



# **NEC Group**

# **Conflict Minerals**

# **Guidelines**

## **<For Suppliers>**

**NEC Corporation**

**Initial Revision (December-01, 2011)**

**Corresponding to Japanese Edition Initial Revision**

# 1. Introduction

## - Human Rights Approach at NEC Group

The protection of human rights is a key focus of NEC's global efforts to promote Corporate Social Responsibility, as detailed within the *NEC Group Charter of Corporate Behavior*. The Charter reads, "The NEC Group respects human rights in all its corporate activities, never accepting any discriminatory practices or child or forced labor." NEC also requests the same level of support from their suppliers by providing them with the *NEC Group Supply-Chain CSR Guidelines*.

Human rights issues are of great importance to many stakeholders within the Information and Communication Technology (ICT) industry. Many types of raw materials are necessary for the manufacture of the many parts and components used to make ICT products. A major problem faced by the ICT industry is that in some areas of the world where those raw materials are available, there is the possibility that the groups responsible for their extraction rely almost solely on forced labor. As a result, the purchase of raw materials from such groups for use in the supply-chain, whether knowingly or not, may provide financial incentive to those responsible for these and other types of human rights violations.

## - Current Situation of Conflict Minerals in DRC

Certain mineral resources, such as columbite-tantalite (coltan), cassiterite, gold, and wolframite, mined in the Democratic Republic of the Congo (DRC) in Africa and adjoining countries have been reportedly used to help finance armed groups. These mineral resources provide a great deal of wealth to those groups that control them resulting in many serious social problems in the affected regions. Ongoing tribal conflict, forced labor and other human rights violations, as well as widespread environmental destruction are some of the problems associated with the conflict in and around the DRC. The NEC Group believes that cooperation among a broad array of stakeholders is necessary in order to help curtail the human rights violations in the area. To that end, NEC has been working with various human rights organizations, environmental NGOs, government agencies, and industry organizations in an effort to improve the situation in the region.

## - Dodd-Frank Act in the USA

In the USA, Section 1502 of the Dodd-Frank Act, passed in 2010, requires publicly traded U.S.-based companies to disclose if the products they sell contain conflict minerals sourced from the DRC and the nine adjoining countries. The purpose of this disclosure requirement is to encourage companies throughout the entire supply-chain to acquire components, parts, and raw

materials from those suppliers who source from legitimate sources.

#### - Conflict Minerals Guidelines

In order to insure that our supply chain remains conflict-free, the NEC Group has established the following guidelines.

Supplier cooperation is highly appreciated.

## **2. Aim of Conflict Minerals Guideline**

The purpose of this guideline is to provide NEC Group's suppliers with an understanding of the conflict minerals issue. We request that suppliers (1) understand the activities for within the NEC Group in regards to the DRC Conflict Minerals issue, and (2) understand the NEC Groups requests for suppliers to meet 'DRC Conflict Free' requirements.

## **3. Conflict Minerals Policy at NEC Group**

The following contains the Conflict Minerals Policy for the NEC Group;

- NEC Group shall not use Conflict Minerals unjustly sourced for products
- NEC Group shall not purchase products containing conflict minerals unjustly sourced

[Definition]

unjustly sourced ;

Which finance or benefit directly or indirectly armed groups in the Democratic Republic of the Congo or the nine adjoining countries: Angola, Burundi, Central African Republic, Congo Republic (a different nation than the DRC), Rwanda, Sudan, Tanzania, Uganda and Zambia.

## 4. Request for Suppliers

Since the use of these Conflict Minerals may potentially contribute to various human rights abuses within the DRC and surrounding regions, NEC Group requests that suppliers adopt the following guidelines:

- Agree with the conflict minerals policy of NEC Group
- Establish a conflict minerals policy
- Establish a system/mechanism to ensure DRC conflict free for products sold
- Confirm DRC conflict free in products sold
- Cooperate and respond to inquiries or questionnaires on conflict minerals from NEC Group

[Definition] Conflict Minerals;

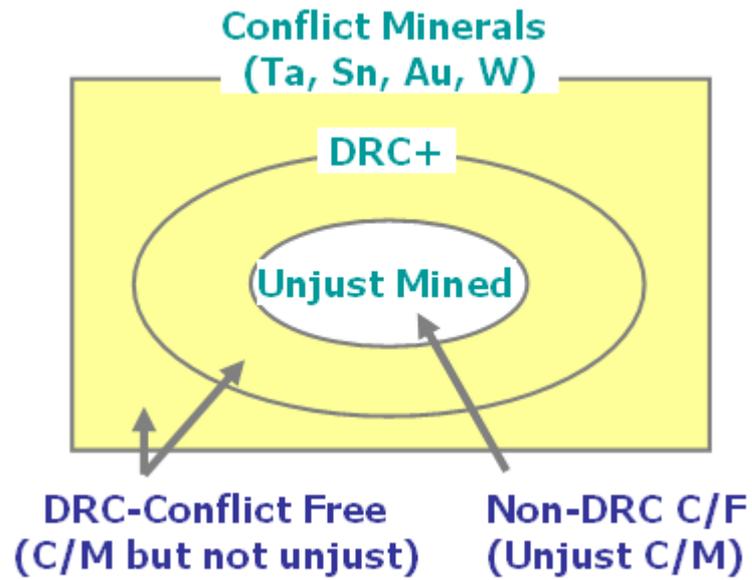
‘Conflict Minerals’ refers to

- 1) Tantalum (Ta)
- 2) Tin (Sn)
- 3) Gold (Au)
- 4) Tungsten (W)

These materials are considered to be Conflict Minerals, regardless of origin.

DRC Conflict Free;

DRC Conflict Free is defined to mean products, parts, or components that do not contain minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or an adjoining country. (DRC: Democratic Republic of the Congo)



NEC Group may request a DRC Conflict Free Declaration of purchased goods, a Conflict Minerals Report, and/or a site audit from companies within the supply-chain in order to verify purchased goods are DRC conflict free.

Suppliers' cooperation to such inquiries is highly appreciated.

## 5. Conclusion

Many of the products and services the NEC Group offers to customers are manufactured using materials and services provided by our suppliers. Guided by the NEC Group Procurement Policy, NEC believes it is essential to deepen collaboration with its business partners, while promoting CSR activities together.

Through such activities, NEC hopes to cultivate a Win-Win relationship with suppliers and to create and maintain mutually prosperous business practices across the entire value chain..

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