

Modern Slavery Statement 2023

NEC Australia Pty Ltd

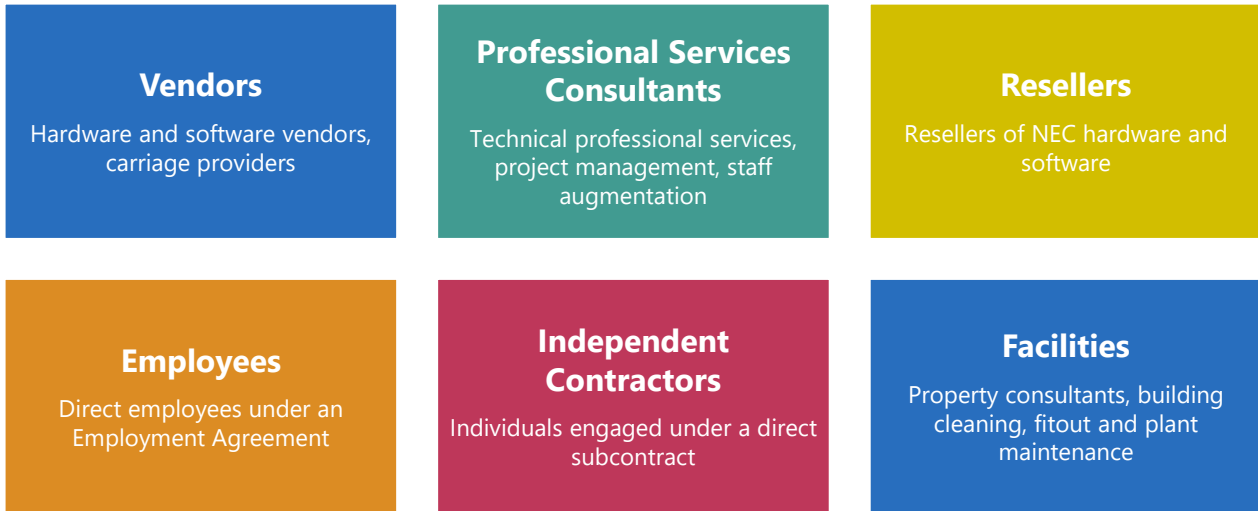
1 Introduction

This statement, made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth), is published on behalf of NEC Australia Pty Ltd and its wholly owned subsidiaries, NEC IT Solutions Australia Pty Ltd and NEC IT Services Australia Pty Ltd (together referred to as NEC, we, us or our). The purpose of this statement is to outline our approach to ensuring that NEC has comprehensive frameworks and processes in place to minimise the risks of modern slavery in our business operations and supply chain. NEC acknowledges that slavery can occur in many forms as detailed in the Act including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting. NEC is committed to operating responsibly and establishing and adhering to the highest ethical standards with a goal of identifying and working with its supply chain to eradicate the various forms of slavery.

2 Our structure, operations and business

In Australia, NEC is an information and communications technology company with over 1300 employees having a combined turnover in excess of \$390 million. NEC Australia Pty Ltd is a wholly owned subsidiary of NEC Corporation, incorporated in Australia and has its headquarters in Melbourne. NEC Australia Pty Ltd owns two subsidiaries, being NEC IT Solutions Australia Pty Ltd and NEC IT Services Australia Pty Ltd. No formal consultation has occurred between the entities in the preparation of this statement as, from a practical perspective, these three Australian entities operate as one entity and share all board members, corporate functions, policies and procedures. Further information on NEC Corporation's response to modern slavery can be found here: <https://www.nec.com/en/global/csr/modernslavery/>.

NEC's main operations consist of the delivery of information technology and communications infrastructure, biometric solutions and managed services to our customers, both government and enterprise as well as corporate functions including sales, marketing, finance, procurement, legal risk and compliance. Our supply chain as summarised in the below diagram is comprised mostly of the procurement of technology to be on sold to customers (hardware, software and cloud services), professional services consultants and office consumables.



3 Risk identification and remediation

In FY2022, NEC continued to review the potential risk of modern slavery practices across our operations and supply chain taking into consideration factors such as sector, industry, product and service type and geographic location. In undertaking this review, NEC categorised its spend into the following categories: equipment and services sourced from globally recognised communications technology suppliers, NEC branded products sourced through NEC related entities, domestic field services, contracting and professional services suppliers, domestic facilities management and cleaning services, office consumables and miscellaneous suppliers.

As a result of the review, similar to FY2021, NEC identified some low risk areas including direct employees, independent contractors and Australian based professional services consultants. An assessment of these areas revealed that the relevant individuals were compensated at or above industry award rates and had satisfactory working conditions or maintained a high level of autonomy over their working conditions.

NEC distributed its Supplier Code of Conduct together with a targeted questionnaire to determine each vendor’s level of compliance with modern slavery legislation. In previous years, NEC has focussed its efforts on major vendors as determined by annual spend. However, this year NEC removed the annual spend threshold and increased the scope to include all vendors. NEC has received responses to its questionnaire from approximately 65% of the vendor database and recorded such responses as part of our procurement records. Although no obvious risks of

modern slavery were identified as part of this process, NEC acknowledges the shortcomings of self reporting and that greater response rates are desirable.

To aid risk identification, NEC has commenced collating details from vendors concerning the geographic location of hardware and software production and such details will be recorded in the vendor database in the future.

Where any actual or suspected circumstance of modern slavery is identified, NEC will promptly seek an explanation from the relevant supplier and if appropriate, work with the supplier to develop an approved remediation plan. If a remediation plan is not appropriate in the circumstances, the supplier fails to satisfactorily implement the remediation plan, or the remediation plan fails to address the issue, NEC will review its relationship with the supplier with a view to terminating the contractual relationship and engaging alternative suppliers who share a commitment to the eradication of modern slavery.

4 Risk management and due diligence

To manage the risks of modern slavery in our supply chain, NEC continues to conduct the following measures:

- regularly revise its anti-modern slavery policy;
- audit key suppliers via a targeted questionnaire;
- send mandatory questionnaire to new suppliers to enable initial risk assessment;
- complete detailed vendor registration processes to capture and record more information about the individual suppliers;
- regularly revise its Supplier Code of Conduct;
- update its standard supply terms to require compliance with modern slavery legislation; and
- educate its staff on the impacts and risks of modern slavery through external and internal training.

5 Ongoing assessment of risk

In 2023, and the years to come, NEC will work to increase collaboration with internal and external stakeholders to prevent and address any contribution that NEC may have to the global issue of modern slavery. NEC will achieve this by focusing on raising awareness of the forms of modern slavery among our employees and suppliers, continuing to evolve our due diligence processes to aid in the identification of risks, expanding the scope of our supply chain risk assessment, reviewing existing processes and exploring ways to improve identification and action on risks throughout our supply chain. NEC will assess the effectiveness of its compliance with the *Modern Slavery Act 2018* (Cth) in FY2023 as compared to FY2022 and include such assessment in its 2024 Modern Slavery Statement.

This statement was approved by the boards of NEC Australia Pty Ltd and its subsidiaries.

Signed,

Jason Price

Chief Executive Officer & President – ANZ

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