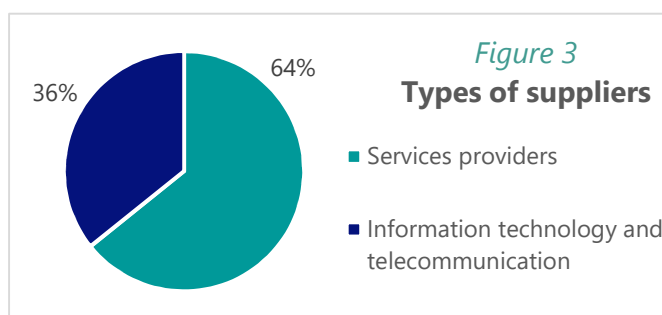
Our organisation, business and supply footprint is summarised in *Figure 2*.

Figure 2

Principal country of operation ¹¹	Holding by NEC Europe	Contribution to NEC Europe Group Profit (Adjusted, £m FY21)	% of employees (NEC Europe total)	% of number of managed suppliers ¹² (NEC Europe total)
United Kingdom	100%	(4)	36	33
France	100%	1	3	3
Netherlands	100%	1	11	8
Germany	100%	2	27	25
Spain	100%	1	10	6
Portugal	100%	(0)	2	3
Italy	100%	(1)	6	14
Sweden	100%	1	1	4
Hungary	100%	1	4	4

Our largest operations outside the UK are located in the European Union. We are engaged mainly in a variety of B2B activities focused on business development, sales and marketing, and customer support to private and public organisations, including governments and local authorities, as well as research and development.

The service suppliers that We use are mainly local professional services providers, including consultants and advisors, from small to medium size or global reach (*Figure 3*) with regional offices in the European Economic Area ("**EEA**")/UK.



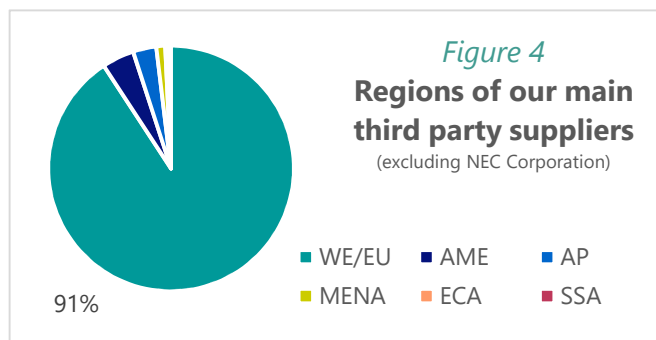
We don't engage in manufacturing activities ourselves. In the Reporting Period, we have continued to source about 70% of our products from our parent company, NEC Corporation and other NEC Group Companies.

¹¹ Fixed Asset Investment in active operation

¹² Sample based candidate partners

The remaining 30% are third party product suppliers, predominantly located in UK, Germany and Italy (Figure 4).

Policies in relation to slavery and human trafficking



Our approach to addressing modern slavery and human trafficking risks sits within NEC Corporation's wider Human Rights agenda for the NEC Group and is linked to our NEC Vision 2030¹³.

NEC Group Policies

The NEC Group is committed to conduct its business ethically and to prevent modern slavery or human trafficking in its organization and supply chain. The NEC Group has a corporate responsibility to identify and help mitigating and preventing the risks of child labour, forced labour and human trafficking to the best of the NEC Group's abilities.

NEC upholds the United Nations' (UN) International Bill of Human Rights^{*14}, International Labour Organization (ILO) Core Labour Standards, the United Nations Guiding Principles on Business and Human Rights (UNGP), the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the Ten Principles of the UN Global Compact^{*15}. NEC also seeks to improve its in-house initiatives on respect for human rights by taking into account trends in international standards and laws, such as the UNGP and Sustainable Development Goals (SDGs). The NEC Group aims to contribute to the progression of respect for human rights in society, promotes compliance with global requirements and pursues sustainable and ethical procurement activities with the cooperation from its supply-chain partners.

NEC has a variety of policies and procedures that support the NEC Group's position against modern slavery:

1. The NEC Way¹⁶ is a common set of values that form the basis for how the entire NEC Group conducts itself. It articulates "Purpose" and "Principles" as a company as well as the expected behaviours, "the Code of Values" and "the NEC Group Code of Conduct", that all of the members comprising the NEC Group are expected to demonstrate. NEC's "Principles", which are the basis for the NEC Group's actions, defines "Uncompromising Integrity and Respect for Human Rights". "The NEC Group Code of Conduct" defines "Respect of Human Rights" as one of the basic position that all NEC Group officers and employees should comply with.
2. The NEC Group Human Rights Policy¹⁷ confirms that the NEC Group will never accept child labour or forced labour, under any and all circumstances. In addition, the NEC Group encourages its suppliers, business partners, and customers to understand this Policy and share our commitment to respecting human rights. The NEC Group's approach on managing related concerns is disclosed on the NEC Group's Sustainability website.

¹³ <https://www.nec.com/en/global/about/vision/index.html>

¹⁴ It refers collectively to the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights which were adopted by the UN General Assembly.

¹⁵ NEC has been a member since 2005. The Ten 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.

¹⁶ <https://www.nec.com/en/global/about/the-nec-way.html>

¹⁷ https://www.nec.com/en/global/csr/society/human_rights.html

Where national laws in the relevant jurisdiction conflict with internationally recognized human rights, we will seek ways to respect the principles of internationally recognized human rights.

3. The NEC Group Procurement Policy¹⁸ provides that the NEC Group is committed to procuring all goods and services with competitive quality, cost and delivery conditions from the global supply market under fair business terms based on the related laws and regulations so that the NEC Group will contribute to providing customer-valued products and services. The policy also confirms that the NEC Group shall not purchase items which may be associated with modern slavery and human trafficking concerns, involving potential or existing first tier supply-chain partners and/or second and upper-stream suppliers.
4. The Guidelines for Responsible Business Conduct in Supply Chains¹⁹ supports the development of responsible corporate activities among the NEC Group's suppliers by helping them understand more deeply about the NEC Group's sustainable management. These Guidelines require the suppliers to respect the human rights of their workers and prohibit the suppliers from making use of forced or bonded labour, inhumane prison labour, slavery or human trafficking, employing children who are below the minimum working age, subjecting their workers to inhumane treatment, and engaging in discrimination or harassment.

This guideline prohibits the 11 indicators of forced labour²⁰ by ILO. "Abusive working and living conditions" are prohibited under the section "Health and safety of facilities". Other indicators are prohibited under the section "Human Rights and Labour Practices".

NEC requires that all the NEC Group employees comply with the NEC Way, the NEC Group Code of Conduct, the NEC Group Human Rights Policy and the NEC Group Procurement Policy. The NEC Group communicates the Guidelines for Responsible Business Conduct in Supply Chains; to its business partners, including suppliers in order to promote sustainability activities.

The NEC Group's Modern Slavery and Human Trafficking Statement can be found here: <https://www.nec.com/en/global/csr/modernslavery/index.html>

NEC Europe Policies

In addition to complying with the Policies of the NEC Group mentioned above, We have several human resources procedures and processes in place that integrate provisions in relation to modern slavery for employees, businesses partners, suppliers and other parties. We announce, communicate and explain new policies to our staff by internal means of communication such as our intranet, compliance communications and training.

The NEC Group Code of Conduct provides guidance to employees on the high standards of professional and ethical conduct expected of them and aims to preserve the company's reputation for high standards of conduct. The fair treatment of our people, the encouragement of dialogue and collaboration with our stakeholders are also promoted as part of the NEC Way and Code of Conduct.

Human resources employment policies

The provisions of the various employment policies are managed by Human Resources. We purposely place ethical requirements on NEC employees to comply with these policies, in order to demonstrate that all

¹⁸ <https://www.nec.com/en/global/purchasing/renshiki-a2.html>

¹⁹ <https://www.nec.com/en/global/purchasing/sustainable.html>

²⁰ The ILO has produced a list of the most common signs of forced labour: Abuse of vulnerability; Deception; Restriction of movement; Isolation; Physical and sexual violence; Intimidation and threats; Retention of identity documents; Retention of wages; Debt bondage; Abusive working and living conditions; Excessive overtime. More details and guidance are available on the ILO website.

employees have a role to play in respecting human rights and tackling modern slavery.

Human resources policies cover the following provisions in relation to modern slavery:

Freedom of workers to terminate employment; freedom of movement; freedom of association; prohibition of any threat of violence, harassment, and intimidation; prohibition of the use of worker-paid recruitment fees; of compulsory overtime; of child labour; of discrimination; of the confiscation of workers' original identification documents; and the provision of access to remedy, compensation, justice for victims of modern slavery.

We recognise the importance of helping our employees to balance their work and home life and We don't wish to encourage employees to work excessive hours. Flexible smart working arrangements are in place where applicable. We are also committed to the principle of Equal Opportunity in employment.

Beyond legal compliance



- We have recognised the positive impacts of inclusion and diversity within our organisation and have promoted a clear stance against discrimination and other forms of abuse through a variety of company talks, events, communications and literature.
- We have promoted work life balance and provided several wellbeing opportunities to our staff.

Other key policies

The scope of our other key policies includes sustainability, health and safety and the provision of a safe environment. These policies are reviewed by senior management and agreed by the managing directors of our subsidiaries, as appropriate, on an annual basis.

We make additional procedures accessible to our staff on our intranet, including but not limited to dealing with emergency response, the provision of a safe and healthy environment, responsible procurement, speaking up and risk assessments. In the fiscal year, We have reviewed our procurement and health and safety procedures taking into account, where applicable, the effects of the coronavirus pandemic on stalling progress on human rights.

Sustainability policy



Our sustainability policy reaffirms our commitment to identify and remedy negative impacts of our business requests and activities including modern slavery, child and forced labour issues. It is available on our intranet and displayed in our offices where applicable.

Due diligence process in relation to slavery and human trafficking in our business and supply chain

We undertake third party checks and foster customer dialogue to establish whether the human resources and labour management, procurement, and other operational processes of subsidiaries and business partners comply with international standards. We report the results to the Board of Directors of NEC Europe, and We take corrective actions as necessary.

Our business

It is important that We have the confidence that our workers are employed in compliance with all applicable laws and regulations.

Employment, labour, vetting practices, health and safety

Working conditions and labour related matters are managed by line managers and human resources. Last year, We conducted a survey which has confirmed the human resources policies in place within our organisation to respect human rights and anti-slavery legislation. The extent of the compliance framework of our employment processes is reviewed regularly for example during internal audits and ISO certification audits.

Our due diligence has confirmed that our recruitment process is fair and compliant with all applicable international/national standards and legislation, and that We comply with regulations including working hours and minimum wage. We also have in place risk assessments on wellbeing, with provisions covering working hours. We prevent illegal working both as part of eligibility screening checks for any new employee in NEC Europe and then on a continual basis. These checks are based on the mandatory provision of documentation compliant with applicable law. Employees are provided with pay-slips and the relevant amount, net of statutory deductions, is paid timely to their elected bank account.

Health and safety representatives are appointed where appropriate. Responsibilities for the provision of a safe environment are identified, allowing for the promotion of the health and safety of our employees, subcontractors and other stakeholders including visitors.

Whistleblowing - Speaking up

An internal Whistleblowing Committee led by senior managers from Human Resources, Finance, Sustainability, Legal and Compliance is appointed to review, oversee, and monitor our whistleblowing program.

Our whistleblowing program comprises safe, confidential and simple conduits for speaking up, the investigation of whistleblowing reports, the implementation of remedial actions, and the protection of employees from retribution in case they raise a concern about human rights issues. We use Safecall as our third party confidential reporting line. In the fiscal year, we have continued to clarify and promote the use of Safecall along other methods of reporting concerns within our organisation.

Business-level grievance mechanisms in place to address modern slavery relating to the supply chain



Workers in our operations and supply chain can raise concerns through our normal reporting process or through Safecall, by email, phone of the Safecall platform.

Our supply chain

Responsible corporate behaviour and ethical sourcing through procurement are necessary for sustainable business. We strive to make this approach clearly known to our suppliers in our dealings and communications.

Ethical sourcing and supplier management

As part of our supplier management process, We are committed to never participate, knowingly or unknowingly, in any form of child, forced or bonded labour. Our approach to sourcing and planning is founded on the NEC Group's Supply chain approach.

The NEC Europe team in charge of evaluating the compliance of suppliers to our requirements includes members of procurement, sustainability and finance. This team is experienced in understanding the risks in our sector of activity, and are trained to recognise potential red flags of unethical behaviour²¹.

In order to establish positive and sustainable relationships with our partners and suppliers, We expect them, as

²¹ The ILO has produced a list of the most common signs of forced labour.

a minimum, to comply with all applicable laws, regulations and international standards covering modern slavery and other social, environmental and safety performance elements, to respect human rights and understand the principles of the NEC Group Guidelines for Responsible business Conduct in Supply Chain.

We require our suppliers to confirm their compliance at pre-selection stage and at regular intervals during their partnership with us. Through these regular checks, We aim to establish the supplier's level of awareness in identifying, preventing and mitigating the evolving risk of forced labour within its own organisation and supply chain.

We also support our customers in their evaluation of our practices in our operations and supply chain.

PRE-SELECTION DUE DILIGENCE	ONGOING DUE DILIGENCE
- We only accept candidate suppliers after having performed due diligence. This due diligence includes a desktop review of their practices, of their modern slavery statement published on the UK Government Modern Slavery Statement Registry as applicable, and a benchmark against available country risk factors²² media information, the international context and other sources²³. We also use an electronic compliance tool which informs Us about potential commercial and reputational risks pertaining to certain candidate suppliers. - We engage with our suppliers to obtain visibility of their supply chains beyond first tier where relevant.	- Any inactive supplier is deselected after 2 years, and submitted to a full review of their business practices before reactivation. - Every year, We select a minimum of 10% of our key partners and approved suppliers and review their business practices taking into account new laws, trends or company requirements. - If concerns are raised during supply chain management reviews or visits, for example if there is a lack of clarity in the management of the supplier's own subcontractors, We take further measures, such as requiring the completion of a specific questionnaire designed to identify possible red flags of forced labour. We also increase our communication and frequency of our audits.

Responsible procurement



- As part of a global risk-based approach, We have engaged with 126 key partners and approved suppliers representing 94% of our annual procurement spend. They have confirmed compliance with labour requirements, other human rights, health and safety, and the NEC Group Guidelines for Responsible business Conduct in Supply Chain.
- We have strengthened our vendor selection process which enables Us to reach across the wider NEC organisation and purchase pool of vendors fostering dialogue with our preferred suppliers.
- We have clarified to any employee who engages in procurement activities our requirements in their relations with suppliers.
- We also now consider recognition by EcoVadis as one of the criteria to become an approved partner or supplier.

Our contractual process includes references to responsible business conduct. The terms and conditions on our purchase orders in the provision of Goods and / or Services to Us include requirements of compliance with relevant legislation and policies, including without limiting health and safety, modern slavery and human trafficking. Where applicable, We include back to back compliance requirements, whereby suppliers undertake that their sub-suppliers will comply with provisions equals to those set out by NEC Europe. We also provision for unannounced on-site inspections (if during business hours will be conducted without disruption to Vendor's business practice) at Vendor's premises, or constructions/installation sites, or other locations where work is carried out as part of the supply to NEC Europe.

²² For example, a country that has not ratified the ILO fundamental conventions or has a weak record of implementation.

²³ For example, the Transparency International Corruption Perception Index and other reports by Non-For-Profit organisations.

We encourage our subsidiaries to support the supplier management process by developing their own additional due diligence initiatives where relevant, taking into account other country-specific requirements.

Audits with social elements

Where We identify candidate suppliers as potentially representing a higher risk in terms of health and safety considerations, We require them to undertake an audit which evaluates the safety and working conditions in their organisation and their sub-contractors where appropriate. These are announced audits performed by qualified third parties and / or NEC auditors. Comprehensive action plans are drawn up with our suppliers to address any non-compliance, and We collaborate to help them make improvements.

We expect our selected partners and suppliers to meet our conditions of supply throughout the duration of our relationship with them, and We expect their support in reporting serious incidents (and any corrective actions necessary) to Us in a timely manner.

On-site audits with a social element



On-site audits represent a snapshot in time and include interviews of suppliers' senior management and employees, as well as workplace visits. In the Reporting Period, We have continued to use qualified third parties to audit all of NEC Europe's suppliers considered higher risk of health and safety breaches. These audits have not identified signs of forced labour. Due to COVID-19, some of our audits were conducted remotely. We have not performed un-announced audits.

Reporting incidents and obligation to remedy

We have continued to make our external confidential reporting line, Safecall, available to our suppliers in the context of their relationship with Us. Suppliers can report any concerns relating to potential human rights breaches in such context via Safecall or via an internal responsible business contact line.

Our contractual process includes an obligation to remedy any noncompliance in the appropriate timeline. We acknowledge that remediation can take many forms and will depend on the noncompliance or deviance from the principles contained in the "NEC Group Guidelines for Responsible business Conduct in Supply Chain". In extreme cases, We reserve the right to disengage responsibly or to terminate any relationship in place with a supplier, where a supplier refuses to remedy a serious noncompliance or deviance. In the Reporting Period, We didn't have to take any measure of disengagement against suppliers for reasons of forced labour or other human rights breach.

ZERO CLAIMS OF MODERN SLAVERY



No claims of modern slavery were received through Safecall or through our grievance system, or any other system, within our organisation and supply chain, in the reporting period.

Parts of our business and supply chain where there is a risk of modern slavery taking place and steps taken to assess and manage that risk

Our business

We think of Our people as key to the success of our business. We also believe that communication and dialogue play an important role in identifying risks of potential exposure to modern slavery.

As such, our senior Management at NEC Europe have regular meetings and report key decisions back to the individual teams. In addition, during the annual European Forum, employee representatives interact with the management and have further opportunity to raise questions related to pan-European issues, on behalf of the employees, which are then addressed by the Management during the same event and, as relevant, through dedicated follow up.

We consult with employees on company processes, for example on day-to day health and safety working conditions informally and through committees.

There are no trade unions in our organisation. Most of our workers are professionals or administrative workers in the UK or European-Union. There is no seasonality to working patterns.

We are aware that the risks of modern slavery are dynamic, can evolve over time and can be connected to broader labour trends and other economic, politics and environmental issues that affect humans and the planet. We therefore monitor regulatory, as well as other changes, affecting our operational context, such as potential links between forced labour and the climate crisis in context of the social changes needed to move to a low carbon economy, or the coronavirus response legacy, by using information software, engaging with peers and participating to conferences and webinars.

We believe that the nature of our business activities did not place Us particularly at risk of modern slavery within our organisation in the reporting period.

RISKS OF MODERN SLAVERY



We have not identified specific incidents of modern slavery within our organisation in relation with the 11 ILO indicators within the Reporting Period.

Our supply chain

Hardware suppliers

We submit all our hardware suppliers to our due diligence process. This involves engaging with our suppliers, through discussions with their staff and managers, through audits and by reviewing the suppliers' monthly reports, where applicable.

Service providers

Figure 5 (below) shows the activity sectors of the services that NEC Europe procures from time to time. We occasionally use services that belong to sectors that the GLAA²⁴ has identified as particularly at risk of labour exploitation such as cleaning, hotels and accommodation, warehousing and logistics. The providers that We use in these categories are mainly located in the UK, Italy, Germany, the Netherlands, Spain and France.

Our due diligence has not identified particular modern slavery or forced labour risk in the Reporting Period.

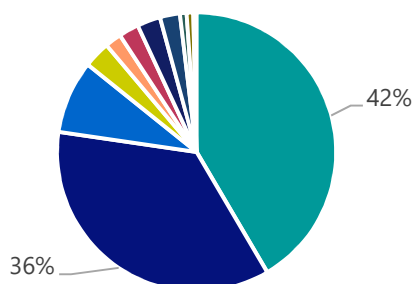
In the Reporting Period, We have not been approached by NGOs²⁵ in relation to modern slavery or forced labour concerns.

In the event that We would identify or suspect a potential higher risk in modern slavery or forced labour in our supply chain, We would consider what measures would be required to mitigate such risk. Such measures may include expanding the scope and type of our on-site audits.

²⁴ Gangmasters & Labour Abuse Authority: <https://www.gla.gov.uk/publications/labour-exploitation/>

²⁵ Non-Governmental Organisations

Figure 5
Activity sectors
of service suppliers



- Professional & administrative services
- Information technology and telecommunication
- One-off accommodation & hospitality
- Education and research
- Financial, insurance and real estate activities
- Consumer products
- Media, publishing
- Transportation, logistics and storage
- Healthcare and pharmaceutical
- Waste management and recycling
- Cleaning and security services

Engagement with non-compliant suppliers



Based on our assessment, together with our other checks and audits, We estimate the exposure to forced labour, human right risks and other risks of the partners and suppliers that We have reviewed in the Reporting Period as "low" to "moderate". "Moderate" mainly occurred when there was a lack of documented information available on a supplier process. When the reason for lacking documentation was that the supplier didn't have guidelines in place, We have supported them to understand the NEC Group Responsible Business Guidelines, as necessary.

When the supplier didn't meet the requirements, We have examined their own practices in further detail. In the Reporting Period:

- We did not select one candidate supplier as We could not reach an agreement.
- We did not take any step to disengage with existing suppliers as our requests for compliance were met.

Effectiveness in ensuring that slavery and human trafficking is not taking place in our business and supply chain

The importance of compliance and responsible business behaviour is promoted by the President and CEO of NEC Europe and the senior management of NEC Europe through a variety of internal initiatives and the use of internal communication tools. We measure the effectiveness of our initiatives against Key Performance Indicators ("KPIs") that We consider appropriate.

Our business

KPI	Progress Goal	Result
Promotion of the Code of Conduct to all new staff.	Data pertaining to our online Code of Conduct training is above 90%.	We have invited 100% of our new recruits to take part to the Code of Conduct training, achieving 100% participation rate.

Use of Safecall and other grievances mechanisms.	Access and use of Safecall was confirmed in the reporting period. Plans were designed which included actions to prevent reoccurrence and support remediation of any type of recorded claims.	We have not received any forced labour claims through the normal reporting process or Safecall.
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Our supply chain

KPI	Supplier	Progress Goal	Result
Assessment of the risks of forced labour in our supply chain	Candidate	The risk exposure of all new suppliers to forced labour, is reviewed against legal human rights requirements and other agreed requirements.	We have assessed about 300 new suppliers against an internal self-assessment sheet which has been developed taking into account legal requirements and other agreed requirements, as well as recognised International Standards.

KPI	Supplier	Progress Goal	Result
Assessment of the risks of forced labour in our supply chain	Existing	The review of key partners and suppliers takes into account modern slavery, labour and human rights. Information is confirmed by engaging through discussions with their staff and by reviewing their monthly reports.	94% of our annual procurement spend providing critical hardware or services to NEC Europe or on behalf of NEC Europe have confirmed that they either comply with the NEC Group Responsible Business Guidelines or that they have similar guidelines in place. - We have conducted about 100 health and safety audits of existing suppliers, taking the opportunity of these audits to survey the number of working hours performed by their employees. 100% of the service providers that we use for occasional temporary labour or contract work comply with our sourcing process.

Training and capacity building

By training, We mean the wide range of initiatives that We have implemented to increase the knowledge and skills of our staff to improve the identification, address and prevention of failure of responsible business conduct, including modern slavery and breach of human rights, and NEC Europe's associated standards.

Senior leadership at NEC Europe is crucial to driving a culture of responsible behaviour. The President of NEC Europe and senior management promote this culture through a variety of internal initiatives (such as themed talks and meetings) and the use of internal communication tools (intranet, display screens, emails and newsletters).

Our business

We strive to upscale the awareness of our colleagues through awareness activities in connection with sustainability and human rights, and We make information about slavery and human trafficking available to

our staff, including this Statement. We also promote know-how and best practices via internal newsletters, emails, celebration days and on our intranet. We organise regular employee engagement surveys, and their results are analysed for continual improvement.

We provide an induction to employees and subcontractors, covering our ways of working. We provide personal protective equipment as fit for their roles.

We promote compliance as the fundamental basis of our activities through compliance day and other communications. Risks and opportunities are discussed during management reviews which involve a balanced representation of staff and management. We encourage feedback to continually improve our management systems and performance. We are attentive to improve our practices by learning from peers to progress on our Sustainable Development Goal Ambition pathway.

Training and awareness for our organisation



- All purchasing specialists have participated to working group sessions on ethical supply chain management led by the procurement team.
- About 50 employees including general staff involved in the procurement process through the course of their normal activities, have participated to a series of awareness meetings on different aspects of responsible business conduct, including due diligence and the risks associated with slavery, forced and child labour.
- 90% of all staff received instructions to sustain responsible supply chain practices and requirements.
- Participation to the Code of Conduct eLearning remained high (90%). This eLearning includes reference to human rights, modern slavery and how to raise concerns in confidentiality.
- We have held quarterly meetings with senior Management as a forum for the discussion of compliance and best practice topics. The Directors consider the impact of emerging legislation and all stakeholders when making strategic decisions.

Our supply chain

We have sought to educate our direct suppliers on our responsible business conduct expectations by sharing relevant policies and engaging with them on sustainability issues where appropriate.

Training and awareness for our supply chain



We have used health and safety audits as further opportunities for capacity and awareness building, where We can foster more sustainable business relationships through dialogue and concerted action with our suppliers.

Stakeholder engagement

We have taken inputs from our customers, suppliers, employees, civil society, experts and peers to better understand societal expectations and evolving requirements with regards to human rights and modern slavery.

Engagement with peers



We are engaged within the UN Global Compact Network UK and participated to peer reviews of modern slavery statements. We have also participated to a number of human rights events organised by the UN Global Compact and other organisations.

Looking ahead, our plan

We will continue to:

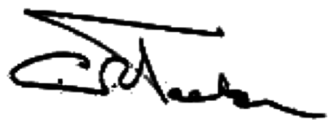
- Publish our statements on recognised websites that promote the fight against modern slavery and human trafficking as appropriate.
- Exercise vigilance and strengthen human rights due diligence especially in a wider context where relationships between health, social and environmental issues may create further pressure in the wider supply chain potentially increasing risks with regards to working conditions.
- Train our procurement team and extended users on the International Labour Organisation (ILO) indicators of forced labour and how to spot red flags in terms of modern slavery.
- Find further ways to engage with our suppliers on human rights, modern slavery and other responsible business conduct such as capacity building discussions.
- Continue to bring together forced labour, wider human rights and other corporate sustainability topics such as environmental due diligence using the feedback received to develop further joined actions for improved responsible business conduct and due diligence.
- Participate in a number of human rights events, remain a Member of the UN GC Network UK and endorse the Ten Principles of the UN GC.

This Statement was approved by the Board of Directors of NEC EUROPE LTD on 28 September 2022.

Signed on the same day

Chris Jackson

President and CEO

A handwritten signature in black ink, appearing to read 'Chris Jackson', with a stylized, sweeping flourish at the end.