

## Gender Pay Gap

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all companies employing 250 or more employees to publish their gender pay gap results.

The government defined gender pay gap metric measures the difference between the average earnings of all females in the organisation and the average earnings of all males, irrespective of their seniority or role. This is not the same as equal pay, which compares what men and women are being paid for the same or similar work.

Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT-related roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy as a whole is reflected in the make-up of NEC workforce.

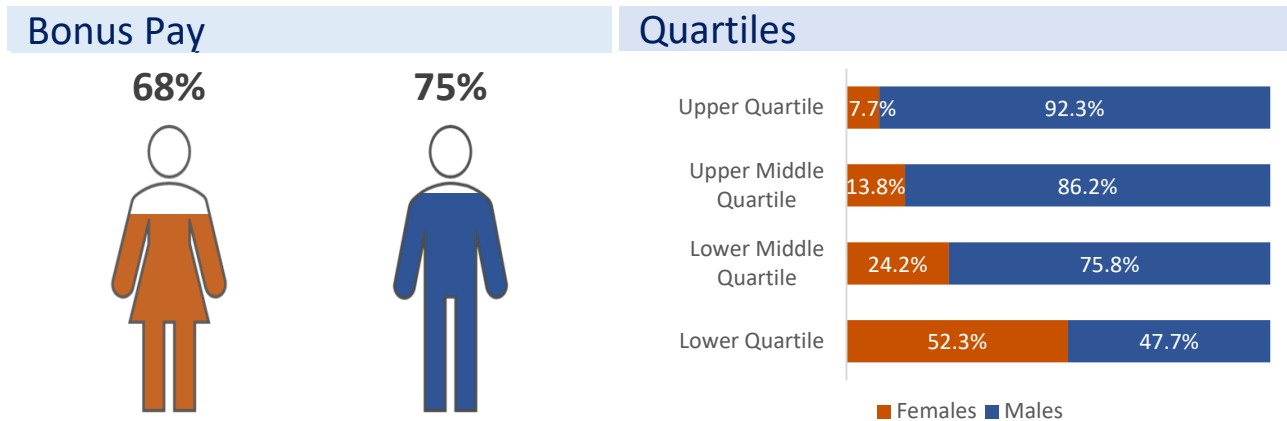
## NEC

We are reporting on NEC businesses based in the UK and specifically NEC UK, NEC Europe and NEC Displays. This information is based on our people data at 5 April 2018. This report shows that in 2018 the Company has an average gender pay gap 36%. This is a marginal improvement from 2017 data which was 39%.

The data below shows the Median and Mean Gender Pay Gap for both the pay and the bonus. The definitions below explain the meaning and calculations of each.

Mean Gender Pay Gap	Median Gender Pay Gap	Mean Bonus Gender Pay Gap	Median Bonus Gender Pay Gap
<b>36%</b>	<b>39%</b>	<b>24%</b>	<b>6%</b>

We have also made improvements around the bonus payments. This mean gender pay for bonus payments was 40% in 2017. However using the snapshot data for 2018, this has reduced to 24%. We are pleased with this result and will continue to address the gaps!



**What do we believe contributes to our Gender Pay Gap?**

NEC results once again show that the senior levels of the Company are still mainly represented by men.

We have many expats employed within the origination in the UK and this could contribute to the data being skewed. However, we still acknowledge that there is a gap that needs to be addressed. Men traditionally have dominated the technology industry which will influence the number of senior women we have in our team.

Furthermore, culturally there is a strong preference to have senior management roles filled by HQ based in Japan.

We appreciate that closing the gender pay gap will take time.

NEC is also introducing initiatives such as Smart Working. We believe that being able to choose where you work and when you work, will support our diversity and inclusion plans. This we hope will attract more women in senior roles to the organization.

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**Benchmarking**

NEC is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

We evaluate job roles as necessary to ensure fairness. Therefore, when considering any new hires or promotions, the Company uses an impartial external benchmarking tool. This tool does not take into account gender to ensure people are paid according to the role, experience and other business factors.

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

None of these initiatives will, of itself, remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, the company is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that it is making.

I, Hironobu Kurosaki, President & CEO EMEA, confirm that the information in this statement is accurate.