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Social



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Human Capital

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Basic Concept

Hitachi believes that employees are the source of value and we aim to leverage the combined power of our global network of employees to provide value to our customers and society and contribute to achieving a sustainable society. In working toward these goals, we are committed to respecting the fundamental rights of employees, providing equal opportunities, and ensuring occupational safety and health. We will strive to build favorable relationships between employees and the company, including creating work environments conducive to feelings of pride and happiness concerning working at Hitachi, and actively engaging in dialogue regarding the treatment of employees and career advancement opportunities.

Topic	Overview	Targets, KPIs, and Results
 <p>Global Human Capital Management</p>	<p>We believe in the need for a diverse talent and an organization that adapts quickly to a world of constant change, working as one team in which people from different countries, regions, and business units work in a proactive manner. To realize this goal, we strive to develop human capital and improve our internal environments. Specifically, we formulated the 2024 Human Resources Strategy, implementing measures group-wide and globally based on the three key pillars of People, Mindset, and Organization, along with the underlying Foundation of the HR strategy.</p>	<p>Acquiring and Developing Digital Talent</p> <p>FY2024 Target: 97,000 persons*¹ FY2022 Results: 83,000 persons</p> <hr/> <p>Employee Engagement (positive response rate)</p> <p>FY2024 Target: 71.0%*² FY2022 Results: 69.5%</p>
 <p>Work-Life Management</p>	<p>We go beyond “work-life balance,” in which employees are simply balancing work and private life, to promote “work-life management” which encourages employees to proactively take charge of improving the quality of both their work and private lives. We are implementing work-style reforms and systems facilitating balance between work life and private life.</p>	
 <p>Occupational Health and Safety</p>	<p>Guided by a basic philosophy that safety and health take precedence overall we coordinate with related entities, including contractors and procurement partners, to ensure the Group works together to create safe, secure, comfortable, and healthy workplaces for all. Specifically, based on the Hitachi Group Health and Safety Policy, Hitachi has developed and introduced occupational health and safety management systems best suited to its business, and conducts regular risk assessments and audits, while also working to roll out occupational health and safety training programs and other initiatives worldwide.</p>	<p>Zero Fatal Accidents</p> <p>Annual Target: 0 FY2022 Results: 5</p>
 <p>Freedom of Association and Collective Bargaining</p>	<p>Based on the Hitachi Group Code of Ethics and Business Conduct, common throughout the Group, Hitachi respects freedom of association, the right to organize, and the right to collective bargaining as human rights that are particularly relevant to the workplace. Onboarding training and the Hitachi Group Corporate Ethics Month (annual) represent some of the ways we strive to help employees understand these rights.</p>	

*1 Hitachi Astemo is excluded

*2 Target has been raised since we achieved the initial target/KPI

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

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Global Human Capital Management

Approach to Human Capital

Approach

GRI 2-23

Hitachi believes that human capital, in other words, people are the source of our value. Therefore, we leverage the combined power of our global network of employees to provide value to our customers and society, contributing to the creation of sustainable societies.

We believe in the need for a diverse talent and an organization that adapts quickly to a world of constant change, working as one team in which people from different countries, regions, and business units work in a proactive manner. To realize this, we strive to promote talent development and improve our internal environments.

Global Human Capital Management

Structure

GRI 2-13/2-24

Hitachi established the Growth Strategy Meeting, Risk Management Meeting, and Human Capital Strategy Meeting under the Senior Executive Committee. These meetings deliberate important management matters. The Human Capital Strategy Meeting convenes at least twice a year to discuss and decide Hitachi Group human capital strategies, policies, and submit proposals to the board of directors when necessary. These discussions include measures to foster an organization and culture for growth, and to secure and develop talents.



Global Human Capital Strategy

Strategy

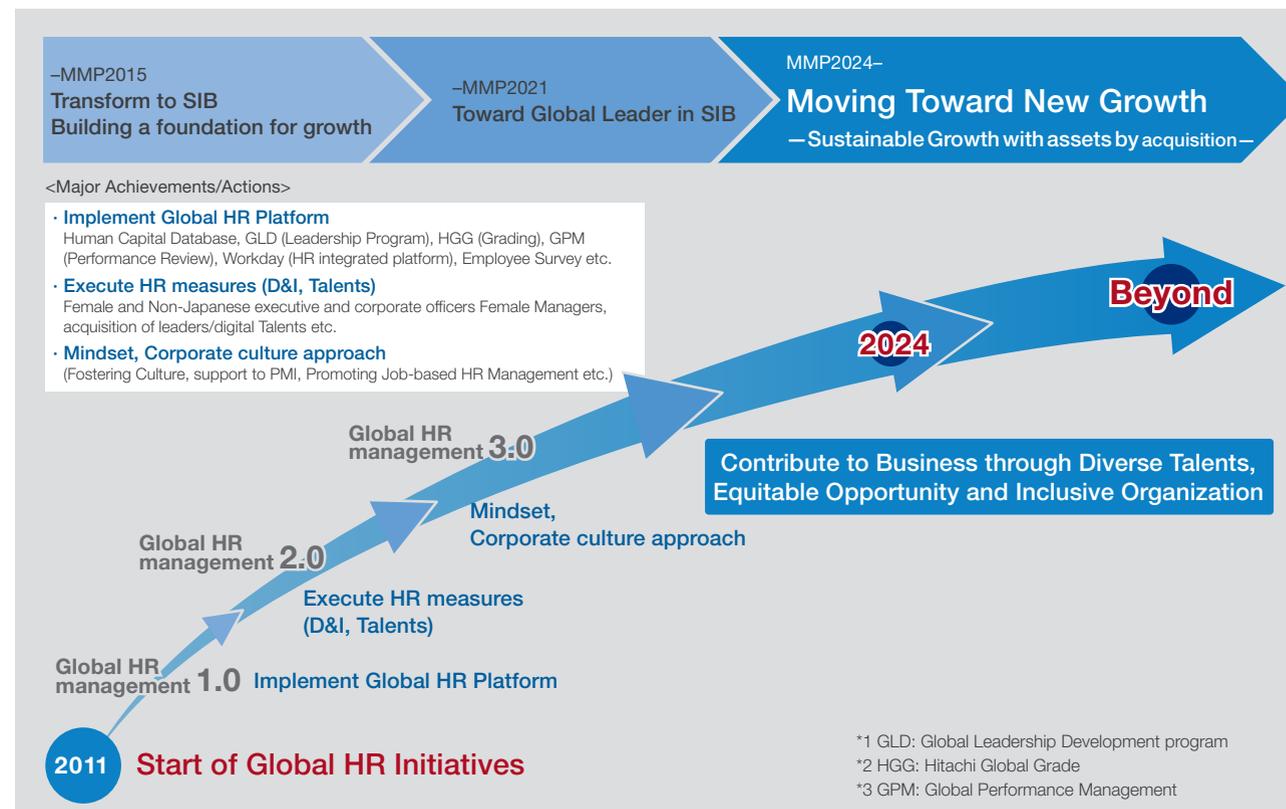
Hitachi conducts a human capital strategy linked to our management strategy. We formulated our 2024 HR Strategy based on the Hitachi Mid-term Management Plan 2024, which defines our vision of becoming an employer of choice in the global marketplace, and a vibrant organization where individuals aspiring to make social contributions gather and participate enthusiastically. To this end, we pursue a variety of measures around the three key pillars of People, Mindset, and

Organization, built on an underlying Foundation. Based on this strategy, Hitachi aims to promote talent development that contributes solutions to social issues. In addition to on-site work instruction, we conduct programs globally across the group to improve individual capabilities, skills, and specialties.

Diversity, equity and inclusion is an important factor in executing HR Strategy. We aim to build an organization in which diverse employees respect each other's differences and are able to innovate.

P.094 Diversity, Equity and Inclusion

Global HR Initiatives



*1 GLD: Global Leadership Development program
*2 HGG: Hitachi Global Grade
*3 GPM: Global Performance Management

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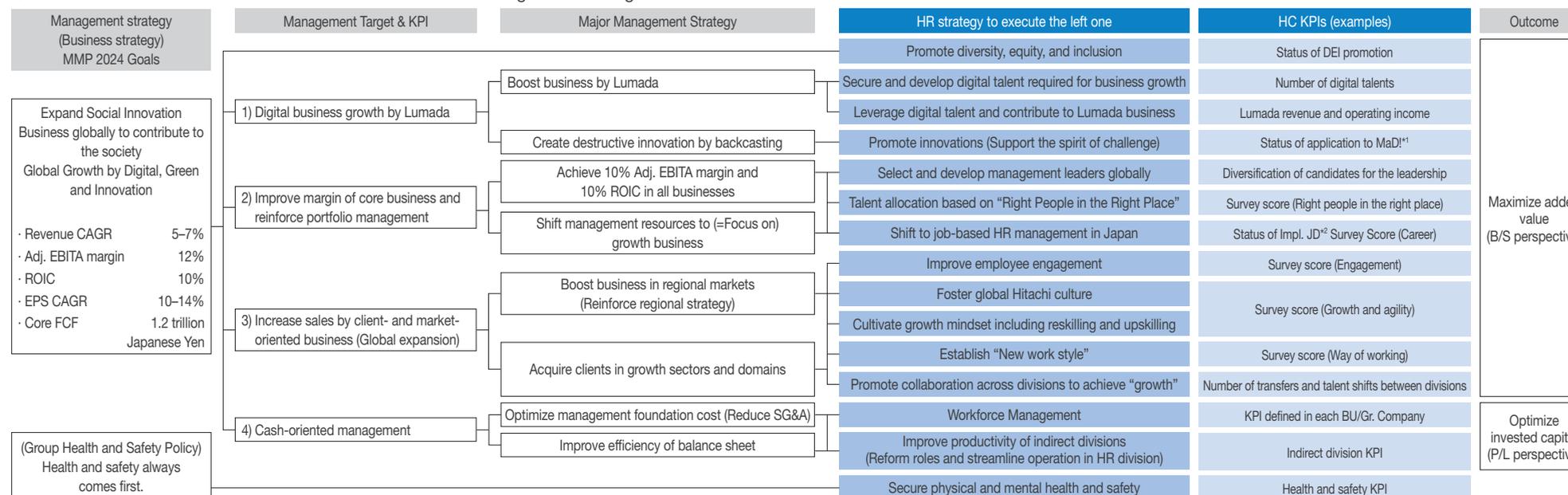
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Overall Human Resources Strategy Linked to Management Strategy

Mission	Contribute to Business through Diverse Talents, Equitable Opportunity and Inclusive Organization
Vision	<ul style="list-style-type: none"> We lead transformation into “Employer of choice” in global market - Become a vibrant “Talent Destination” that contributes to society Become “The World’s #1 HR pioneers” who cope with changes and contribute to business

Pillars		Key Initiatives
HR Strategy	People (Talent) Optimize talent (workforce and capability) and engagement for growth	1. Attract, retain, develop and match talents, especially Global Leaders and Digital Talents and maximize their potential 2. Mobilize (Match) right talent for right roles at right time across Hitachi group 3. Focus on employee wellbeing, engagement & experience
	Mindset (Culture) Foster a mindset and culture for growth	4. Live Hitachi’s Values and evolve Hitachi’s culture for sustainable growth 5. Promote growth mindset with ownership of continuous self development including reskilling & upskilling 6. Promote and reward innovations & change : encourage innovation without fear of failure
	Organization Promote collaboration between divisions and improve productivity and efficiency on a global basis for growth	7. Collaborate to overcome organizational silos to unlock the value of our customers 8. Establish “New Ways of Working” 9. Transform HR to provide more high-quality people services & solutions leveraging digital technology
Foundation		Ensure mental and physical Health & Safety Strengthen Risk Management (compliance, accidents/incidents, disasters, etc.)

Qualitative and Quantitative Measures and KPIs Linked to Management Strategies



*1 MaD!: Make a Difference! (employee idea contest)

*2 JD: Job description

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People (Talent) – Optimize talent (workforce and capability) and engagement for growth –

Developing Global Leaders and Digital Talent

Approach	System	Activities	Training
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Management Leader Selection and Development

Hitachi develops global management leaders, operating the Global Leadership Development Program (GLD), which is led by top management and the Nominating committee for the medium- to long-term development of management leaders who will drive change and innovation. To develop candidates for future positions as CEO, heads of business units, and other management leaders, we select several hundred candidates from around the world to join GT+ talent pool. We provide these individuals with challenging assignments*1 involving on-the-job and off-the-job training and coaching. We are happy to say that the percentage of non-Japanese nationals and women among the selected applicants has been increasing year by year.

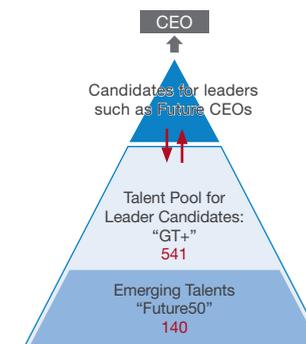
In addition, the GT+ group includes young and talented employees selected through the Future 50 program. The candidates in this program receive intensive training through work assignments, including management positions, and opportunities for direct discussions with outside directors.

*1 Assigning highly demanding tasks.

Selection of Diverse Human Resources as Management Leadership Candidates

	GT+		Future50 (Alumni, current members)
	FY2016	FY2022	
Selected	521	541	140
Non-Japanese	25 (4.8%)	174 (32.2%)	42 (30.0%)
Female	25 (4.8%)	122 (22.6%)	31 (22.1%)

Note: As of March 2023



Management Leadership Candidate Training (Internal)

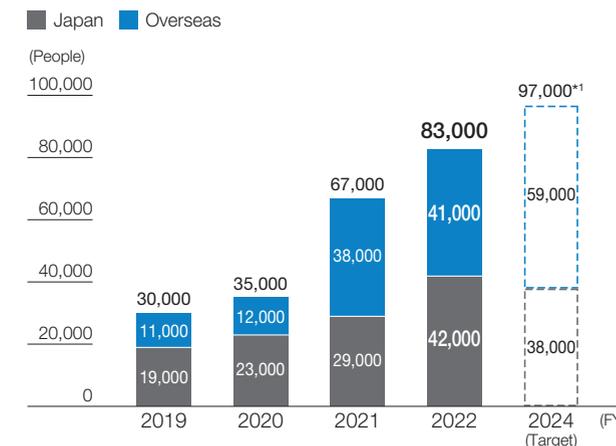
Training	Overview	FY2022 Results
Global Leadership Acceleration Program for Key Positions (GAP-K)	Selective training held for five months to accelerate the development of future management-level leaders	30 participants from 8 countries
Global Advanced Program for Leadership Development (GAP-L)	Training held twice a year for local leaders whom we expect will perform well in subsidiaries outside Japan, aiming to develop superior leadership, mindset, and skills necessary to drive Hitachi's global growth businesses	57 participants from 18 countries

Strengthening Recruitment and Development of Digital Talent

Materiality

To accelerate our Social Innovation Business using digital technologies and expand Lumada business (Revenue: FY2021 1.4 trillion yen → FY2024 2.7 trillion yen), a Hitachi growth driver, we secure and develop digital talent who will lead digital transformation (DX). In addition to acquiring talent globally through GlobalLogic, a leading digital engineering services company, we will accelerate our efforts to bolster digital talent needed for business growth by engaging in internal talent development through expanded programs unique to Hitachi DX training.

Digital Talent: Progress and Targets



Note: We define digital talent as someone having capabilities in one of 12 areas (design thinking, data science, security, etc.) necessary for digital business. Digital talent represents the total number of individuals under each capability (cumulative).

*1 Excluding Hitachi Astemo

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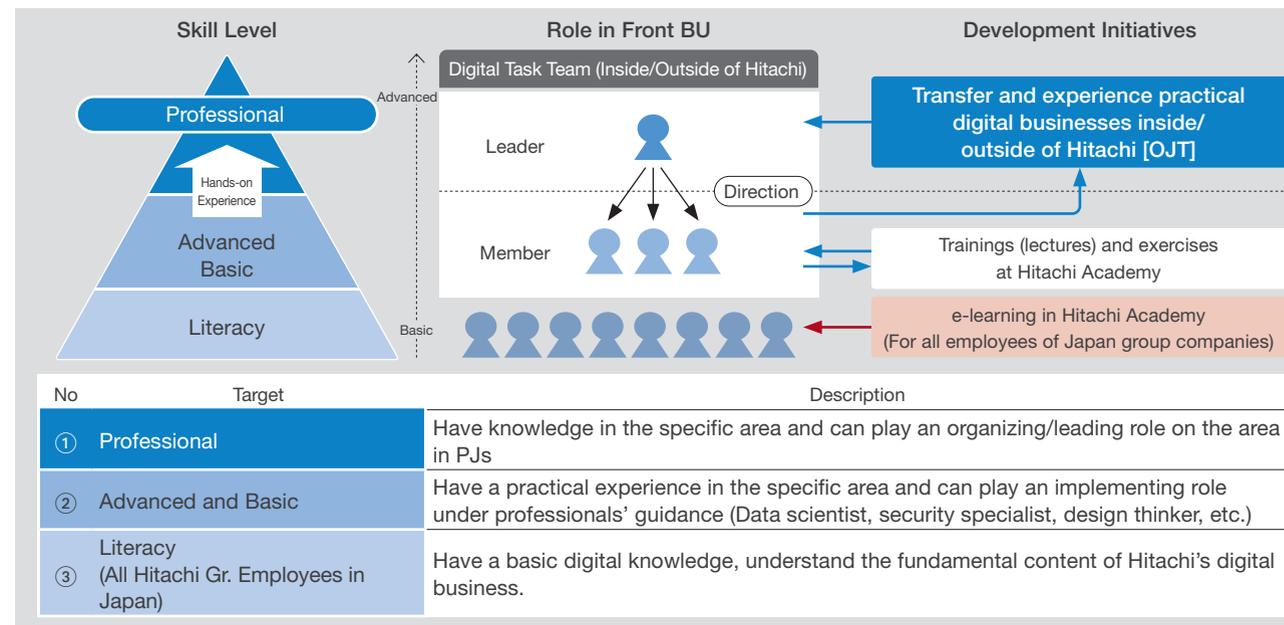
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Digital Talent Development Methods



Initiatives to Put the Right Person in the Right Place

Activities

The Hitachi Group created the Organizational Structure and Human Resources Allocation Policy, which stipulates the process of considering the optimal organizational structure for achieving organizational goals, maximizing the performance of the entire organization, and securing and allocating human resources to optimize configurations. In this way, we ensure organizational and positional management placing the right people in the right positions. Our basic policy is to assign personnel that meet the competency requirements of the position in question, utilizing human resources from a group-wide and global perspective, rather than using age, gender, nationality, or other attributes of human resources as factors in making placement decisions. In addition to utilizing external human resources, we conduct talent reviews to achieve a more optimal match between the job and the human resources as part of the promotion of job-based human resources management. In conjunction with global performance management (GPM), succession planning, and succession candidate development, we seek to achieve further growth for the entire Hitachi Group through global talent management measures conducted in common at all Hitachi Group companies.

Digital Talent Development

Hitachi Academy, a corporate university of the Hitachi Group, plays a central role in developing digital talent. The academy established a DX training structure that organizes, categorizes, and systematizes the processes and tasks needed for digital transformation.

The DX training structure, which consists of more than 100 courses. In fiscal 2022, a cumulative total of 29,500 employees took DX training across 130 courses, is updated annually. In addition to an e-learning package that outlines the DX literacy minimums for all employees of Group companies in Japan the academy offers basic and advanced training programs for each of the skills required of digital talent. In this way, we strengthen the development of individuals who can apply DX to their own work.

At the same time, we train leaders and other professional-level digital talents in charge of DX projects by providing them with on-the-job training in actual projects and other practical work experience. We continue to strengthen digital talent through both basic and advanced knowledge and skills training and development for professionals.

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Mindset (Culture)—Foster a mindset and culture for growth—

Fostering the Hitachi Culture and Improving Employee Engagement*1 Globally

Targets	Activities
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Hitachi has welcomed approximately 100,000 new employees through several large-scale M&A transactions in recent years. We will work with these new colleagues to share the universal Hitachi mission and values (founding spirit) and foster a culture as One Hitachi, improving employee engagement and achieving further innovation and growth.

As part of human capital management, Hitachi monitors employee engagement every year through Hitachi Insights, a global employee survey. We plan and implement actions to improve employee engagement. Specifically, management and local supervisors share the survey results of their own organizations with their members to identify organizational issues, and continue the PDCA cycle through the planning and implementation of actions that serve as response measures, leading to improvement.

In the fiscal 2022 survey, we expanded questions related to the environment and well-being, which require an accurate understanding globally. We increased the number of languages in which the survey is offered to 20 to meet the needs of diverse human resources and improve usability.

*1 Employee engagement: The willingness of employees to work autonomously to understand a company's strategies and policies, to take on challenges in their work, and to achieve results

Creating a Shared Culture During PMI*2

Post-merger integration with GlobalLogic, Hitachi Energy, and other companies acquired via M&A is essential for creating growth synergies. After conducting a survey to visualize the strengths and differences of each company, we hold town-hall-style meetings at the leadership level and culture discussions at the employee level to foster unity under One Hitachi.

*2 PMI: Post-merger integration; refers to the integration process after M&A.

Communication to Integrate Corporate Cultures with New Colleagues

July 2022 was the first anniversary of the integration of Hitachi and GlobalLogic. Hitachi released a video message of congratulations and thanks globally, sharing the results of collaborative creation to date, as well as hopes and anticipation of future growth. In October, GlobalLogic and Hitachi Digital held the *Hitachi Digital Summit 2022* in the United States. At this summit, executives exchanged ideas, while 11 customers and business partners, as well as 127 Hitachi executives and leaders, participated to solidify a foundation for collaboration.

Mindset Reform: Make a Difference! (MaDI)

Since fiscal 2015, we have held an employee idea contest to strengthen the sense of ownership among employees. The number of applicants has expanded globally throughout the group, and our new colleagues from Hitachi Energy and GlobalLogic are participating actively, helping to spread the Hitachi culture. In fiscal 2022, a member of Hitachi Energy received the Gold Ticket, the highest award, for a new business proposal related to green business.

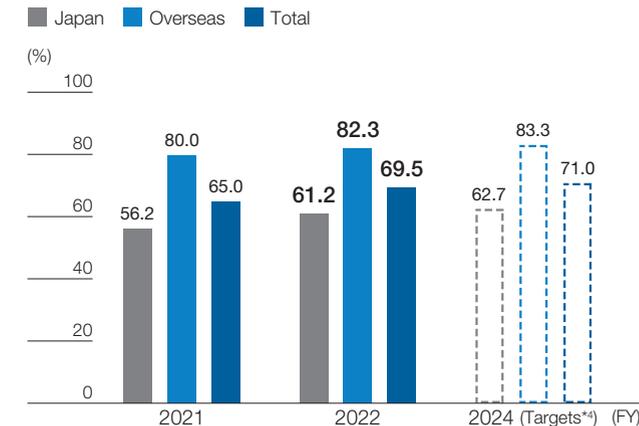
GRI 404-2

Improving Employee Engagement Materiality

As part of human capital management, Hitachi established an employee engagement score*3 as a KPI and is working to set and achieve targets. In fiscal 2022, we achieved our fiscal 2024 target “employee engagement (percentage of positive response rate) 68%” ahead of schedule, and now, we are looking to achieve an even higher target.

*3 Employee engagement score: Employee engagement is measured in terms of four factors (pride in working for Hitachi; Hitachi as a fulfilling workplace; feeling of personal accomplishment in work; and intention to continue to stay at Hitachi for the foreseeable future)

Results and Targets of Employee Engagement Score (percentage of positive response rate)



*4 We raised our fiscal 2024 target as we achieved the previous target ahead of schedule in fiscal 2022.

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Initiatives to Develop Talents as a Hitachi Culture

Activities

Training

Hitachi has traditionally placed great emphasis on developing human resources, including the establishment of the Apprenticeship Training School, a predecessor of today's Hitachi Industrial Skills Academy, in 1910, the year of Hitachi's own founding. The pedagogical principles established in 1959 as our Educational Guidelines emphasized the spirit of yueki (guidance through assistance) and jikyo (endeavor through one's own efforts). That spirit has been maintained to the present day. In addition to on-site training through work tasks, we are also expanding training programs globally across the Group to improve individual capabilities, skills, and specialties. For managers, we provide global standard training by level for the growth of the Hitachi Group. We will continue to support the growth of each and every individual employee with the goal of developing employees who can contribute to resolving social issues.

📍 Title-Specific Management Training

Training	Overview	FY2022 results
Global Leadership Acceleration Program for Managers (GAP-M, Ready to Lead)	Leadership training with common global content for managers and new managers	Held in eight regions (Japan, the United States, Singapore, Australia, the United Kingdom, India, China, Korea) with 3,207 participants

Career Development Support

Hitachi, Ltd. has developed a broad range of career development support that focuses on internal careers, namely, an employee's individual values, job satisfaction, and their personal meaning of work. The Hitachi Career Development Workshop (H-CDW) is a career development program to provide direct support for individual career development. Through self-analysis, participants consider their future direction, their career goals, and their career path. After this self-analysis, participants engage in self-directed efforts to develop their career and abilities. Around 16,000 people have participated in the program so far (as of March 31, 2023) with a focus on employees in their thirties at assistant manager rank working as technicians, researchers, and administrative office positions.

In addition to those programs, we also offer programs targeting specific age groups such as career education for young groups and training for middle-aged or older groups to help older employees prepare for the changes ahead in their careers.

We also operate a Career Consultation Room for employees to speak with professional counselors about challenges regarding work, career, or interpersonal relationships.

We will continue to encourage self-understanding while respecting each employee's individuality and personal aspirations. By doing so, we will develop individuals with autonomy to think and act for themselves, supporting mutual understanding as a way of fostering a sense of unity and teamwork, while capitalizing on individual engagement and motivation within the organization. We provide support and create mechanisms to link individual abilities and creativity to the enhancement of organizational strength and performance.

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Initiatives at Regional Headquarters to Develop Employee Skills

Hitachi is an organization with global operations, so our skills development programs are implemented primarily by regional headquarters in keeping with the focus of each region's business operations and cultural environment. Through these efforts, we seek to identify and nurture our global leaders across the Group.

Hitachi America, Ltd.

For employees in the Americas aspiring to become global leaders, in addition to a global management training program, the company provides a variety of learning and individual training options utilizing the Hitachi University. Specifically, the company encourages employees to take e-learning courses on topics such as DX and AI/data science. To develop leadership, it also actively encourages employees to participate in training programs for management-level leaders. In addition, we place great emphasis on improving understanding of DEI and have developed and provided virtual training on DEI for all employees.

Hitachi Asia Ltd.

Twice a year, business leaders gather to provide and share business insights and success stories that develop human resources in line with Mission, Values, and Vision. In addition to global leadership programs, talent management measures, coaching sessions by senior leaders, e-learning platforms that can be learned online, we are developing measures to support the development and growth of human resources through on-site training and virtual skill training. Employees communicate regularly with their superiors, and superiors support their teams through resource support, coaching, and mentoring to build a system that takes initiative in their own careers.

Hitachi (China) Ltd.

The company promotes the growth of all employees through a training system catering to different levels of development which enables workers to develop the specialized and comprehensive skills they need to perform their jobs. In addition to common global training through Hitachi University and an e-learning platform for employees, we provide specific content for employees to acquire the skills and knowledge required for business activities in China. It also supports the development of Hitachi's Social Innovation Business by strengthening training for talent development related to digital business.

Hitachi Europe Ltd.

The company supports employees in Europe to develop skills to acquire professional certifications in cultural awareness, presentation skills, and IT skills. Global management training and other programs bring together Hitachi leaders in Europe which helps to build an important network in support of *One Hitachi*. In addition, we are conducting education and training to support hybrid work and improve employee engagement.

Hitachi India Pvt. Ltd.

The company's Learning and Development Committee consists of senior executives and meets twice a year to discuss training programs. Another mission of the committee is to encourage skill sets by making full use of global management training courses and the e-learning platform for employees. In addition, to enable an effective learning and development, the company provides annual development roadmap and educational programs to Group companies located in India.

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Transformation to Job-Based HR Management

Approach Activities

Hitachi is accelerating the shift to job-based HR management. This shift involves clarifying the duties and necessary skills as well as experience and assigning human resources based on their desires and abilities to perform the required duties. Through job-based human capital management at Hitachi, assign the right people to the right jobs according to their personal abilities and motivations, regardless of their attributes such as nationality, gender, or age. The aim here is to produce organizations and individuals that generate innovation by maximizing performance and by improving engagement.

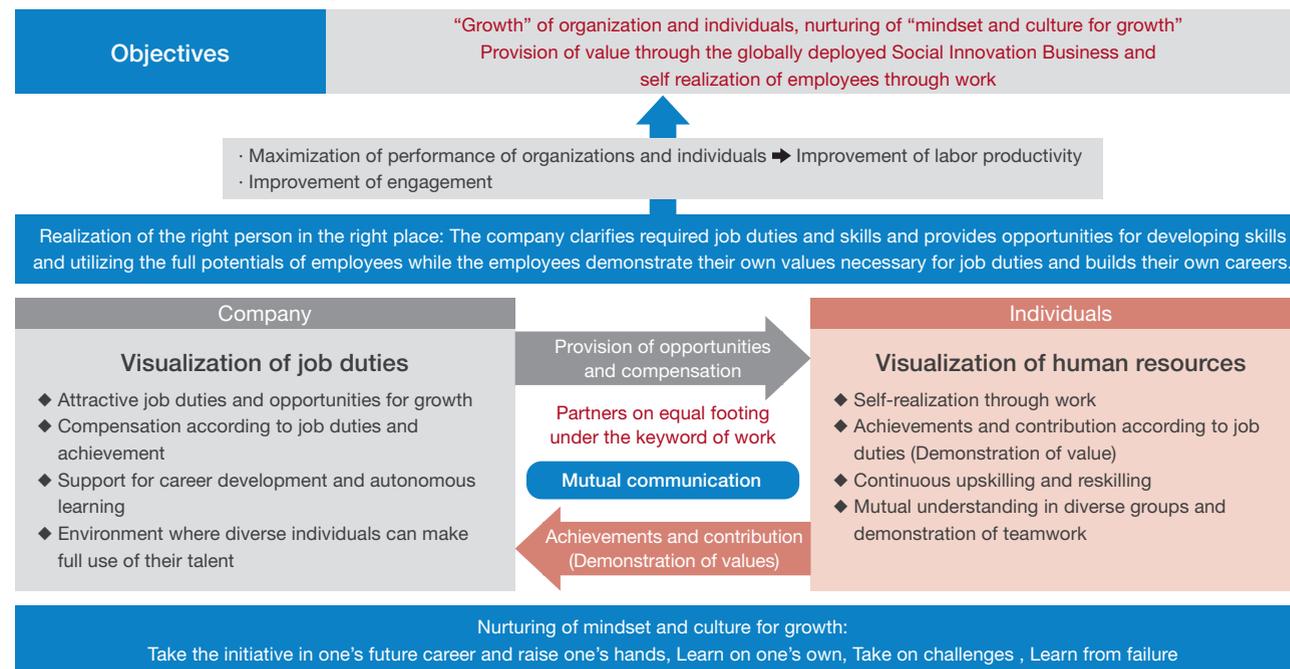
Specific Initiatives to Transition to Job-Based HR Management

Engaging in job-based human resources management in Japan, we adopted job descriptions (for approximately 60,000 positions including Group companies as of the end of FY2022) to visualize job duties and human resources, and we conducted talent reviews to consider placement and training based on each the aptitude and career orientation of each employee. In October 2022, we introduced the Learning Experience Platform (LXP), a system that supports autonomous upskilling and reskilling. On this platform, an AI interface recommends internal and external learning content according to the career aspirations, etc., of the employee in question. We are also promoting support for employees' autonomous career development. We are offering LXP within Hitachi, Ltd. and to Group companies in Japan in stages.

In addition, we are reviewing the entire human resource management system and framework, aiming for completion between 2023 and 2024. As an example, in April 2023, we redesigned the Group Recruitment System to expand opportunities for voluntary transfers. In the future, we plan to introduce a system of internal and external side jobs, and revise the compensation system for non-managerial personnel.

This shift to job-based human resources management allows Hitachi to improve the job satisfaction of each individual, heighten the sense of unity between the company and the individual, and achieve growth for both parties.

Hitachi's Job-Based HR Management



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Organization — Promote collaboration between divisions and improve productivity and efficiency on a global basis for growth—

Adopt a Platform for Global Human Capital Management

Approach	System	Activities
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In the past, each Hitachi Group company conducted its own human resources measures and systems optimized for overseas operations. However, we reorganized these measures and systems into common global measures, common regional measures, and individual company-specific measures. In particular, we are developing a global common human resources management infrastructure to integrate with global shared measures. In 2012, we began operating a database, conducting data management, and implementing global leadership development initiatives targeting certain top talent. We continue to expand our efforts through common job grading and performance management, a global education platform, and a global human resources management integration platform infrastructure. Newly added companies become part of these common platforms over time.

Integrated Platform for Human Capital Management

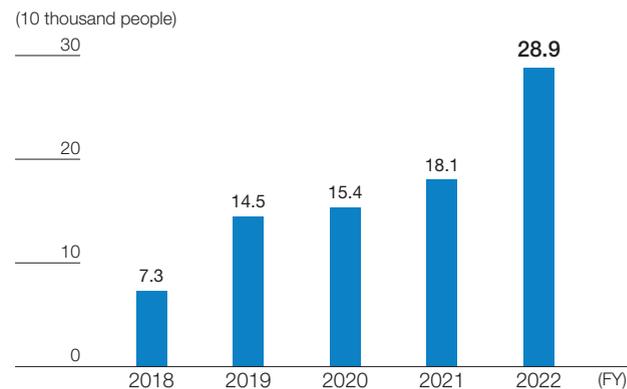
Through this platform, we share up-to-date and specific talents information (professional skills, career preferences, etc.) via a cloud system. The platform enables centralized management of various processes, including search for talents across the Group. We utilize this information for team management, performance management, development planning, and career development. The platform is gradually being expanded throughout the Group globally.

Implementing People Analytics

Hitachi's *People Analytics* initiative involves gathering and analyzing data about regular employee awareness and behavior and putting the data to use in personnel allocation and management policy.

Rather than relying on the experience and intuition of person in charge we visualize data to conduct talent management based on improved decision-making accuracy, the characteristics of the individual employee, and the aptitudes of the individual employee. In this way, we engage in effective and prompt measures regarding our talent, organization, and culture.

▶ Introduction of the Human Capital Management Integration Platform



Utilizing Survey Analysis Results for Human Capital Management

We conducted a survey based on a unique psychological analysis developed under the academic guidance of the University of Tsukuba. The results are analyzed using IT, including AI and data analysis. We used indicators of individual awareness, as well as data on job assignments and behavior arising from the survey results to assign and develop employees. We also use the survey results to maintain and improve organizational health and productivity. This practice strengthens our human capital by energizing talent and organizations.

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Hitachi Global Grade (HGG)

We engage in role- and job-based talent management through the Hitachi Global Grade and other systems to ensure that a diverse base of talent is engaged in pursuing the Hitachi business. The HGG consists of 11 grades, and each position is evaluated based on the global common standards of the entire Hitachi Group.

Talent Review

Hitachi uses the Talent Review as an initiative to strengthen and develop the match between duties and talent. Managers in each workplace meet individually with subordinates to review performance and career plans, after which multiple managers have the opportunity to review each employee. Managers then discuss individual development and job assignments based on the employee's strengths, weaknesses, and career aspirations. Through these efforts, we encourage the matching of duties and human resources, leading to employee career development and stronger organizational capabilities.

Global Performance Management (GPM)

Global Performance Management (GPM) forms the foundation for business management and performance enhancement with the aim of promoting the sustainable growth of organizations and individuals. Five items, including the perspective of corporate ethics and compliance, are particularly important for Hitachi to become a global leader in the Social Innovation Business. We define these items as common competencies (behaviors) for the Hitachi Group, and these items apply to all employees. Supervisors provide coaching and feedback to their staff to help them achieve their targets. They encourage continuous performance improvements which lead to the medium- and long-term development of employees. By clarifying the skills and behaviors that individuals need to demonstrate, while explaining how their actions contribute to the success of the business, we cultivate employee fulfillment at work while encourage employees to take ownership over their work and self-development.

Hitachi Group Common Competencies

Competencies	Common Definition
Safety and Integrity	Be bold to do the right thing for yourself and others.
Challenge (Pioneering spirit)	Be agile, and learn from failures to succeed.
Customer Focus (Sincerity)	Empathize with customers, and collaborate to create innovation.
Collaboration (Harmony)	Speak up and listen respectfully to others.
Growth	Be hungry to grow yourself, other, and the organization.

Ensuring Fair Evaluation and Compensation

Approach

System

Hitachi believes that a fair global system of employee evaluation and compensation is essential for attracting diverse talents, regardless of nationality. Accordingly, we established a Global Compensation Philosophy: A management framework shared by all Group companies based on the principles of ensuring market competitiveness, pay for performance, and transparency.

We ensure compliance with the laws and regulations of each country and region in which we operate when determining compensation. For instance, to ensure compliance with minimum wages, etc., in Japan, we conduct comprehensive and periodic checks through our system to confirm no violations have occurred.

We developed a performance-based compensation system that is fair and competitive in the context of the labor market for the industry in each country or region. Individual employee compensation is based on an annual performance review.

Hitachi, Ltd. introduced a system of flexible compensation according to individual employee performance and company performance. In addition to evaluation results, employees receive feedback on strengths and areas for improvement identified via evaluation and challenges and goals for future work. This feedback is designed to encourage personal growth.

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Approach

GRI 3-3

Hitachi goes beyond “work-life balance,” in which employees are simply balancing work and private life, to promote “work-life management” which encourages employees to proactively take charge of improving the quality of both their work and private lives. We embrace work-style reforms and systems facilitating balance between work life and private life. In this way, we support each individual in their path as a professional and as a growing human being, leading to sustainable growth for the individual and for our organization.

Implementing Work-Style Reform

Approach

System

Activities

GRI 3-3

Hitachi pursues group wide work-style reforms to allow diverse employees to work with enthusiasm and demonstrate their talents. Today, approximately 95% of all Hitachi, Ltd. employees are eligible to take advantage of our programs to work from home or satellite offices, enjoying work styles that offer flexible, time- and location-independence. Under these programs, employees do not need to come into the office for a certain amount of time, and they may work outside the office without any limitations. Employees may also work at locations where child care, nursing care, etc., are provided or where relatives reside. We also introduced location-free work for managerial-level employees and employees eligible for discretionary work, which allow these individuals to work on a spot remote basis. We have eliminated minimum daily work

hours for flex-time work and discretionary work, allowing for regular work days to become “non-work days.” In addition, we began expanding rest and vacation options through a Life Support Leave program (multi-purpose, 100% paid leave program) in April 2023, responding to diversifying needs for time off. The expansion and use of these various programs are part of our implementation of autonomous and flexible work styles. And we are seeing changes in work styles taking

place, including a 41-hour year-on-year decrease in total annual work hours per person in fiscal 2022.

Hitachi, Ltd. Employees Eligible for Remote Work and Satellite Office Programs

Approx. **95%**

Work-Style Reform Initiatives at Hitachi, Ltd.

Activity	Key Components
Top commitment	<ul style="list-style-type: none"> Send message within company
Review operations and processes	<ul style="list-style-type: none"> Reform administrative operations at headquarters Clarify rules for sending e-mails, prohibiting late-night and week-end e-mails in principle Use support tool designed to optimize meeting durations and participant numbers and improve meeting efficiency
Strengthen workplace management	<ul style="list-style-type: none"> Increase operational transparency using in-house consultants Improve attendance management system for firm compliance Offer training to learn effective remote workplace organizational management (Target: 16,000 Hitachi Group managers)
Promote time- and location-independent work practices	<ul style="list-style-type: none"> Expand working from home program Create environments where internal networks can be accessed safely from off-site locations Hold meetings online Offer spot remote work for managers and employees eligible for discretionary work hours Eliminate minimum daily work hours for flextime work and discretionary work Expand satellite office network (351 sites as of March 2023) Reform administration by promoting electronic signatures and paperless systems
Companywide promotional tactics	<ul style="list-style-type: none"> Share on Hitachi's intranet site Raise employee ideas about work-style reforms and share them Conduct awareness surveys, etc., and publicize results

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Introducing and Expanding Support Systems for Balancing Work and Child Care/Nursing Care

GRI 401-2/401-3

System

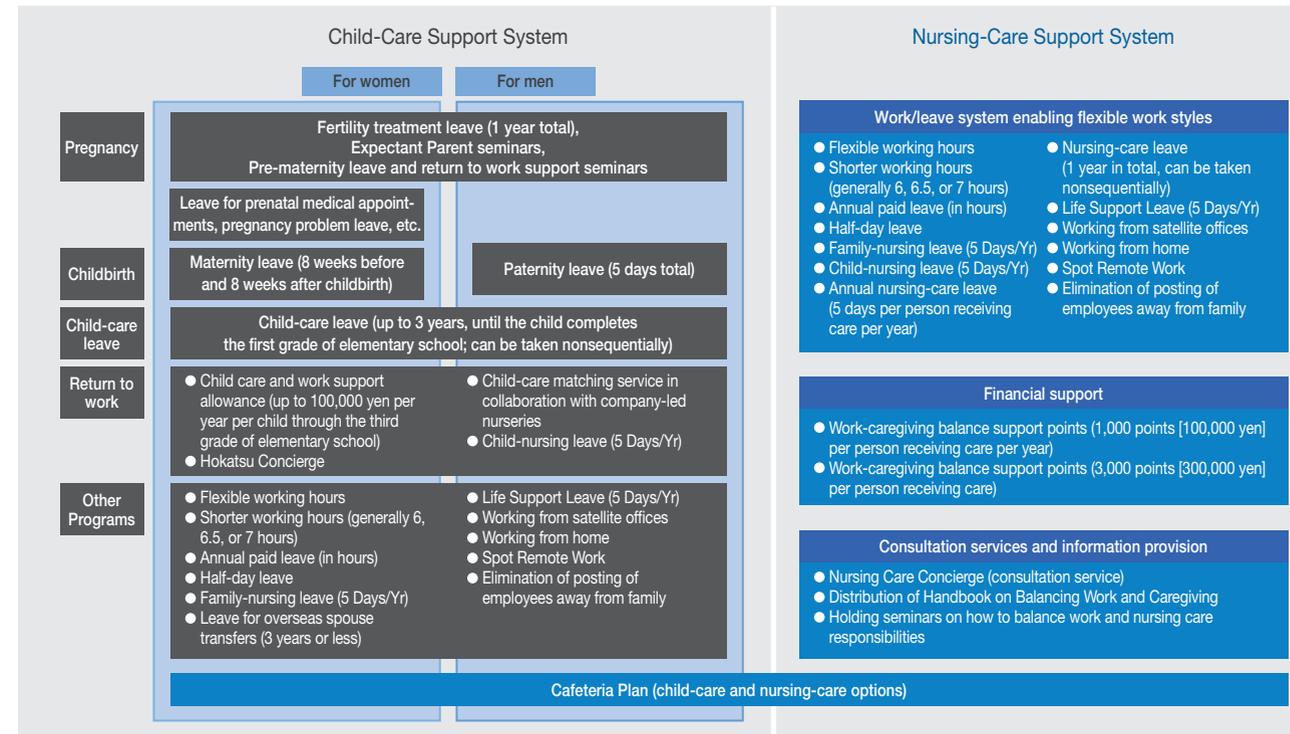
Hitachi strives to create even more supportive workplaces to help employees balance work and child care. For example, Hitachi, Ltd. offers an allowance for balancing childcare and work, services to help enroll children in daycare centers, and other programs. The company also provides e-learning courses to encourage a better understanding among managers. To help employees balance work and child care, we established an in-house child-care facility in one of our offices in cooperation with the labor union and group companies.

As Japan's population ages, the number of employees facing the challenge of providing nursing care for elderly family members continues to grow. In response, we are providing more support programs to help employees balance work and nursing care. Hitachi, Ltd. and Group companies in Japan regularly conduct employee awareness and internal fact-finding surveys concerning nursing care. Based on the results of these surveys, the companies enhance measures to help employees balance their work and home nursing care

responsibilities. Specifically, we pursue efforts to offer a total integrated package (information, financial support, work style reform, and management reform) that allows employees to provide nursing care without having to quit their jobs, education for managers and employees over the age of 40, and free consultation services with experts in the field.

By the year 2025, we intend to establish a system for all Hitachi Group companies in Japan to formulate a plan for measures to support balance between nursing care and work.

Work-Life Management Support System at Hitachi, Ltd.



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Measures in Fiscal 2022

Measures	Main Details and Purpose
Expectant Parent Seminars	<ul style="list-style-type: none"> Conducted for regular employees who are expecting a baby or whose spouse or partner is expecting a baby, to promote understanding of child care and child-care leave systems and to encourage regular employees to use the necessary leave and work systems (seven seminars attended by 300 people in total)
E-learning for managers on balancing work and child care	<ul style="list-style-type: none"> Conducted to help managers understand basic knowledge for management and promotion of male employees to take child-care leave in accordance with the revised Child Care and Family Care Leave Act
Tool to simulate salary and benefits during child-care leave	<ul style="list-style-type: none"> Provides a visualization of salary and child-care leave benefits to support specific plans for the duration of child-care leave, etc., as well as to encourage the use of child-care leave
Employee Attitude Survey on Balancing Nursing Care and Work	<ul style="list-style-type: none"> Conducted attitude and fact-finding surveys across all Group companies in Japan to understand current issues

Support Systems and Measures that Meet Diverse Employee Needs

System

GRI 401-2/404-2

Hitachi, Ltd. and the Hitachi Group companies in Japan promote to implement systems that provide the necessary level of support based on the business environment of each company and the needs of employees through domestic Group-wide lifestyle support programs and measures. These programs and measures include the following: a Cafeteria Plan program; housing support such as dormitories, corporate-owned housing and a housing allowance system; systems for balancing work with child and nursing care; retirement and pension plans; a consolation payment system; an employee stock ownership program; Hitachi Group insurance; a property accumulation promotion system; internal sales; and a Health Insurance Society. In principle, these systems and measures cover all employees except for certain systems not suitable for fixed-term contract employees due to the purpose and/or nature of the system in question.

Retirement Benefit Plans

Hitachi offers partial or full defined benefit pension plans, defined contribution pension plans, and lump-sum retirement

allowance plans. These plans respond to the diverse needs of employees as they age by providing supplementary benefits and the plans play an important role in allowing retired people to live more affluently.

Employee Stock Ownership Plan

Hitachi, Ltd. and certain Group companies in Japan have adopted an employee stock ownership plan to support asset accumulation among employees and enhance their sense of participation in management. Under the employee stock ownership plan, employees may receive incentive payments based on Hitachi, Ltd. performance when acquiring Hitachi, Ltd. shares. This system links the growth of the company to employee asset accumulation.

The shares held by the Hitachi's Employee Stock Ownership Plan ranks sixth in terms of major company shareholders (shareholding ratio: 2.10% as of March 31, 2023).

Preventing Long Working Hours and Overwork

Approach

Activities

Hitachi complies with the laws and regulations of each country and region concerning long working hours and overwork.

To maintain employee health and improve productivity through balanced work schedules, Hitachi, Ltd. sets company-wide KPIs for work-style reform in Japan each fiscal year. In this way, the company strengthens workplace management and reviews business processes. We also offer e-learning programs to ensure compliance with laws and regulations related to working hours and annual paid leave. Projects that may involve long working hours are managed on an individual basis. We installed a system that links PC use to an attendance management system as one way to manage long working hours and prevent overwork. We also provide a labor management dashboard*¹ and send out alerts to help supervisors monitor the working conditions of their subordinates in a timely manner, thereby supporting appropriate management in the workplace. We are extending similar efforts to prevent long working hours and overwork using IT tools to Group companies in Japan.

The company provides all employees with a report of actual monthly working hours, accompanied with messages that encourage behavioral changes. In this way, we help employees reflect on work styles and increase productivity on their own. Further, we provide monthly targets and specific actions for eligible employees who worked 2,000 or more total hours in the previous fiscal year, creating a culture change emphasizing work efficiency (achieving results in shorter time) and resting once work is finished (recharging and preparing for the next workday to maintain high performance).

*¹ Labor management dashboard: A business tool that integrates and visualizes information and data related to labor management

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Initiatives at Regional Headquarters to Create Positive Work Environments

Hitachi supports workstyles that are conducive to each employee achieving their full potential. Regional headquarters also implement policies specific to their regions.

Hitachi America, Ltd.

Hitachi America, Ltd. offers a variety of programs and measures to improve employee well-being. The company provides a hybrid work system that allows employees to choose whether to come to work or work remotely, encouraging flexible work styles. In addition, a monthly No Meeting Day allows employees to focus on their individual work. Hitachi America also sponsors monthly webinars to support the mental, physical, and financial well-being of employees, while providing more opportunities for employees to interact with each other.

Hitachi Asia Ltd.

Aiming to make Hitachi Asia Ltd. the best workplace in Asia, the company provides fair opportunities for all employees and adopted a competency-based evaluation and compensation system. Hitachi Asia strives to treat and respect all employees equally, bringing out the best in each. The company also conducts activities to encourage communication among employees, engagement, health and safety awareness, and mental well-being. Other programs allow for flexible work styles that take into account work-life balance.

Hitachi (China) Ltd.

Hitachi (China) Ltd. pursues work-style reform to improve productivity and support diverse work styles. The company offers remote work options and flexible work hours. Emphasizing work-life balance, average overtime hours are well below the legally mandated maximum, and employees are encouraged to take annual leave. Town hall meetings are held with executives, and interdepartmental business exchange meetings are held to continuously enhance vertical and horizontal communication within the workplace. The network built through these meetings contributes to a sense of unity in the company, comfortable work environments, and smoother business operations.

Hitachi Europe Ltd.

Hitachi Europe Ltd. offers hybrid working arrangements to protect the health and safety of employees, as well as to support diverse workstyles. In addition, staggered work hours and other systems are used to encourage a better work-life balance and help employees balance their work and private lives.

Hitachi India Pvt. Ltd.

Hitachi India Pvt. Ltd. offers programs and measures to foster work environments where employees cooperate and grow with each other. Specifically, the company provides a remote work program for flexible work styles, support before and after childbirth, including day-care center allowance, and group medical insurance. Hitachi India supports employee well-being through monthly health camps for physical exercise and exercise programs in the workplace. Employees have access to webinars produced in collaboration with medical institutions that offer content on physical, mental, financial, and psychological well-being. Other programs include cultural events and family days to strengthen interaction among employees.

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Occupational Health and Safety

The Basic Principle for Occupational Health and Safety

Approach

Policy

GRI 3-3/403-1

Hitachi communicates the Hitachi Group Health and Safety Policy to all Hitachi Group companies worldwide in Japanese, English, and Chinese. This policy is based on our philosophy that *Health and Safety Always Comes First*. We coordinate with all related companies, including contractors and procurement partners, to ensure the Group works together to create safe, secure, comfortable, and healthy workplaces for all.

We instill our belief in everyone who works at the Hitachi Group that occupational injuries and illnesses can be prevented and that each of us is responsible for our own safety and health. We also strive to actively adopt practices to protect our own health and safety and foster a culture of raising mutual awareness.

confirm the progress of division initiatives. Participants also work to improve occupational health and safety management systems by analyzing the factors behind accidents and implementing detailed measures to prevent recurrence, sharing best practices, and implementing training.

The Senior Executive Committee receives reports and discusses the number of accidents and responses to occupational health and safety risks, the results of which are reported to the Board of Directors.

In Japan, each business site or other location convenes a monthly health and safety committee, which is attended by the business operators, labor union, and employees. Participants analyze the factors leading to accidents and develop countermeasures, share information, and discuss health and safety activities considering the situation regarding employees who have taken sick leave. If serious injuries or fatal accidents occur at work sites outside Japan, the Safety and Health Management Division may take direct action to support improvement activities, depending on the circumstances.

The Hitachi Group has also obtained international certifications such as ISO45001 at multiple sites.

 P.093 Labor-Management Cooperation Toward Improving Occupational Health and Safety Levels

Hitachi Group Health and Safety Policy

Health and Safety Always Comes First

Policies

In accordance with our mission, “Contribute to society through the development of superior original technology and products,” the Hitachi Group will endeavor to ensure safe and healthy workplaces under the principle of “Health and Safety Always Comes First.”

1. Continuously be involved in taking health and safety activities in order to prevent occupational injuries and illnesses through designating the health and safety of employees as management’s top priority
2. Comply with local laws and regulations regarding health and safety
3. Develop safe and comfortable work environments by encouraging employees to maintain their own health and by taking a proactive stance on health and safety activities in the workplace
4. Require an understanding of Hitachi’s principles and promote health and safety awareness for all business partners of the Hitachi Group (contractors, cooperating companies, procurement partners, etc., involved in Hitachi Group business activities)
5. Contribute to safe and pleasant societies by emphasizing activities that make health and safety a top priority in all Hitachi business activities

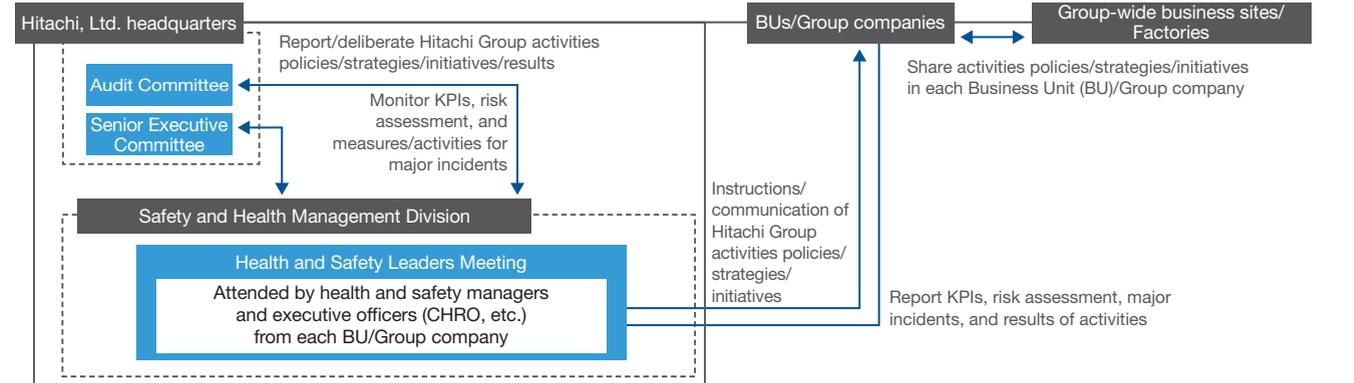
Establishing Occupational Health and Safety Management System

Structure

GRI 3-3/403-1/403-2/403-3/403-4/403-7/403-8/403-9/403-10

Our Safety and Health Management Division oversees occupational health and safety on a global basis, holding the Health and Safety Leaders Meeting every other month. Officers in charge of health and safety at each Group company and the health and safety manager of each division attend the meeting to develop strategies for companywide occupational health and safety activities, to set targets and groupwide KPIs, and to

Occupational Health and Safety Management Structure



Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

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Global Occupational Health and Safety Targets

Target

Activities

Materiality

To build a safe, accident-free workplace, Hitachi established a global target of zero fatalities for workers, including contractors. In the previous Mid-term Management Plan 2021, in addition to a KPI related to fatalities, we included a KPI for lost-time injuries. The Mid-term Management Plan 2024 includes total recordable Injury frequency rate (TRIFR*) as KPI, which is more comprehensive compared with lost-time injuries. TRIFR is an indicator that encompasses not only fatalities and lost-time injuries, but also non-lost-time injuries. We established a global target to halve TRIFR by fiscal 2024 compared to fiscal 2021.

To achieve these targets, we will foster group-wide efforts in line with the following three strategic in the Mid-term Management Plan 2024.

*1 TRIFR: Total Recordable Injury Frequency Rate (casualties per 200,000 work hours)

Three Strategic Pillars for Safety

Strategic Pillars	Activities
	Establish a Global Occupational Health and Safety Management System
	Utilize IT and Digital Technologies
	Strengthen Human Capital

We regret to report five fatal accidents across the Hitachi Group in fiscal 2022, including accidents of contractors. We will strengthen our integrated safety management system, including systems for contractors, by identifying risks and implementing response measures related to high-risk activities*2 and equipment (electric shock, work at heights, heavy objects, etc.).

Although the Hitachi Group's total recordable injury

frequency rate in fiscal 2022 decreased from the previous year, we continue to formulate action plans and strengthen efforts to achieve our fiscal 2024 targets.

*2 High-risk activities: (1) electric shock (high voltage), (2) work at high (3) industrial vehicles (4) heavy lifting (5) machinery and equipment (6) confined space (7) toxic gases (8) fires and explosions

Safety Targets and Results (Hitachi Group)

KPI	FY2024 Targets	FY2022 Results
Fatal accidents (Including contractors)	0 case per year	5 cases (Including 2 cases at contractors)
Total recordable injury frequency rate (TRIFR)	Half rate of fiscal 2021*3 by fiscal 2024	0.26

*3 TRIFR in fiscal 2021: 0.27

Action Plan for Fiscal 2023

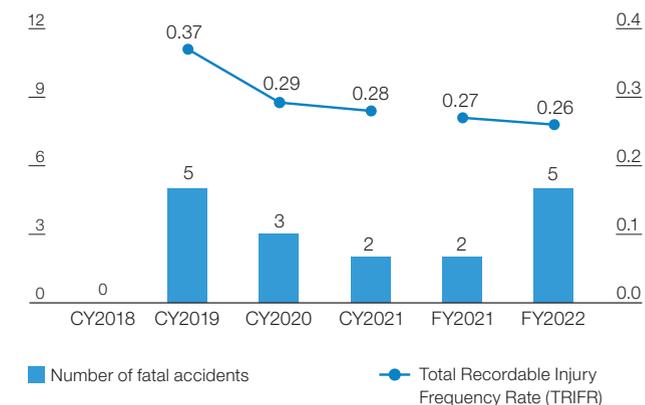
To achieve the Mid-term Management Plan 2024, we are conducting efforts on a global group-wide basis in fiscal 2023 pursuing the following action plan.

Action Plan for Fiscal 2023

Establish a Global Occupational Health and Safety Management System	<ul style="list-style-type: none"> Establish management systems at BUs and group companies, provide operations support and follow-up, establish an internal audit system Strengthen construction safety management involving front-line employees and contractors Improve the quality of risk assessment and hazard prediction
Utilize IT and Digital Technologies	<ul style="list-style-type: none"> Establish global KPI management (accident rates, near misses, risk assessment information, etc.) Centralize information management and visualization using ESG-MSS*5 Conduct correlation analysis and predictive diagnosis of various AI-based disaster data, Hitachi Insights data, etc.
Strengthen Human Capital	<ul style="list-style-type: none"> Develop the Hitachi Group education and training system Expand the global development of specialized safety training, create and introduce content for group-wide education, etc. Implement health and safety awareness measures

*5 ESG-MSS (ESG Management Support Service): A cloud service developed by Hitachi to conduct sustainable management by streamlining the collection, visualization, and analysis of ESG data within a company

Fatal Accidents and Total Recordable Injury Frequency Rate (TRIFR)*4



Note: We used the statistical period between January and December of each year in the past. However, in accordance with the safety targets set under our Mid-term Management Plan 2024, we changed the statistical period for total recordable injury frequency rate and fatal accidents to April through March beginning in fiscal 2021.

*4 Discloses of TRIFR began in 2019.

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Occupational Health and Safety Risk Assessment

Activities

Hitachi establishes and manages its own standards for high-risk activities and equipment as a common global measure and pursues occupational health and safety activities that match the characteristics of each company's business. We are working to adjust high-risk activities and equipment in all BUs, implementing measures and making investments to reduce risk in addition to measures to prevent occupational accidents under clearly defined safety managers at the business site level.

We have a global monitoring system in place to identify, evaluate, and introduce countermeasures related to risks, and conduct internal audits into the status of risk assessment for locations that are determined to have significant risks. We leverage IT and digital technologies for accident prevention. Further, the Safety and Health Management Division reports global accident statistics monthly at Senior Executive Committee meetings to understand facts related to injury statistics.

Hitachi Group Risk Assessment Guidelines

Hitachi established the Hitachi Group Health and Safety Management System Standards, which meet the requirements of ISO45001. We pursue risk mitigation activities based on the Hitachi Group Risk Assessment Guidelines in line with the standards.

New and existing businesses at Group companies also follow the guidelines in conducting risk mitigation activities.

Internal Audits

Policies, plans, and performance of occupational health and safety activities are reported to the Audit Committee on an annual basis for discussion. Reports are made at least once a year to the Senior Executive Committee, meetings of Group

company presidents, and other bodies, about important issues such as fatal accidents and potentially serious events. The results of monitoring incidents requiring improvement in particular are reported to the Senior Executive Committee and at meetings of Group company presidents.

External Audits

In fiscal 2018, Hitachi commissioned independent external audits on safety diagnostics at four sites in Japan. The auditors identified issues (see the table below) requiring attention to comply with Hitachi Group Health and Safety Policy, and we are making continuous improvements in response to each

Issues Identified	Items requiring response	Actions taken in FY2022
Establishment of Group-wide safety management systems	<ul style="list-style-type: none"> ● Build and operate an occupational global health and safety management system ● Clarify rules and processes 	<ul style="list-style-type: none"> ● Established and rolled out company and group regulations for Hitachi Group Health and Safety Management Rules and Hitachi Group Health and Safety Management System Standards ● Established and rolled out guidelines in line with Hitachi Group Health and Safety Management System Standards, including Risk Assessment Guidelines, On-Site Construction Safety Management Guidelines, and Internal Audit Guidelines
Raising safety awareness among employees by strengthening leadership at the organization's top management	<ul style="list-style-type: none"> ● Transform ways of thinking to encourage voluntary health and safety behaviors through training 	<ul style="list-style-type: none"> ● Conducted specialized safety training by grade (management executives, line managers, personnel in charge of safety) ● Launched commendation program (Health and Safety Awards) ● Held top management discussions between the general manager and deputy general manager of the Safety and Health Management Division together with BU heads (18 BUs and Group companies) ● Conducted visits to domestic and overseas business sites: 61 business sites (including 12 overseas business sites)
Clarify accountability for implementing safety activities and expand basic countermeasures in the event of an accident	<ul style="list-style-type: none"> ● Utilize risk assessment effectively ● Build a framework for identifying and mitigating risks ● Digitize and improve data reports using IT/digital technology 	<ul style="list-style-type: none"> ● Reported on risk assessments related to high-risk activities and shared progress at various meetings (Senior Executive Committee meetings, Health and Safety Leaders Meeting, etc.) ● Established a system for conducting management system audits by Group corporate ● Checked measures meant to reduce the risks of important work ● Began monthly reports of global accident statistics ● Set global KPIs for accident occurrence rates, near-misses ● Considered the use of security camera systems (system to confirm the use of fall arrest devices), and expanded use of vehicle dash cams to prevent accidents ● Promoted proper use of accident investigation system/accident investigation database

Implementation of Health and Safety Training

Training

To prevent occupational accidents, Hitachi aims to rebuild a culture of safety by implementing appropriate occupational health and safety training for all executive officers and

of the issues identified.

During fiscal 2019 and 2020, we focused on activities that built a foundation for understanding the current situation and solving problems. In fiscal 2021, we performed independent outside safety analyses for a fatal accident at a Group company outside of Japan. We strengthened health and safety systems in the relevant region, reconsider our action plans, and improved safety awareness.

In fiscal 2022, we implemented the initiatives listed in the table below. In fiscal 2023, we plan to conduct a safety awareness survey through an external entity.

employees. Each Hitachi Group company distributes work guidelines and procedures relating to their own business and industry. We also conduct safety-focused training at each

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organizational level, as well as education and drills tailored to each organization and business type, for line managers and safety staff and for workers engaged in specific hazardous activities in the field. We provide individual guidance to new hires and temporary workers in particular, as they are at a higher risk of injury. We perform this training through on-the-job training to increase awareness and understanding of work procedures and dangers before engaging in work.

We conduct safety-focused leadership training for management executives to strengthen awareness of and build commitment to roles and responsibilities concerning safety. Following training, we also evaluate changes in awareness and behavior through one-on-one interviews with external consultants. As of fiscal 2022, we held 30 training sessions attended by 415 participants (including 11 sessions in English and Chinese for 101 participants from outside Japan).

Number of Participants in Training

Training	Number of Participants		
	FY2020	FY2021	FY2022
Management executives training (BU CEOs, Group company presidents, etc.)	104	138	173
Line manager training	86	228	37
Safety personnel, line manager safety instructor development training	57	—	146

Ensuring the Occupational Health and Safety of Contractors

Approach	Activities
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Hitachi strengthened safety management systems, including laws and regulations, rules, and operations, at sites outside plants based on accidents involving contractors during construction, installation, service and maintenance work at sites outside plants. We also established and deployed On-Site

Construction Safety Management Guidelines, a set of guidelines for standard Hitachi Group safety management systems common to off-plant sites, and are working to improve integrated safety management, including contractor safety.

Initiatives to Improve Employee Health

Targets	Activities
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Hitachi believes that improving employees' wellbeing is essential for sustainable growth, so we endeavor to create workplaces in which all Group employees work in safety and health, both mental and physical. In fiscal 2020, we added questions relating to wellbeing to our annual Global Employee Survey, and we expanded these questions in fiscal 2021. In the future, we will consider appropriate measures based on responses related to employee wellbeing.

P.076 Improving Employee Engagement

Targets for Health in Japan

In Japan, we implement health management measures on a steady basis, strengthen mental health support in accordance with new work styles, and strive to eradicate employee life-style-related diseases. Over the medium and long term, we will implement measures based on Group-wide policies after ascertaining the actual conditions and identifying issues related to occupational health measures globally.

Targets and Results for Health Management (Hitachi Group companies in Japan)

	FY2022 Targets	FY2022 Results	FY2023 Targets
Rate of mental illness	Less than 0.7%	0.74%	Less than 0.7%
Implementation rate for specific health guidance*1	50% or more of employees	21.1%*2	More than 55%

*1 Specific health guidance: Support by professional staff (public health nurses, dietitians, etc.) to review lifestyle habits for persons at high risk of developing lifestyle-related diseases and for whom lifestyle-related diseases can be prevented to a large extent through lifestyle improvements.

*2 As of the end of June 2023

The Hitachi Group Sustainable Procurement Guidelines also stipulate matters related to health and safety.

Hitachi Group Sustainable Procurement Guidelines
https://www.hitachi.com/procurement/csr/EN_HG_SPG.pdf

GRI 403-6/403-10

Health Support Initiatives in Japan

- Provide occupational health services at health management centers that support communities and businesses
- Health maintenance measures provided based on periodic medical exams and other examinations to prevent serious disease
- Medical interviews and advice to prevent mental and physical disorders among employees working long hours
- Consultations and guidance by occupational healthcare workers to address employee health concerns and encourage regular exercise
- Qualitative improvement of occupational healthcare activities and the human capital development of occupational healthcare workers through regular meetings, study groups, and training sessions attended by both occupational healthcare workers and human resources staff
- Implement approaches to encourage highly stressed persons identified under the stress check program to receive guidance from a physician, as well as meet with internal and external consultation offices, etc.
- Establish environments in which employees are comfortable approaching EAP*3 consultation desks, both internally and externally, to access opportunities to resolve a wide range of concerns as early as possible.
- Have counselors approach employees based on daily mood changes (smartphone app)

*3 EAP: Employee Assistance Program

Employees on Leave Due to Mental or Physical Reasons (Hitachi Group companies in Japan)

	CY2018	CY2019	CY2020	CY2021	CY2022
Mental	0.64	0.65	0.62	0.66	0.74
Physical	0.24	0.25	0.22	0.21	0.24

Note: Percentage of employees taking sick leave for seven or more consecutive days and taking formal leave (number of employees taking sick leave per month/number of employees per month × 100)

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Addressing Mental Health

Activities

GRI 403-6

Hitachi established measures addressing mental health for employees, workplace managers, occupational healthcare workers, health and safety division, and human resources divisions. We communicate basic mental health knowledge and understanding of ways to deal with stress and raise the ability of those in positions of authority to respond to these issues. The mental illness incidence rate among employees in fiscal 2022 was 0.74%, therefore we continue to take a proactive approach to increases in mental strain caused work-style changes, diversity, etc.

- (1) Regular one-on-one interviews
- (2) Expand system for remote consultations with occupational physicians
- (3) Offer EAP consultation desks
- (4) Individual interviews with employees who are stationed at customer company
- (5) Tips for working from home posted on the intranet
- (6) Identification of health issues using a survey of employees working from home
- (7) Implement approaches to encourage consultations and interviews with internal/external consultations offices for high-stress individuals identified by stress checks
- (8) Provide a handbook for care by line managers when working from home
- (9) Provide e-learning contents related to self-care and care by line managers in light of changes in work styles

We will also clarify which target levels require special attention based on our global employee survey and the opinions of occupational physicians, taking an effective and active approach to self-care and line care.

Initiatives Addressing Mental Health at Hitachi

	Occupational physicians and occupational healthcare workers	Self-care (individual)	Line Care (superior)	Human resources division
Preventive management (while healthy)	Health improvement activities (Seminars and health guidance from occupational physicians)	Stress-check system specified in law		
		Mental health education <ul style="list-style-type: none"> • Stress coping seminars • External and internal EAP consultations and other consulting services • Stress-check approach for highly stressed employees • E-learning for all employees (self-care) E-learning: "Thinking about mental and physical health" versions 1-3	Working environment improvement workshops, etc. <ul style="list-style-type: none"> • EAP corporate diagnosis • Line care training • 360FBP*1 Workplace management	Training and education Workplace management guidance Reduction of long working hours
Indicator management (while mentally unhealthy)	Mental health consultations during medical exams Health consultations	Health consultations Health exams of various types	Workplace management Various types of health exams	Management of those working extensive overtime
Condition management (at beginning of and during absences and leave)	Regular consultations Support for returning to work	Leave system	Regular consultations	Management of employees on leave
Management to prevent recurrence (from decision to return to after returning to work)	Programs supporting return to work Regular consultations	Trial return system	Consideration of tasks upon return Regular consultations Follow-up status checks after return to work	Programs supporting return to work Regular consultations
Repetition management (during repetition after return to work)	Regular consultations	Collaboration to support return to work		
		Guidance to external facilities supporting return to work		

*1 360FBP: 360-Degree Feedback Program.

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Promoting Collabo-Health*1

Activities

GRI 403-6

Group companies in Japan carry out individual health improvement initiatives according to their own unique characteristics. Further, Group companies in Japan strive to maintain and improve the health of employees by taking full advantage of the services offered by the Hitachi Health Insurance Society*2. Hitachi also ensures that all Group companies become certified under the Health and Productivity Management Organization Recognition Program by Ministry of Economy, Trade and Industry. We evaluate health promotion initiatives on an annual basis, giving recognition to the most accomplished companies and BUs within the Group to heighten motivation among business owners and employees to pursue such activities.

*1 Collabo-Health: A concept involving insurers, such as the Health Insurance Society, who work proactively with business owners to establish a clear division of labor and form positive working environments that prevent illness improve the health of insured persons (employees and their families) effectively and efficiently.
 *2 Hitachi Health Insurance Society: Hitachi Group employees and their families are members of this organization which is one of Japan's largest health insurance associations. As of the end of March 2023, there were 172 participating corporations and 388,575 insured persons (199,458 members and 189,117 dependents).

Number of Hitachi Health Insurance Society Member Corporations Certified Under the Health and Productivity Management Organization Recognition Program (Hitachi Group companies in Japan)

Category	FY2020	FY2021	FY2022
Large companies	58/95 companies (Including seven with "White 500" status)	75/87 companies (Including four with "White 500" status)	78/80 companies (Including four with "White 500" status)
Small-and medium-sized companies	41/75 companies (Including three with "Bright 500" status)	66/70 companies (None with "Bright 500" status)	65/66 companies (including two with "Bright 500" status)

Encouraging Employees to Receive Medical Exams and Quit Smoking

Activities

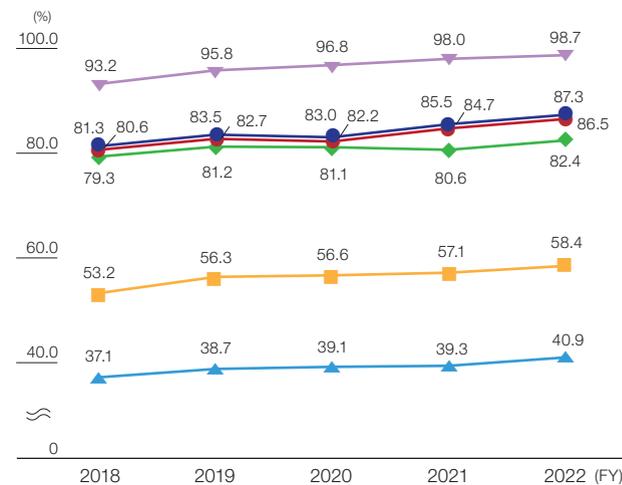
GRI 403-6

In Japan, Hitachi established a system offering financial support for medical exams by the Health Insurance Society. We encourage employees aged 35 and over to receive general physical and other exams specified under law, as well as targeted screening based on age, for the early diagnosis and treatment of lifestyle-related diseases, cancer, etc.

Furthermore, as a response to the rise in metabolic syndrome, and in addition to special health guidance made compulsory for the Health Insurance Society, we pursue policies to prevent and control conditions such as diabetes,

cerebral strokes, and myocardial infarctions. In fiscal 2022, we offered a new team-based smoking cessation program called *Minchare* to mitigate the reluctance to visit smoking cessation outpatient clinics due to COVID-19 and promote smoking cessation for employees working at home. A total of 515 individuals participated in the program, the largest number to date, and a significant 49%, or 248 people, quit smoking—far more than results from outpatient smoking cessation clinics.

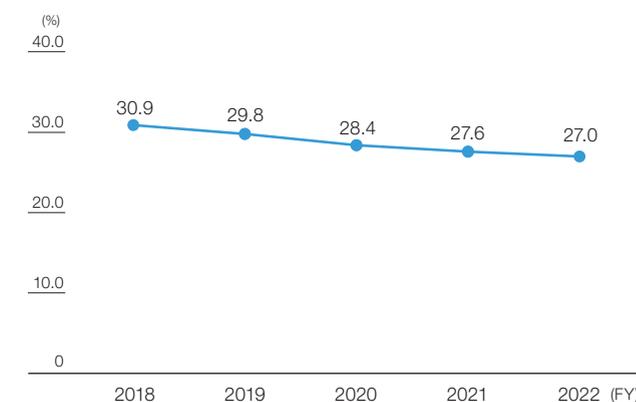
Medical Exam and Screening Attendance Rates (Hitachi Group companies in Japan)



- ◆ General physical exam*1
- ▲ Uterine cancer screening*3
- Intestinal cancer screening*4
- Breast cancer screening*2
- Stomach cancer screening*4
- ▼ Lung cancer screening*5

*1 Men and women aged 35 and over
 *2 Women aged 30 and over
 *3 Women aged 25 and over
 *4 Men and women aged 30 and over
 *5 Men and women aged 35 and over

Smoking Rate Trend (Hitachi Group companies in Japan)



Note: Employees aged 35 and over (results of specific medical examinations)

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Health Promotion Initiatives for Employees and Their Families

Activities

GRI 403-6

To encourage healthy lifestyles among employees and their families, the Hitachi Health Insurance Society established a portal site for individuals called MY HEALTH WEB. By providing information on health exam results and a system of incentive points allowing employees to receive rewards for entering health-related activities, the site raises health awareness, helps employees understand the state of their own health, and offers a range of support for adopting healthier lifestyles.

In fiscal 2022, we introduced the Risk Simulator, a service that predicts the risk of hospitalization for eight major diseases based on the results of a medical checkup. Nearly 60,000 people took advantage of the service.

We provide a variety of health services aimed at improving health literacy, and the employee registration rate for MY HEALTH WEB surpassed 80%.

Achievements in Fiscal 2022

To encourage regular checkups, Hitachi added offers an online service that allows for employees and their families to make appointments for medical examinations using MY HEALTH WEB. And to encourage spouses and other dependents to receive health checkups, we began providing health information and health checkup reservation services via LINE in fiscal 2022.

In addition, we launched the Autumn Healthy Learning Walk campaign in October to support exercise habits during COVID-19. The campaign lasted three months and inspired participants to learn about health while walking an online course, with about 40,000 people participating.

Addressing Infection Prevention and Other Global Health Issues

Activities

GRI 403-6

We endeavor to prevent the spread of infectious disease overseas, including COVID-19. To this end, we provide information for employees posted overseas and business travelers regarding vaccinations for hepatitis A, tetanus, cholera, etc., according to the health conditions in the destination country. We also offer vaccinations at in-house health management centers or outside medical institutions. We also post information on the Hitachi Group intranet to help travelers and their families to live safely, providing warnings for personnel living overseas about infectious diseases including malaria, one of the three major infectious diseases in the world. Information includes descriptions of symptoms, prevention, and what to do if one contracts a disease.

In Japan, the Health Insurance Society offers an incentive point system to reward influenza vaccine recipients, including employee family members, with the aim of preventing influenza outbreaks in the workplace. As an initiative to prevent contracting influenza, we recommend employees get vaccinated prior to the flu season. Nearly 80,000 employees and their families take advantage of the program every year.

Health and Safety Considerations for Nuclear Businesses

Approach

Activities

GRI 403-7

Since 2008, Hitachi has worked with the world's leading nuclear power plant operators to develop voluntary, private principles of conduct covering the export of nuclear power plants and reactors. The Nuclear Power Plant and Reactor Exporters' Principles of Conduct were formally announced on September 15, 2011.

We perform thorough exposure management based on internal management systems and perform evaluation of radiation damage (dose management) for employees and other persons employed at nuclear sites under the Hitachi Group umbrella. For health management in particular, our management indicators for radiation exposure are stricter than those set by Japan's Ministry of Health, Labour and Welfare. We monitor physical and mental health along with exposure doses for employees and employees of partner companies. An occupational physician from Hitachi visits sites to perform examinations and offer health advice.

Nuclear Power Plant and Reactor Exporters' Principles of Conduct
<https://www.hitachi-hgne.co.jp/en/principle/index.html>

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Freedom of Association and Collective Bargaining

Respecting the Rights of Employees

Approach

GRI 2-25/2-30

Hitachi respects and supports human rights as recorded in the ILO Declaration on Fundamental Principles and Rights at Work. The Hitachi Group Code of Ethics and Business Conduct, common throughout the Group, provide for compliance with the laws of each country and region, as well as for the upholding of the fundamental rights of employees in line with international standards. We respect freedom of association, the right to organize, and the right to collective bargaining as human rights that are particularly relevant to the workplace. Onboarding training and the Hitachi Group Corporate Ethics Month (annual) represent some of the ways we strive to help employees understand these rights. In addition, we have signed the United Nations Global Compact, which states, “businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining” of employees.

Hitachi Group Code of Ethics and Business Conduct
https://www.hitachi.com/corporate/about/conduct/pdf/conduct_e.pdf

Mutual Communication Between Employees and Management

System

GRI 403-4/407-1

The relationship between employees and management at Hitachi, Ltd. and Group companies in Japan is stable with healthy ongoing dialogue.

In Japan, Group companies ensure the three fundamental rights of labor unions (the right to organize, the right to collective bargaining, and the right to collective action). We strive to promote mutual understanding through dialogue between employees and management throughout the entire Group. In addition, the Central Management Council, the Business Units Management Council, and the Business Sites Management Council work to enhance mutual communication between employees and management. These efforts contribute to smooth management and business development, improving working

conditions for union members. We traditionally negotiate with the Hitachi Workers Union between February and March each year to determine wages, bonuses, and collective agreements for the next fiscal year. We have also established 14 committees, advisory panels, and roundtable conferences, including the Next 100 Labor and Management Committee, the Central Wages Committee, and the Employment and Work Style Advisory Panel, to meet one to four times a year to share information, exchange opinions, and hold discussions.

All Hitachi, Ltd. employees, with the exception of management, can join the Workers Union, and the membership rate is approximately 96% as of March 31, 2023. The ratio of employees belonging to labor unions, etc., in major Group companies in Japan (70 companies) is roughly 99%.

At Hitachi, Ltd., we also hold quarterly Hitachi Group management meetings with the labor unions of group companies in Japan that belong to the Federation of Hitachi Group Workers Unions (FHGWU) to share information and exchange views and opinions on Group business conditions. In addition, we have established five round-table conferences and committees, such as the Hitachi Group Health and Safety Roundtable Conference, which each meet once or twice a year to share information and exchange opinions.

Group companies outside Japan also pursue dialogues with individual labor unions and their representatives in accordance with the laws and regulations in each country and region. These dialogues deepen mutual understanding of employee working conditions and treatment, as well as business conditions. For example, Hitachi Europe holds an annual European Labor-Management Council meeting to provide a forum for management and employees to exchange views on the Group’s business environment and strategies. Hitachi China holds an annual management information meeting with the industrial association (labor union) to facilitate smooth communications with employees and share information on business conditions and issues. In addition, the company and the industrial association concluded collective agreements on working conditions, wage revisions, the protection of female employees, and other matters to protect the rights and

interests of employees.

In fiscal 2022, no Hitachi Group operating sites reported violations of freedom of association and the right to collective bargaining.

Notification of Work-Related Transfers and Reassignments

System

GRI 402-1

The collective agreement between Hitachi, Ltd. and the Hitachi Workers Union states that any transfer or reassignment of an employee for work-related reasons should adequately take into consideration the situation of the employee as well as requiring the company to promptly inform the Hitachi Workers Union of the decision. More specifically, the company consults with the union regarding basic matters related to large-scale transfers, reassignments, or moving the company.

Labor-Management Cooperation toward Improving Occupational Health and Safety Levels

Structure

Hitachi, Ltd. and the Hitachi Workers Union are dedicated to improving occupational health and safety levels through employee management cooperation. This includes signing a collective agreement on the promotion of, among other things, occupational health and safety measures, a health and safety committee, education and training programs, and health checks for employees.

The Health and Safety Committee works with Group companies in Japan to ensure a healthy and safe work environment through initiatives that include formulating and tracking an annual occupational health and safety plan. The committee also reviews measures to prevent occupational accidents and shares information on the health checkup status.

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Diversity, Equity and Inclusion

Basic Concept

Hitachi believes that diversity, equity, and inclusion are sources of innovation and growth. We have a place for everyone, welcoming differences in background, age, gender, sexuality, family status, disability, race, nationality, ethnicity, and religion. We believe DEI is essential to understanding the marketplace, generating great ideas, and driving innovation that contributes to the advancement of society. We aim to be a company in which every person makes a positive contribution, treating everyone fairly and giving full consideration to individual differences. With a diverse workforce, broad experience, and an inclusive culture, we will meet our customers' needs and drive our company's sustainable growth.

Topic	Overview	Targets, KPIs, and Results
 <p>Diversity, Equity and Inclusion</p>	<p>We pursue DEI with global and regional perspectives under the leadership of the Chief Sustainability Officer based on our DEI policy and strategy. Specifically, we focus on and develop programs according to three common global DEI topics: 1. Gender 2. Culture 3. Generation. Additionally, with the aim to become a diverse and inclusive company, we established the Hitachi Global DEI Council to discuss specific activities concerning DEI strategy pursued by Group companies around the world and throughout our global operations. We have also established Regional DEI leaders in each region to promote DEI in ways that take into account individual regional characteristics and business strategies.</p>	<p>Ratio of Female and Non-Japanese Executive and Corporate Officers</p> <p>FY2030 Target: 30% (each)</p> <p>FY2022 Results: Female 11% Non-Japanese 20%*¹</p>

*1: Included assignment as of April 1, 2023

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Approach to Diversity, Equity and Inclusion (DEI)

Approach

Policy

GRI 3-3

Hitachi aims to be a diverse and inclusive company in which every employee is welcome, treated equitably, and feels included.

Hitachi is committed to implementing DEI as a crucial driver to achieve sustainable business growth and create value for society by preserving planetary boundaries and improving people's wellbeing. Diversity is critical to unlock innovation, but diversity per se is not enough. To leverage diversity, we need to provide everyone access to the same opportunities through structural changes (Equity) and ensure an inclusive and safe environment where everyone feels accepted and valued, free to express their thoughts and to contribute (Inclusion). For this reason, Hitachi is committed to implementing a group strategy to drive actions across these three main focuses on both global and local levels.

Hitachi DEI Statement

Diversity, Equity and Inclusion is the Source of Innovation and Growth.

Hitachi has a place for everyone, welcoming differences in colleague backgrounds, age, gender, sexuality, family status, disability, race, nationality, ethnicity, and religion. We respect and value these and other differences because only through differences can we understand our markets, create better ideas and drive innovation which contributes to society.

At Hitachi we treat everyone fairly, recognizing differences to allow everyone to contribute.

With a diverse workforce, broad experience, and an inclusive culture we will meet customer needs and drive sustainable growth.

Diversity:

Diversity refers to the various differences that exist within individuals and groups.

In Hitachi, Diversity means that there is a place for everyone, regardless of background, age, gender, sexuality, family status, disability, race, nationality, ethnicity, religion and many other characteristics. We embrace and value all differences.

Equity:

Equity means fairness of treatment, making adjustments to account for imbalances.

In Hitachi, Equity means we treat everyone fairly. Treating people fairly is not the same as treating them the same. We recognize that each of us is different, and each of us needs different conditions to thrive. We put in place policies, tools and adaptations to allow everyone to access the same opportunities.

Inclusion:

Inclusion is a state in which the uniqueness of each person is recognized and each person contributes their best to the organization.

In Hitachi, Inclusion means that everyone feels respected, heard, and involved. For colleagues to feel included means being accepted, valued, comfortable to speak up, and encouraged to contribute. Inclusion implies an open, empathetic culture and attitude. Including the different voices and varied perspectives that diversity brings enables us to reach better decisions and unlock innovative ideas.

In September 2022, Hitachi established the Hitachi Global Diversity, Equity and Inclusion (DEI) Policy. In line with this policy, our initiatives to enhance Diversity, Equity and Inclusion (DEI) share these basic goals:

- Make Hitachi a truly global company, with talents from all over the world
- Enable Hitachi to better serve global customers, improve our footprint, and open new markets
- Drive innovation and creativity
- Support attraction and retention of talents
- Allow employees to feel more engaged and connected, to be a part of Group strategy, and to actively contribute

 [Hitachi Global Diversity, Equity and Inclusion \(DEI\) Policy](https://www.hitachi.com/sustainability/download/pdf/Global_DEI_policy_EN.pdf)
https://www.hitachi.com/sustainability/download/pdf/Global_DEI_policy_EN.pdf

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Global DEI Strategy

Strategy

In fiscal 2020, we conducted a gap data analysis. In connection with this analysis, we looked at external assessments and worked with business units (BUs), corporate functions, and group companies to review status and business strategies. Based on this analysis, we formulated our global DEI strategy for the medium to long-term, including:

- Moving from standalone initiatives focused mainly on gender equality to a holistic strategy embracing different dimensions of diversity
- Integrating DEI into the business strategy as driver for business growth with clear targets
- Creating a new global structure to coordinate and guide all different group entities on a clear direction, defining actions plans to support DEI development based on specific priorities
- Introducing initiatives to foster an inclusive culture

In fiscal 2022, to develop a robust approach to DEI and an inclusive culture as core driver for a sustainable business growth, Lorena Dellagiovanna was appointed Hitachi's Chief Sustainability Officer to address the wider sustainability agenda, leading and championing DEI as part of her sustainability work.

Diversity refers to all the different characteristics that distinguish people one from another. Some of these differences are immediately visible, but many more are intrapersonal—for instance thinking styles, personality type, and background experiences. Hitachi commits to tackle all dimensions of diversity; however, we identified topics that are common in every region and business.

► Our Global DEI Topics

- 1. Gender:** More women across the business, especially within leadership roles
- 2. Culture:** A team which reflects the global nature of our company

- 3. Generation:** Colleagues are recognized based on competence, not age

In line with the above global DEI topics, we set targets for BUs, corporate functions, and group companies. The procedure to define the targets included individual meeting where discussions focused on how DEI efforts can help to address issues and priorities in each business and regions, since Hitachi operates in a variety of industries and markets.

In addition, based on emerging business and regional priorities, the strategy embedded LGBTQIA+ and Disability serve as a core focus of our global activities.

We set actions in place not only to increase minority representation, but also to implement inclusive behavior and ensure equity across the group through the five pillars of implementation:

► Five pillars of implementation

Five Pillars	Details
Leadership Commitment	<ul style="list-style-type: none"> ● Show President & CEO and other senior leaderships' clear commitment to the DEI vision as driver for business growth ● Set leaders as accountable for DEI progress, embracing and promoting inclusive leadership style
Culture	<ul style="list-style-type: none"> ● Build an inclusive mindset and work environment to allow everyone to be/feel safe to be themselves, to contribute and enable innovation
Recruitment	<ul style="list-style-type: none"> ● Attract and hire diverse people, scouting from different markets and sectors ● Conduct diagnostic analysis and review recruiting channels and practice, monitoring the recruiting funnel
Retention	<ul style="list-style-type: none"> ● Provide different benefits and support robust Employee Resource Groups (ERGs), driving culturally relevant programming
Advancement	<ul style="list-style-type: none"> ● Identify diverse talents based on competency ● Support diverse leaders and build a solid pool of diverse talents

Global DEI Management Structure

Structure

To achieve our goals, Hitachi created a global and regional structure to lead DEI initiatives.

From a global perspective, we discuss DEI topics both at the executive level and the implementation level to ensure a common and shared understanding and direction in terms of policies and initiatives. The mission of the Global DEI Council, including representatives from each business and region, is to align with the global DEI strategy and discuss implementation in partnership with the HR departments around the world. Material matters are reported to and deliberated in the Senior Executive Committee, and are reported to the Board of Directors when necessary.

Regional DEI leaders and teams based in six regions (America, EMEA, India, China, Southeast Asia, Japan) drive initiatives aligned to local needs and business strategies. The global DEI division supports the implementation of the group initiatives, implementing the DEI strategy to foster an inclusive culture and ensure equitable procedures and policies. The division implements a thorough set of DEI performance indicators.

To foster communication among all functions, BUs and group companies, the global DEI division facilitates working group sessions. These sessions involve all key internal stakeholders, and participants discuss specific DEI topics, share best practices, identify common issues, and find practical solutions.

► Global DEI Management Structure



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Global DEI Targets

Targets **Materiality** GRI 405-1

We set greater management diversity as a global DEI target. Our KPI is the ratio of executive and corporate positions held by women and non-Japanese persons.

As of June 2023, 11.4% of executive and corporate officers were women and 20.3% of executive and corporate officers were non-Japanese persons. By fiscal 2030, our target is for 30% of our executive and corporate officers to be women and 30% to be non-Japanese persons.

▶ Ratio of Female and Non-Japanese Executive and Corporate Officers (Hitachi, Ltd.)



Fostering Inclusive Leadership

Activities **Training**

To foster inclusive leadership, in fiscal 2023, 84 Hitachi top executives on a global level have been invited to take part in an inclusive leadership program. Through an assessment, a feedback session, and interactive workshop, Hitachi leaders had the chance to reflect on their behavior, thinking process and aligning to inclusive leadership style that will support to drive business with diverse employees in complex business environment.

In addition, since fiscal 2021, DEI has been also included in training sessions targeting mid-management and future leaders such as GAP-L, GAP-K, Hitachi Group Executive Development Course and Hitachi Discovery Program.

■ P.072 Global Human Capital Management

We also created toolkits (among them, Inclusive Language and Inclusive Meeting Guidelines) to identify concrete actions that everyone can take to create an inclusive environment where everyone feels safe, welcomed and able to contribute.

To measure progress in inclusion, we included DEI in the Global Performance Management (GPM) to define competency as well as in Hitachi Insights, an annual survey to track DEI index scores.

■ P.076 Improving Employee Engagement

Initiatives to Support Our Global DEI Topics

Activities GRI 405-1/405-2

The Hitachi businesses pursue a range of ongoing initiatives from the perspective of diversity, equity and inclusion. These initiatives champion the global topics and enable Hitachi to meet our global DEI Policy.

▶ Global DEI Topic 1: Gender

Improving gender equity and inclusion means empowering women across our organization to access opportunities to fulfil their potential based on their will and competences, ensuring an inclusive environment and equitable processes. Starting with giving broader access to all roles through recruitment, we offer women opportunities to progress into leadership positions, providing them support to ensure a workplace where women can thrive. Our goal is that all women at Hitachi feel that they have a place, have a clear and distinctive voice, and enjoy the freedom to contribute to our innovation.

To encourage all employees to play an active role in this process, and recognizing that men are the majority group, we set specific activities to engage men in the conversation, explaining why support of gender inclusion is important, what men gain from gender inclusion, and how everyone can contribute to ensure an inclusive environment.

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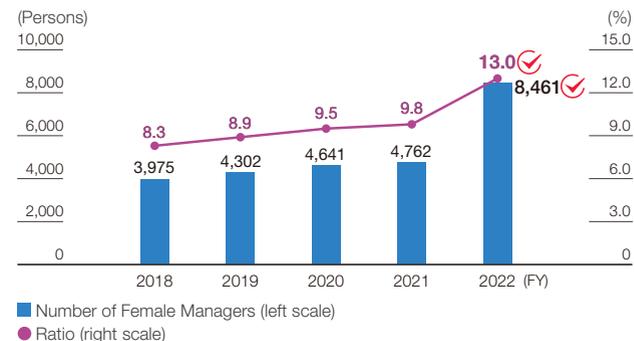
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Ratio and Number of Female Managers (Hitachi Group)



Note: Based on the number of employees as of the end of March (includes employees seconded from Hitachi to other companies and employees on leave; excludes employees seconded to Hitachi from other companies). Approximately 20,000 manufacturing workers not registered in the employee database and approximately 8,000 employees of some newly consolidated companies are not included. Also, does not include subsidiaries with unregistered employees at certain grades (positions). The increase in the number and percentage of female managers over time reflects improved coverage of our human capital databases and changes in the number of consolidated companies.

Gender Pay Gap

We determine employee compensation based on each individual's role and achievements, with no divisions or differences based on gender or age.

At Hitachi, Ltd., the gender pay gap (pay per women as a percentage of pay per men) in fiscal 2022 was 66.4%. There is no gender-based differences in the employee compensation system. The difference in per capita wages for men and women is mainly due to higher proportion of male at higher employee grades, including management positions, and higher proportion of female who work shorter hours. We will analyze not only the categories based on the Act on the Promotion of Women's Active Engagement in Professional Life, but also more detailed categories.

Initiative on a Group Level

To foster an understanding of gender inclusion, why it is important for everyone and how everyone can contribute, Hitachi in partnership with Catalyst MARC (Men Advocating for a Real Change), a global NPO, has set a series of activities in 2023.

- Held a webinar open to all employees on a global level where we invited a speaker to explain why men should support gender inclusion and how they can be part of it.
- Held a workshop for managers, aiming for them to gain increased awareness of men's role as advocates of inclusion and gender equity, explore what actions individuals across genders can take to foster effective gender inclusion and build skills to communicate more courageously and inclusively across gender and other forms of difference.
- Launched an e-learning course accessible to all Hitachi employees, setting the basis for unpacking root causes and addressing systemic barriers to inclusion and equity by and for people of all genders—helping them to create personal connections to the work and its outcomes.

Initiatives of Hitachi, Ltd.

In Hitachi, Ltd., we support women in thinking about their own career paths. A series of seminars is aimed at women with three to four years of experience at Hitachi, Ltd. and Group companies in Japan and gives them the opportunity to better understand their career and consider their future. The seminars includes lectures on the environment surrounding working women, panel discussions by women in senior roles, and discussions among participants. The seminars were held twice in fiscal 2022. In addition, Hitachi, Ltd. and several group companies in Japan offer opportunities for women employees to find role models through mentoring programs across businesses and the companies.

Initiatives of Hitachi Energy

In Hitachi Energy, we identify accelerating the advancement of women as one of the pillars of Diversity 360, our diversity vision. We commit to increase the ratio of women in our global workforce from 19% to 25% and aim at 25% women in management and 40% women in early career hires by 2025, an increase supported by Female Acceleration efforts across tiers. Since 2022, the Diversity 360 Council has been chaired by the CEO and his direct leadership team (Executive Team) who takes a keen interest in the governance of well-defined KPIs and progress. A significant milestone in this respect is mapping Diversity 360 KPIs to the Annual Incentive Plan, positioned alongside our License to Operate and the section has 15% weightage.

The company also implements a Talent Development Program which includes mentoring for middle managers. To date, 59 women leaders have graduated this program. Hitachi Energy incorporates DEI into all policies related to the employee life cycle, such as equal pay, flexible working, and ERGs globally and locally. Among several structural changes implemented to build an equitable and inclusive environment:

- HEERA Gender Equity Council (a strategic council set up by the company with cross BU-function representation from across geographies who are senior leaders): 11 nationalities from 10 countries with a gender split of 11 women and 4 men
- Female Talent Development Plan (a holistic framework curated to strengthen pipeline of women in leadership): A total of 59 graduates from 4 cohorts with 51% of the graduates been promoted (37%) or has had a lateral career move (14%) in comparison with the time of appointment to this program.
- More than 10 ERGs focused on Gender Inclusion across geographies at local and region levels.
- Policies & Benefits are gender neutral, with periodic reviews for existing support (childcare support, elder care options, employee assistance centers, extended parental leave), equal pay analysis in the planning phase.

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Initiatives of Hitachi Vantara

In Hitachi Vantara, we are committed to providing opportunities for the advancement of women in the technology sector and providing career development opportunities for existing employees and future candidates.

As part of our ongoing commitment to gender diversity and increasing our representation to 30% female by 2025, we are:

- Launching a pilot leadership program to raise the voices of high-potential women through a transformational TED (Technology Entertainment Design)-style speaking course.
- Running workshops and e-learning to inspire and equip men to leverage their unique opportunity to be advocates for change and raise awareness of bias and how to tackle it.
- Co-creating an allyship program with external experts led by our Women of Hitachi ERG, with input from our Rainbow Connection (LGBTQIA+) ERG to include an intersectional lens on gender.
- Providing career development opportunities to our ERG leaders/members through a mix of internal discussion and externally facilitated training.
- Investing in programming for girls studying STEAM partnering with an external company.

Initiatives for LGBTQIA+

Since April 2020, many Hitachi Group companies in Japan have treated an employee's same-sex partner as a family member. As a result, employees with same-sex partners are eligible for the same benefits as those with opposite-sex partners, such as family nursing leave and childcare and work-life balance support.

In June 2023, Hitachi set a worldwide campaign to increase awareness on LGBTQIA+ topics, share practical examples of inclusion and foster allyship. For the first time, the Hitachi logo reflected the colors of the progress flag to express our support for the LGBTQIA+ community. Among the activities, we organized in-person and online events, inviting external speakers, ERGs members and executives to share their experiences and engagement with the topics. We created a LGBTQIA+ guidebook to increase awareness about the community, promote inclusive behavior, and share with managers and HR colleagues best practices to ensure structural equity and inclusion.

In 2022, Hitachi Vantara scored a 100 on the Human Rights Campaign's Corporate Equality Index, a national benchmarking tool on corporate policies, practices, and benefits for the LGBTQ+ community. This score was a result of the change to supplier selection, where Hitachi Vantara partners with diverse suppliers with minority, women, LGBTQ+ or person-with-disability owners. In April 2023 the company signed the Human Rights Campaign Business Statement to show we stand against anti-LGBTQ+ legislation.

Established in 2021, the Rainbow Connection ERG continues working to create a safe environment for LGBTQIA+ employees and support the engagement and actions on a global and regional level identifying regional leaders and allies. We also have LGBTQIA+ healthcare concierge services and DEI global

compliance training, launched a reverse mentorship program, delivered a transition handbook and updated our HR systems to allow optional reporting of pronouns and gender identity.

Initiatives of Hitachi Solutions

For four consecutive years, Hitachi Solutions in Japan received the *PRIDE Index Gold* recognition, the first Japanese evaluation index for workplace initiatives related to LGBTQ+ established in 2016. Hitachi Solutions initiatives include forming a community of allies to participate in workshops and events and establishing a same-sex partner policy, which allows an employee's same-sex partner to be treated the same way as a spouse and receive the same benefits.

Initiatives of GlobalLogic

In 2022, GlobalLogic expanded the Women Influencers Program, an exclusive women's development program nurturing our next senior leaders. The Women Influencers Program prepares high-performing women in senior management for more strategic roles and responsibilities within the organization. This program equips women leaders with the relevant learning tools, mentoring, and coaching to fast-track their career development.

The first cohort produced 60% role elevations and more than 40% role enhancements and increased the participation of women in the decision-making layers. Two additional cohorts graduated in 2022, and there are plans to establish the Women Influencers as a permanent leadership development program, producing our next generations of women leaders.

> Global DEI Topic 2: Culture

Being culturally diverse is about creating a team which reflects the global nature of our company. Hitachi has grown into a global innovation business from Japanese roots, and our aspiration is to see the global and diverse nature of our business portfolio reflected in our people—particularly at the decision-making levels—supported by an inclusive culture.

By providing the opportunity for more individuals from

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different nationalities to progress into leadership, we create opportunities for Hitachi to access new markets and sustain our global growth.

For example, we are involved in group-wide initiatives that include Global talent management and Future Leaders development to improve diversity and equal opportunity among employees from various cultural backgrounds, as well as eliminate discrimination.

On a leadership level, Hitachi started a Global Leadership Development program in 2012 to identify global talents and future leaders from an inclusive perspective.

From a structural perspective, in 2022 we launched a pilot project of Global mobility cross business in Europe.

Initiatives of Hitachi Vantara

To celebrate diversity in the workplace, in Hitachi Vantara we leverage spotlight months, such as Black History and Hispanic Heritage month, to invite employees to share stories of their heritage and culture. We have also recently launched The BERG, our black and African American ERG. The company also shares religious and holiday observance messages globally to show respect for cultural diversity. In addition, Hitachi Vantara leadership teams continue to participate in intercultural training courses to strengthen an understanding of cultures around the world.

> Global DEI Topic 3: Generation

Technology and society change quickly, and the voice of younger colleagues is essential in Hitachi's approach to innovation. We seek to attract young people to our workplaces and ensure they contribute to our thinking, while also being sure to foster positive collaboration and dialogue among different generations. We recognize the value that all individuals can bring, and so we strive to recognize colleagues based on competence, rather than age.

Initiatives of Hitachi Energy

Hitachi Energy leverages the Collaborative Learning Framework (Mentoring + Coaching + Collaborative Learning Circle) to bridge the generational gap. Two specific tools under the Global Mentoring Framework are Reverse Mentoring and Leadership Mentoring.

Initiatives of Hitachi High-Tech

To support our talents, in Hitachi High-Tech America we set an Employee Mentorship Program (EMPower). This program aligns with the company's goal to develop individuals within the organization with the skills and knowledge to achieve personal and professional growth. The diverse professional mentor-mentee relationships ensure a closer collaboration and engagement, and allow the company to provide a better service to the customers, ensure client satisfaction, and strengthen long-term relationships.

Expanding Employment of People with Disabilities

Approach

Activities

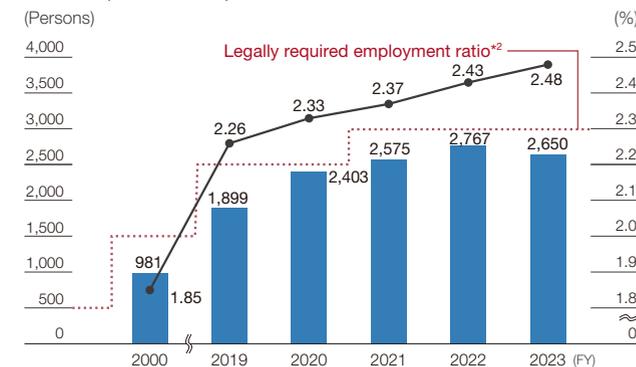
GRI 405-1

Hitachi Group joined The Valuable 500, a global CEO community launched at the World Economic Forum to implement the inclusion of people with disabilities by providing business leadership and other opportunities. By joining this worldwide movement, Hitachi seeks to accelerate the inclusion of people with disabilities internally and externally.

Initiatives of Hitachi, Ltd.

Hitachi, Ltd. and Hitachi Group companies in Japan recruit people with disabilities via online recruiting fairs and by partnering with special subsidiaries. As of June 2023, the employment ratio of people with disabilities was 2.48% at Hitachi, Ltd. and 2.55% for the entire Group in Japan. These figures exceed Japan's legally required employment ratio of 2.3%.

● Employment of People with Disabilities and Employment Ratio (Hitachi, Ltd.)*1



■ Employment of people with disabilities (left scale)

● Employment ratio (right scale)

Note: Data compiled on June 1 of each fiscal year. The employment ratio is calculated according to methods prescribed in the relevant laws.

*1 Includes special subsidiaries and related Group companies. (One special subsidiary and 21 related Group companies in June 2023. Figures include Hitachi, Ltd.)

*2 The legally required employment rate was 1.8% through fiscal 2012, increased to 2.0% between fiscal 2013 and fiscal 2017, rose to 2.2% in fiscal 2018, and rose again to 2.3% in fiscal 2021.

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To increase the understanding of the gap to be filled in to ensure equal opportunity for employees with disabilities in the company, Hitachi took part in the Generation Valuable program launched in December 2023 by The Valuable 500, which involve an employee with disability and executives in a direct dialogue.

Hitachi, Ltd. also implemented Working Together with People with Disabilities, an e-learning course introducing non-discriminative policies and accommodations designed for people with disabilities. Approximately 168,000 employees have attended the course across Group companies in Japan (Approximately 95% attendance rate).

In addition, Hitachi You and I, a special subsidiary, created the Recruitment Retention Support Division. The division supports the long term employment of people with disabilities and seeks to create a work environment where employees enjoy high job satisfaction.

Initiatives of Hitachi Energy

Hitachi Energy ensures disability inclusion in the HR processes and policies within the Group. This approach includes equal employment opportunity policies, induction programs for onboarding, and buddy programs as part of retention and support. The business is also making its website more accessible, and will continue to improve the application process for people with disabilities.

Initiatives of GlobalLogic

Since 2016, GlobalLogic has significantly invested in creating as diverse a workforce as possible. In India, where more than 50 percent of its employees are, the company has implemented structural changes in outreach, recruitment, training, and workplace accommodations to augment its non-traditional workforce. Their workforce of people with disabilities has grown fivefold over the last seven years. It has earned the recognition of Emerging Employer by ASSOCHAM and Sarthak NAAI (National Ability Association of India) for empowering the lives of persons with disabilities.

Efforts to implement an understanding of DEI

Training

Hitachi Group is working on initiatives to enhance employee understanding of DEI.

Initiatives of Hitachi Rail

In 2022, Hitachi Rail launched “building an inclusive culture” digital journey open to all employees offering e-learning and webinars on unconscious bias, cultural awareness, inclusive behaviour, psychological safety and disability inclusion. Digital content continues to be added, to support employees in their learning. While workshops have also been piloted to deepen understanding further.

Initiatives of GlobalLogic

GlobalLogic initiated the Regional Accelerator Network to scale its DEI ambitions. Each of the four regions created on-the-ground teams to operationalize the company’s DEI goals of Elevate Diversity, Embrace Equity, and Enrich Inclusion. Under the guidance of the DEI Executive Council, these cross-functional teams facilitate local activities tailored to each region’s unique needs. One of the key priorities for this fiscal year is fostering the creation of GlobalLogic’s first official Employee Resource Groups.

Initiatives of Hitachi High-Tech

Hitachi High-Tech hosts the Hitachi High-Tech WAY, a series of inclusive gatherings consisting of 25 town hall meetings per year involving a total of 4,000 people. These meetings provide an opportunity for all employees to speak up about any work or nonwork matters in an environment with guaranteed psychological safety.

The business recognizes the links between DEI and innovation and works to address Workstyle Improvement, Diversity & Inclusion Acceleration, People Development, Women at Hitachi, and Employee Mentorship at a global level.

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Human Rights

Basic Concept

Hitachi believes that respect for human rights is our responsibility as a global company and essential to our business activities. We emphasize engagement with stakeholders to understand and respond to human rights impacts effectively. We are making continuous efforts not to engage in any acts that may impair individual dignity or discriminate on the basis of sex, sexual orientation, age, nationality, race, ethnicity, ideology, belief, religion, social status, family origin, disease, or disability.

Topic	Overview	Targets, KPIs, and Results
 <p>Respect for Human Rights Throughout the Value Chain</p>	<p>The Hitachi Group Human Rights Policy is one of our highest internal standards. We conduct human rights due diligence (HRDD) throughout the value chain based on the Human Rights Risk Management Implementation Manual, which we produced in accordance with the UN Guiding Principles on Business and Human Rights. We hold HRDD Execution Managers Meetings once or twice a year as occasions for group-wide information sharing and deliberation, addressing human rights risk management as an entire Hitachi Group effort.</p>	<p>Conduct human rights due diligence and strengthen monitoring of procurement partners for responsible procurement, including human rights</p> <p>FY2023 Target: Conduct human rights risk assessments at all Bus (10 Bus) and major Hitachi Group companies</p> <p>FY2022 Results: Conducted human rights risk assessments for certain Group companies</p>

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

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Respect for Human Rights Throughout the Value Chain

Respecting the Human Rights of All People

Approach

Hitachi believes that respecting human rights is our duty as a global company and essential to conducting business.

We refuse to engage in any acts that may impair individual dignity or discriminate on bases such as gender, sexual orientation, age, nationality, race, ethnicity, ideology, belief, religion, social status, family origin, disease, or disability.

We place great importance on engagement with stakeholders in order to understand and manage our impact on human rights. Stakeholders whose human rights are affected or may be affected by Hitachi's operations include employees at Hitachi and its procurement partners, local communities, consumers, other individuals or groups whose livelihoods or working environments may be affected, industry associations, government entities, investors, NGOs/NPOs, and human rights organizations, etc.

Hitachi Group Human Rights Policy

Policy

GRI 2-23

Hitachi formulated the Hitachi Group Human Rights Policy in May 2013, and we view this policy as one of our highest internal standards. This policy declares our respect for human rights as recorded in the International Bill of Human Rights*¹ and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The policy stipulates basic rights at work, including freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, the elimination of discrimination in respect of employment and occupation, and safe and healthy environment.

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

To formulate this policy, we invited representatives of the European Commission, ILO, NGOs, corporations, and lawyers specialized in human rights issues to take part in stakeholder dialogues. We then incorporated opinions and suggestions offered during the dialogues and formulated the policy following deliberation and approval by the Senior Executive Committee.

Hitachi has been a member of the United Nations Global Compact since 2009. We declared our support for the UN Global Compact, which outlines a set of universal principles that companies should adhere to in the four areas of human rights, labor, the environment, and anti-corruption.

Accordingly, we continue to pursue efforts in each area.

Hitachi also protects freedom of expression and the right to privacy, as recognized by international norms, such as the International Covenants on Human Rights, to ensure no violations of human rights. Hitachi conducts human rights due diligence (HRDD)*² in line with the UN Guiding Principles on Business and Human Rights,*³ and provides appropriate education to employees. Furthermore, we comply with the laws and regulations in the regions and countries where we operate. Where there is a conflict between internationally recognized human rights and the laws and regulations of a specific country or region, Hitachi will follow processes that seek ways to honor international human rights principles.

With respect to the human rights of children, we are striving to ensure there is no child labor nor forced labor in our company or supply chain. The Hitachi Group Code of Ethics and Business Conduct stipulates that consideration be given to human rights, including those of children.

*¹ International Bill of Human Rights: Collective name for the Universal Declaration of Human Rights and International Covenants on Human Rights adopted by the United Nations.

*² Human rights due diligence (HRDD): An ongoing process to identify and assess potential and actual human rights negative impacts, take appropriate action to prevent or mitigate potential impacts, track the effectiveness of actions to address impacts, and communicate externally.

*³ *Guiding Principles on Business and Human Rights*; John Ruggie, Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises; March 2011.

 [Hitachi Group Human Rights Policy](https://www.hitachi.com/sustainability/esg_summary/pdf/human_rights_policy.pdf)
https://www.hitachi.com/sustainability/esg_summary/pdf/human_rights_policy.pdf

 [Hitachi Group Code of Ethics and Business Conduct](https://www.hitachi.com/corporate/about/conduct/pdf/conduct_e.pdf)
https://www.hitachi.com/corporate/about/conduct/pdf/conduct_e.pdf

 [Hitachi Group Sustainable Procurement Guidelines](https://www.hitachi.com/procurement/csr/EN_HG_SPG.pdf)
https://www.hitachi.com/procurement/csr/EN_HG_SPG.pdf

 P.106 Encouraging Procurement Partners to Conduct Activities

Hitachi Global Compliance Hotline

System

GRI 2-26/406-1

Hitachi established a Group-wide internal reporting system called the Hitachi Global Compliance Hotline.

We investigate all reports, including those concerning human rights and harassment, and following verification of the relevant facts, we inform those who submitted reports of the investigation results. We make every effort to deal with situations as appropriate, including taking remedial action when necessary. (Over 20 languages supported)

 [Hitachi Global Compliance Hotline](https://secure.ethicspoint.eu/domain/media/en/gui/109107/index.html)
https://secure.ethicspoint.eu/domain/media/en/gui/109107/index.html

 P.145 Hitachi Global Compliance Hotline (Whistleblower System)

Structure for Promoting Respect for Human Rights

Structure

GRI 2-13/2-24/2-25/3-3

Hitachi continues to strengthen human rights risk management worldwide through efforts that include tasking the Chief Sustainability Officer with Group-wide human rights promotion and the formulation of policies based on the status of HRDD

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progress throughout the Hitachi Group. Our HRDD Promotion Secretariat, established within the headquarters of Hitachi, Ltd., (consisting of the human capital division, procurement division and sustainability division) takes charge of core promotion activities based on inter-divisional cooperation that include investigating HRDD promotion measures for the Hitachi Group and its procurement partners, preparing implementation-oriented manuals and guidelines, and responding to inquiries from Business Units (BUs) and Group companies.

Hitachi comprises diverse business entities and must manage human rights risks by taking into consideration the characteristics of each business and its value chain. To achieve this, Hitachi appoints the heads of BUs and presidents of key Group companies as HRDD promotion officers. HRDD

execution managers are then appointed to take charge of HRDD execution in the respective BUs and Group companies, convening HRDD Promotion Meetings. We take measures to advance the formulation and maintenance of an implementation framework, aiming to address global human rights risks. Subsidiaries of BUs and key Group companies outside Japan work closely with regional headquarters to share region-specific issues (cultural and religious backgrounds, legislative trends, etc.) and discuss how to respond.

In addition, we hold the HRDD Execution Managers Meeting once or twice a year as an occasion for Group-wide information sharing and deliberation. Important matters discussed by the meeting may also be deliberated and decided on by the Senior Executive Committee and reported to the

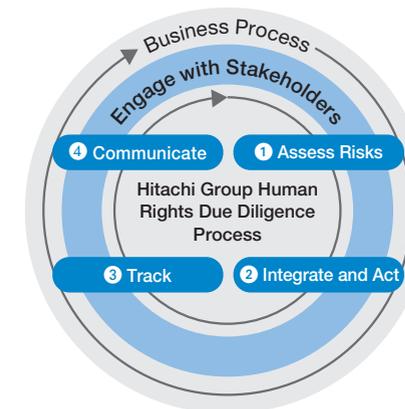
Board of Directors as necessary. The Audit Committee, composed of independent directors, conducts operational audits on sustainability-related operations, while the responsible executive officer reports on important human rights issues.

HRDD Initiatives

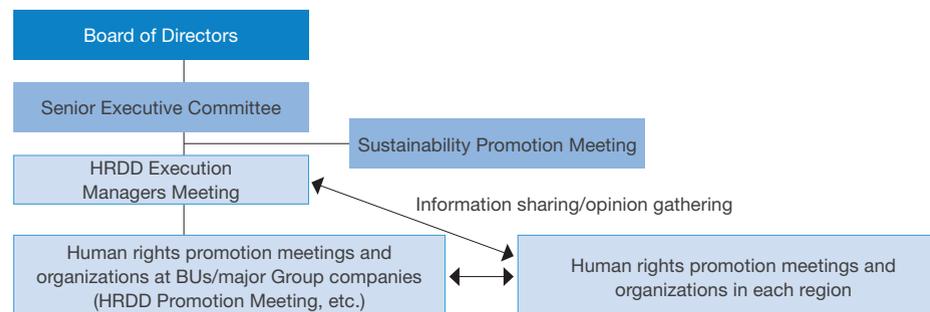
Activities Materiality

Hitachi manages human rights risks according to the following HRDD process, based on the *Human Rights Risk Management Implementation Manual* prepared for practical use for each BU and Group company, and in line with the UN Guiding Principles on Business and Human Rights.

HRDD Process



Framework for Promoting Respect for Human Rights



Roles of Human Rights-Related Meeting Body and Organization

Meeting body/Organization	Members	Purpose/Role
HRDD Execution Managers Meeting	HRDD execution managers at BUs and key Group companies	<ul style="list-style-type: none"> Providing information from experts Sharing of the status of each company's initiatives Requests for surveys/status checks
Human rights meetings and organizations at BUs/major group companies	Persons responsible for HRDD promotion, persons responsible for HRDD implementation, and persons in relevant divisions	<ul style="list-style-type: none"> Pursue human rights activities tailored to the business characteristics of each BU/key Group company
Human rights meetings and organizations in each region	Persons in charge of HRDD promotion at regional headquarters, regional/local representatives selected from BUs/major Group companies	<ul style="list-style-type: none"> Conduct and support understanding of HRDD based on the UN Guiding Principles on Business and Human Rights Share regional regulatory trends and risk information Consider measures to address human rights issues in major projects based on regional characteristics

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

1 Assess Risks

Based on the experience of addressing salient risks (forced labor, potential violations of migrant workers' rights) across the Group in fiscal 2021, Hitachi began business-specific HRDD in fiscal 2022 for each BU and major Group company, taking into consideration the characteristics of respective businesses, value chains, and operating regions.

Based on the results of the risk assessments conducted at each BU and major Group company for fiscal 2022, we identified salient human rights risks such as those included in the following table.

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▶ Salient Human Rights Risks

	Stakeholders Potentially Affected			
	Procurement partners	Own employees	Customers/end-users	Local communities
Forced labor	●			
Long working hours	●			
Low wages	●			
Child labor	●			
Harassment	●	●		
Occupational health and safety	●	●		
Violation of migrant worker rights	●	●		
Human rights issues in high-risk areas (conflict areas)	●	●	●	●

Activities in 2022

In fiscal 2022, Hitachi focused on human rights risk assessment in the HRDD process. With guidance from external experts at Shift, a human rights NPO based in the United States, we conducted a total of four HRDD guidance sessions for BUs and major Group companies. A total of 163 participants from 5 BUs, 11 Group companies, and R&D divisions attended these guidance sessions to deepen understanding of the human rights risk assessment process.

▶ Guidance Sessions

No. of sessions	Agenda	Agenda at Each BU and Major Group Company
1	Identify areas where human rights risks are likely to exist	Identify targets for detailed risk assessment
2	Identify and prioritize potential risks in identified areas	Prioritize based on risk identification, severity, and likelihood of occurrence
3	Consider countermeasures for high priority, salient risks	Formulate action plan proposals
4	Reflect on the risk assessment process	Learn and share insights and issues

② Integrate and Act and ③ Track

We plan to implement specific measures in fiscal 2023 and beyond for the salient human rights risks identified through the risk assessments conducted in fiscal 2022. We will continue to seek guidance from experts and evaluate the effectiveness of measures implemented.

Activities in 2022

Based on the results of the Survey of forced labor and violations of the rights of migrant workers that were identified as priority risks in fiscal 2021, Hitachi implemented measures during fiscal 2021 at most operational sites. We also conducted additional surveys in fiscal 2022, confirming that measures at certain sites had not yet been addressed. We will utilize our Group-wide experience in addressing forced labor and migrant worker rights violations as priority issues to update guidelines, which includes examples of problems we identified and effective measures. We will continue to use the guidelines to assess the actual situation and formulate measures at each BU and Group company.

④ Communicate

We disclose information on initiatives concerning respect for human rights, including HRDD, through our Sustainability Report, websites, and other means. We also strive to deepen an understanding of Hitachi initiatives through appropriate communication in response to questions, observations, and the like from investors, ESG evaluation organizations, NGOs, and media outlets. In addition, we incorporate opinions from both inside and outside our organization when considering future measures.

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Engage Stakeholders

Hitachi participated in the *Business and Human Rights Academy: Human Rights Due Diligence Training for Japanese Companies* organized by the United Nations Development Programme (UNDP) in fiscal 2022. We gained a better understanding of this issue through presentations by experts from Japan and outside Japan regarding how Japanese companies and business partners should respond to human rights risks. During individual guidance sessions, the UNDP, overseas business and human rights advisory firms, and lawyers provided suggestions on improving our human rights policy, how to implement HRDD for companies working across a wide range of business areas, developing HRDD for

secondary and other procurement partners, and how to respond to human rights-related laws and regulations. We will consider improving our human rights efforts based on the feedback we received.

Roadmap for the Future

By the end of fiscal 2023, Hitachi plans to complete human rights risk assessments across all BUs (10 BUs) and major Group companies in areas identified as high-risk. At the same time, we will implement HRDD processes at all BUs and major Group companies by the end of fiscal 2024 that include integrating and acting on countermeasures, tracking the effectiveness of countermeasures, and communicating outcomes.

📍 Implementation Status of Recent Major HRDD

	Initiatives
FY2020	Established the HRDD Promotion Secretariat. Prepared and deployed a survey concerning priority risks common to the Hitachi Group (forced labor and violations of the rights of migrant workers) within the Group with the support of the NGO The Global Alliance for Sustainable Supply Chain (ASSC). Created our Human Rights Risk Management Implementation Manual. This manual incorporated Shift's advice on consistency with the UN Guiding Principles on Business and Human Rights and explanations of each step in HRDD. Implemented improvement measures for grievance mechanisms, including the integration with the Hitachi Global Compliance Hotline.
FY2021	Implemented countermeasures (provided corrective guidance, held workshops, published countermeasure consideration guide, etc.) at each BU and Group company based on the fiscal 2020 survey to address Group common priority risks.
FY2022	BUs and major Group companies conducted HRDD, and we held a total of four guidance sessions with Shift to assess human rights risks.

Initiatives to Prevent Child Labor and Forced Labor

Activities

To prevent child labor, Hitachi reviews official documents to confirm that the age of an employee does not constitute child labor when he or she is hired.

Our Business and Human Rights e-learning course and other awareness-raising materials offer case studies and other

methods to inform employees that, in accordance with the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect the rights of their workers as well as those of their procurement partners with respect to child labor and forced labor.

Encouraging Procurement Partners to Conduct Activities

Activities

GRI 408-1/409-1

To deepen respect for human rights throughout our entire supply chain, Hitachi includes the Hitachi Group Human Rights Policy in the Hitachi Group Sustainable Procurement Guidelines for our procurement partners. We encourage an understanding of the Hitachi policy to strengthen respect for human rights and strive to ensure that our approach is put into practice. Moreover, the guidelines make it clear that child labor and forced labor must be eliminated. We ensure to raise awareness for human rights and engagement with procurement partners in our supply chain by efforts including Sustainability Procurement Seminars in various regions.

In fiscal 2022, we utilized EcoVadis*¹, a third-party evaluation platform, to assess and monitor our sustainability performance relating to human rights, including efforts to address forced labor and child labor. This assessment involved gathering written survey to understand the actual situation on the ground. We also conducted sustainability audits, including labor and human rights, in reference to responses to our written survey. We explained to our procurement partners the issues identified during the audits and requested that they make improvements.

*1 EcoVadis: A sustainability assessment service platform that evaluates companies in the four areas of the environment, labor and human rights, ethics, and sustainable procurement.

📄 P.110 Sustainable Procurement

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Human Rights Education and Raising Awareness Among Employees and Executive Officers

Training

In accordance with the Hitachi Group Human Rights Policy, Hitachi familiarizes Hitachi Group executives and all employees with human rights through a human rights message on the importance of respect for human rights from the President & CEO on Human Rights Day, human rights e-learning, and other efforts.

In Japan, we aim for every employee to attend annual group training, lectures, or video-based educational activities held at each business site or Group company. We began introducing video-based education for managers and others in October 2022, designed to encourage correct understanding of LGBTQIA+ issues and prevent harassment. Approximately 9,000 employees having taken the video-based education as

of April 2023. In addition, we conduct various awareness initiatives that include onboarding training directed at new hires, training by job positions, and training for employees transferred abroad. In this way and others, we strive to convey to each employee the significance of respecting human rights in their own work.

Regional headquarters for Group companies outside Japan engage in various HRDD awareness initiatives tailored to local conditions to facilitate regional coordination and support. Examples include HRDD seminars for HRDD personnel in the region, HRDD awareness surveys for regional headquarters executives, and dialogues between outside experts and regional headquarters executives.

Implementation Status of Activities to Raise Awareness of Human Rights

Target	Details	Number of participants in FY2022
Hitachi Group executives and all employees	Distributed a human rights message by President & CEO on Human Rights Day (every year)	Approximately 238,000 emails sent to executives and employees
	E-learning course on business and human rights (provided in 15 languages, taken about once every three years)	Approximately 169,000 people completed the course
Executive officers of Hitachi, Ltd.	Lecture on human rights by an outside expert (held annually)	Attended by approximately 90 executive officers and Board members

Achievements in Fiscal 2022

Every year, Hitachi, Ltd. provides human rights training to executive officers. During fiscal 2022 and the first half of fiscal 2023, approximately 90 participants attended workshops for executive-level officers (executives and corporate officers) on the topic of creating inclusive organizations in which employees from diverse backgrounds have equal opportunities to flourish.

Initiatives to Promote Broad-Based Black Economic Empowerment (B-BBEE) in South Africa

Activities

As Hitachi conducts business in South Africa, we pursue activities aligned with the country's Broad-Based Black Economic Empowerment (B-BBEE)^{*1} policy to create employment and economic development. As of November 2022, Hitachi Energy in Southern Africa achieved level 1 under B-BBEE.

Hitachi Energy South Africa is obliged to meet the Employment Equity Act (EEA)^{*2} targets and plans, which are reviewed every three to five years and which require annual progress reporting. The ultimate aim is to ensure that diversity in the workforce, including gender diversity.

The company's training strategy is aligned with the skills development targets linked to B-BBEE. The company also invests in its current employees in line with diversity and equity to enhance performance and promotability of internal talent. Every year, Hitachi Energy South Africa hires graduates and trainees with Historically Disadvantaged South Africans (HDSA) backgrounds. Currently, employees with HDSA backgrounds comprise 34% of management/supervisory positions at Hitachi Energy South Africa.

^{*1} B-BBEE: Companies and organizations in South Africa are scored on B-BBEE approaches and contributions, rated on a scale from level 1 (highest) to level 8 (lowest), or as *non-compliant*.

^{*2} Employment Equity Act (EEA): A South African law that promotes fairness and equal opportunities in the workplace for all employees.

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Responsible Procurement

Basic Concept

We believe that placing sustainability at the core of our business throughout our value chain will lead to mutual prosperity for procurement partners and the Hitachi Group. To this end, we pursue sustainable procurement by identifying and mitigating procurement risks associated with the globalization of our business as far in advance as possible. These risks include human rights violations and greenhouse gas emissions by procurement partners in the supply chain.

Topic	Overview
 <p>Responsible Procurement</p>	<p>To ensure sustainable procurement, Hitachi engages in procurement activities in accordance with the Hitachi Group Global Procurement Code, which represents the highest level of business standards in our procurement activities and the Hitachi Group Sustainable Procurement Guideline, which is a code of conduct toward procurement partners. We pursue the adoption of Hitachi Group sustainable procurement policies among procurement partners by communicating the Sustainable Procurement Guideline and holding sustainability procurement seminars in each region, conveying our aim for mutual prosperity. Additionally, to strengthen risk management and engagement with procurement partners, the Hitachi Group evaluates and analyzes the state of sustainability initiatives by procurement partners, conducting audits as necessary. We also work with procurement partners to achieve carbon neutrality throughout the value chain.</p>

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

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Responsible Procurement

Basic Procurement Policy

Approach	Policy	GRI 2-6/2-23
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We believe that putting sustainability at the core of our business throughout our value chain will lead to mutual prosperity for procurement partners and the Hitachi Group. To achieve this goal, we pursue sustainable procurement, identifying and mitigating procurement risks associated with the globalization of business as far ahead as possible. These risks include human rights violations and greenhouse gas emissions in the supply chain.

We established the Hitachi Group Global Procurement Code to guide our procurement activities. These standards represent the highest level of business standards with which we comply. This code calls on the Hitachi Group and procurement partners to give due consideration to human rights, labor practices, safety, ethics, quality, and security in the supply chain.

We also established the Hitachi Group Sustainable Procurement Guidelines, which are a code of conduct for procurement partners.

The Hitachi Group Sustainable Procurement Guidelines, informs procurement partners of our requirements for compliance. Guideline content falls into seven major categories: labor, health and safety, environment, business ethics, management system, product quality and safety, and prevention of personal and confidential information leakage. We also use these guidelines as a communication tool to inform procurement partners about Hitachi Group initiatives and share our policies and initiatives related to sustainability. We aim to develop sustainable business and society together with procurement partners by promoting procurement activities that adhere to this code.

[Sustainable Procurement](https://www.hitachi.com/procurement/csr/index.html)
<https://www.hitachi.com/procurement/csr/index.html>

[Hitachi Group Sustainable Procurement Guidelines](https://www.hitachi.com/procurement/csr/EN_HG_SPG.pdf)
https://www.hitachi.com/procurement/csr/EN_HG_SPG.pdf

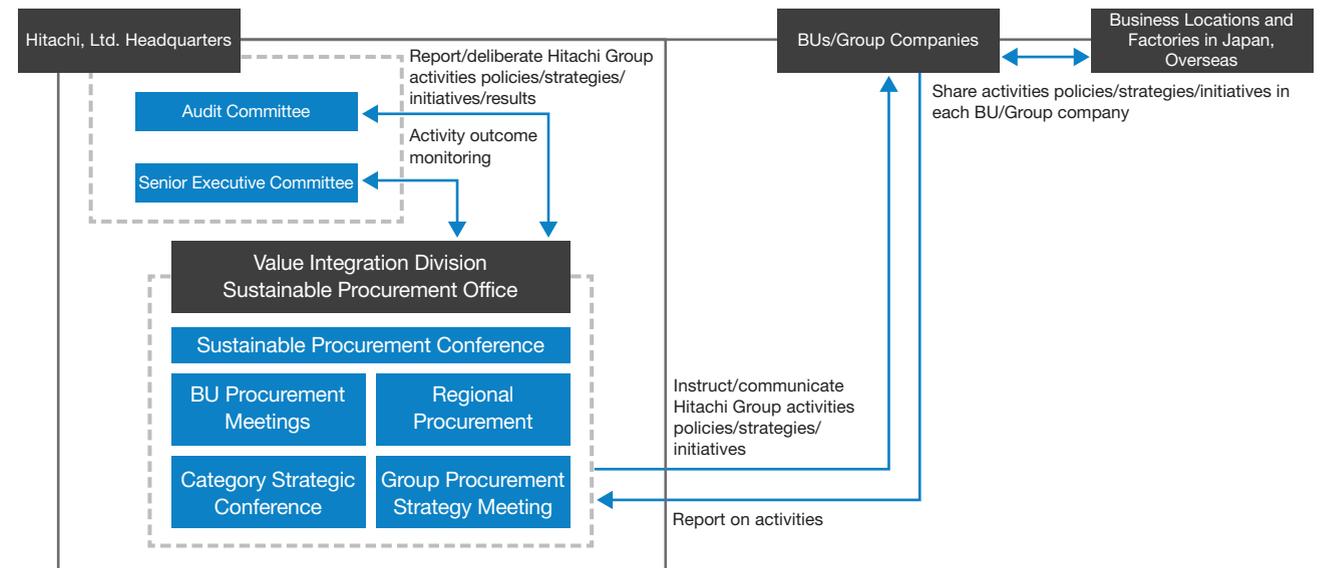
Sustainable Procurement Management Framework

Structure	GRI 2-13/2-24/3-3
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Hitachi established the Sustainable Procurement Office within the Value Integration Division (an organization reporting directly to the President & CEO). The Sustainable Procurement Office is responsible for procurement activities at our head office, and it plays a central role in deliberating and deciding various policies related to sustainable procurement.

Policies and initiatives adopted are communicated in detail throughout the Hitachi Group by means of meetings including

Procurement Management Organizational Structure



Sustainable Procurement Conference. This conference, attended by the heads of the procurement divisions at Business Units (BUs) and major Group companies addresses companywide procurement initiatives related to overall sustainability, including environment and human rights by developing strategies for sustainable procurement activities and by sharing best practices across our organization.

In addition, the Value Integration Division reports regularly to the Senior Executive Committee on key procurement strategies and on sustainable procurement activities. Each year, the division reports on priority procurement measures to the Audit Committee, which consists of members of the Board of Directors. These reports include matters identified and addressed in the previous year, and feedback from the Audit Committee is reflected in activities in the following year.

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

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Sustainable Procurement Conference

Since fiscal 2022, the Sustainable Procurement Conference is held to improve BU and Group companies' understanding of sustainable procurement, as well as to provide practical support. This conference is open to all procurement division members, including the heads of procurement divisions at all global locations. Approximately 500 people participated in fiscal 2022. The conference provides an opportunity to develop a human rights due diligence process, gain a better understanding of the status of Scope 1, 2, and upstream Scope 3 efforts toward carbon neutrality, and share the latest internal efforts toward carbon neutrality.

Sustainable Procurement

Activities

GRI 2-25/308-2/414-2

Working to Strengthen Engagement With Procurement Partners

• Raising Awareness of the Hitachi Group Sustainable Procurement Guidelines

Hitachi provides sustainable procurement guidelines in four languages (Japanese, English, Chinese, and Thai) and distributes these guidelines to approximately 30,000 procurement partners. We conduct sustainable procurement information sessions and other means to communicate matters with which we expect procurement partners to comply.

• Regional Sustainability Procurement Seminars

We invite our procurement partners in Southeast Asia, China, and India to the Regional Sustainability Procurement Seminar to address social issues proactively together with our procurement partners. Approximately 520 procurement partners participated in the fiscal 2022 seminar. We strive to communicate the Hitachi Group Sustainable Procurement Policy to each region.

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

Region	Details
Southeast Asia	In Southeast Asia, we presented an overview of the Hitachi Group Sustainable Procurement Policy and strategy, our status regarding EcoVadis*1 adoption, sustainability audits and energy management to approximately 200 procurement partners.
China	In China, we discussed Hitachi Group Sustainable Procurement Policy and strategy, providing examples of sustainable activities to approximately 230 procurement partners.
India	We covered Hitachi Group Sustainable Procurement Policy and strategy, and results of sustainability audits in India to approximately 90 procurement partners.

• Procurement Website Content Expansion

Hitachi upgraded its procurement website for external use in fiscal 2022, adding more contents related to sustainable procurement. The website provides to external stakeholders including procurement partners, information on sustainable procurement in a detailed, systematic, and straight-forward manner.

*1 EcoVadis: A sustainability assessment service platform to evaluate companies comprehensively across four areas: environment, labor and human rights, ethics, and sustainable procurement



Procurement Website

<https://www.hitachi.com/procurement/index.html>

Procurement Partner Sustainability Assessments

With the purpose of strengthening risk management and engagement with procurement partners, Hitachi evaluates and analyzes the state of sustainability initiatives among procurement partners through surveys.

Starting in fiscal 2022, we adopted the EcoVadis third-party evaluation platform for monitoring and evaluating the sustainability performance of our procurement partners. We perform assessments regarding procurement partners who represent a large portion of our procurement and who are important to our business strategy. We confirm sustainability

efforts based on a checklist covering four areas: environment, labor and human rights, ethics, and sustainable procurement. In fiscal 2022, we conducted sustainability assessments of 1,374 procurement partners (in 48 countries) across the Hitachi Group.

We use the information obtained from these evaluations to identify companies requiring corrective action, to discuss and monitor improvement methods, and to select and conduct sustainability audits.

We will continue to work with more procurement partners and expand the number of our partners evaluated by EcoVadis assessment.

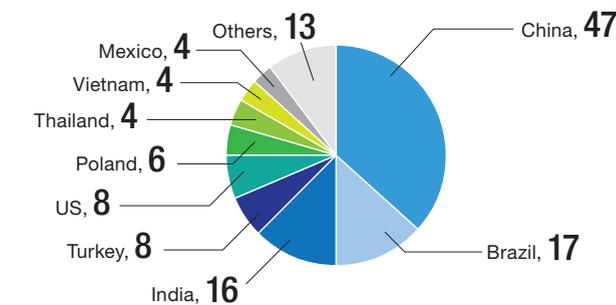
Sustainability Audits and Monitoring

Hitachi conducts sustainability audits of the manufacturing bases of our global procurement partners on a regular basis. We use external evaluation organizations to conduct the audits. Sustainability audits consist of document reviews, employee interviews, and facility inspections to monitor sustainability initiatives at procurement partners from the perspectives of labor and human rights, health and safety, the environment, and ethics.

In fiscal 2022, we conducted sustainability audits on 128*2 procurement partners, which we selected based on

Regional Distribution of Audits in FY2022

(15 countries, 128 companies in total)



Others: Egypt, Columbia, Saudi Arabia, Bulgaria, Indonesia, Korea

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procurement volume and responses to written surveys. For any matters identified during the audit, we explain the details to our procurement partners and request improvements.

*1 Internal auditors conduct audits at certain Group companies
 *2 Including the number of companies audited by Hitachi Energy beginning fiscal 2022

Examples of Matters Identified for Improvement

Category	Examples of Matters Identified
Labor and human rights	Employee overtime hours not properly managed
Occupational health and safety	Emergency exits and emergency lights are not adequately maintained
Environment	Environmental impact assessments not properly conducted.
Ethics	Employees not trained on fair trade

For procurement partners whose audit results indicate a high risk, we consider training to support improvement, online monitoring of improvements, and in-person follow-up audits.

Procurement Partner Hotline

In order to promote honest and fair dealings with procurement partners, Hitachi accepts consultations and reports from all stakeholders, including procurement partners, on all matters involving potential misconduct, such as violations of laws and regulations and the Hitachi Group Business Ethics and Codes of Conduct. We established the Hitachi Global Compliance Hotline as a help desk, and we publicize the help desk and procedures on our website. The hotline is accessible 24/7 online or via telephone.

Implementation Status of Sustainability Procurement Activities (FY2022)

unit: companies

Sustainability Procurement Seminars	Sustainability Assessments	Sustainability Audits
Approx. 520	1,374	128 *1

*1 Includes the number of companies audited by Hitachi Energy beginning FY2022

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

Hitachi Global Compliance Hotline
<https://secure.ethicspoint.eu/domain/media/en/gui/109107/index.html>
 P.145 Hitachi Global Compliance Hotline

Internal Training

Training

Hitachi conducts a variety of training and education programs on sustainable procurement globally to further its internal understanding of sustainable procurement.

Internal Training through Conferences in FY2022

Region	Details
Global All Locations	Highlighted our efforts to establish a human rights due diligence process and to become carbon neutral. We also cover internal initiatives on advanced sustainable procurement.
Thailand	Communicated best practices on the Hitachi Group's long-term environmental goals, solutions for decarbonization, optimal energy procurement in Thailand, etc.
The United States	Explanation of the Hitachi Group Sustainable Procurement Policy; sharing and discussions of best practices among Hitachi Group companies.
Europe	Exchanged information on sustainable procurement policies and strategies, our efforts toward carbon neutrality, environmentally friendly raw materials, etc.

Internal Education and Training for Procurement Divisions

Hitachi provides training by position to procurement personnel in Japan and overseas, raising awareness across divisions responsible for sustainable procurement practices.

Specifically, we offer e-learning on sustainable procurement to encourage a complete understanding of various policies that include Sustainable Procurement Guidelines, Green Procurement Guidelines, and Responsible Mineral Procurement Policy. Content also covers important sustainability initiatives such as carbon neutrality and human rights due diligence.

We provide the same training on sustainable procurement to newly appointed managers. In fiscal 2022, approximately 2,800 employees completed this course.

Encouraging Procurement Partners to Reduce Their Environmental Footprint

Activities

GRI 308-2

To create sustainable societies, Hitachi pursues its own environmental initiatives under the long-term environmental target, Hitachi Environmental Innovation 2050. This target calls for the creation of decarbonized societies, resource-efficient societies, and societies harmonized with nature.

At the same time, Hitachi businesses cover a broad range of business domains. Our procurement is supported by many procurement partners from whom we source various products and parts. We maintain our initiatives to reduce environmental impact through consistent requests to comply with relevant guidelines.

In particular, we set a target to achieve carbon neutrality by fiscal 2050 through our value chain as we pursue our goal of creating decarbonized societies. To this end, we encourage collaboration and cooperation with procurement partners on initiatives upstream in the value chain.

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Efforts Toward Carbon Neutrality in the Value Chain Upstream

• CO₂ Emissions Measurement in the Value Chain Upstream

In order to calculate CO₂ emission of Scope 3 Category 1, Purchased Goods and Services, in the value chain upstream, we use the spend basis method to cover entire group procurement activities and also reflect the primary data obtained from procurement partners into the calculation in part. We ensure that the primary data collection from procurement partners are through our engagement and utilize a third-party sustainability evaluation platform, EcoVadis.

P.027 Environmental Vision

P.027 Hitachi Environmental Innovation 2050

• CO₂ Emissions Reduction Efforts Upstream in the Value Chain

In fiscal 2022, we selected 21 companies as *environmental advanced partners* in the context of Scope 3 Category 1, explained above, in order to promote the CO₂ reduction activities of our procurement partners. These 21 partners represent companies most proactive in addressing climate change and are also important to Hitachi's business activities. These companies represent a cross-section of sizes and are located in multiple countries and regions, covering a wide range of industries, including raw materials, components, and equipment. We held discussions with these environmental advanced partners regarding CO₂ emissions reductions over a period of several months to establish an understanding of CO₂ reduction measures and calculation methods. Information obtained through these dialogues will be analyzed and used for future CO₂ reduction activities.

In addition, all new aluminum ingots (AL≥99.7%, standard block) procured for domestic use beginning in fiscal 2023 will be, in principle, manufactured using hydroelectric power generation to contribute to reduced CO₂ emissions. In this way, we incorporate and give consideration to environmentally friendly procurement, including product materials that utilize renewable energy, new technologies, and recycled materials.

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

Sharing Our Green Procurement Guidelines and Related Initiative

We distribute the Green Procurement Guidelines that define our basic position on procuring environmentally friendly parts and products as well as our requirements of procurement partners.

The guidelines set out requirements, such as establishing environmental management and recommend obtaining environmental certificates. They also address environmental conservation reducing the impact of products supplied to Hitachi, such as conserving resources and energy, recycling, managing chemical substances in products, and appropriate disclosures of related information.

To address the issue of chemical substances in products, we recommend using chemSHERPA*1 CI/AI, a standardized format for communicating information on chemical substances in products throughout the supply chain.

*1 chemSHERPA: Developed by the Japanese Ministry of Economy, Trade and Industry to facilitate the management of chemical substances in products by creating a standardized format throughout the supply chain. The chemSHERPA-CI standard is applicable to chemical substances contained in chemical products and chemSHERPA-AI to those contained in molded products.

Green Procurement Guidelines
https://www.hitachi.com/environment/library/pdf/green_en.pdf

Green Procurement Guidelines Annex
https://www.hitachi.com/environment/library/pdf/green_annex_en.pdf

Received the Highest Rating for CDP Supplier Engagement

Hitachi, Ltd. was recognized for its efforts to create net-zero societies, including the reduction of CO₂ emissions throughout its supply chain. In March 2023, the CDP, an international NGO working in the environmental sector, selected the company as a Supplier Engagement Leader, which is their highest rating for supplier engagement.

P.020 External Assessments Related to ESG



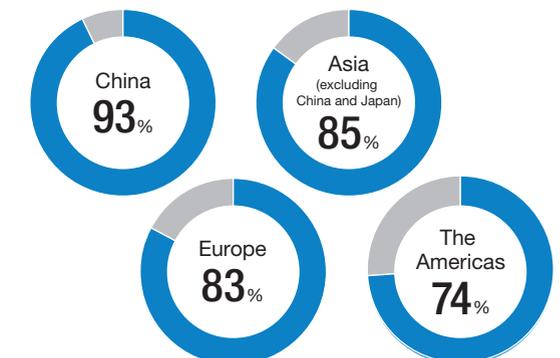
Strengthening Global Partnerships

Activities

With the worldwide expansion of Hitachi's business, our procurement partners have become increasingly globalized as well. We now deal with some 30,000 procurement partners in over 60 countries. Accordingly, we appoint procurement officers to oversee procurement activities locally in main regions (China, other Asian countries, Europe, and the Americas) in order to encourage procurement from locally based partners in line with the principle of promoting local production for local consumption. These officers carry out activities including sustainability monitoring, sustainability audits, and sustainable procurement seminars for procurement partners in their respective regions to strengthen sustainable procurement.

GRI 204-1

Ratio of Local Procurement of Materials for Main Regions (FY2022)



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Response to the Conflict Mineral Issue

Policy Structure Activities

GRI 2-27

In fiscal 2013, Hitachi formulated a Conflict Minerals Procurement Policy, declaring our stance and commitments regarding conflict minerals. The policy was revised in fiscal 2016 to lay out explicit measures to be implemented to ensure responsible procurement. Expanding the scope of corporate responsibilities for the procurement of minerals is a global trend, Companies are increasingly expected to address broader overall risks to human rights beyond the risk of being complicit in conflicts, and recognize responsibilities that extend beyond the countries adjoining the Democratic Republic of the Congo to a wider area where the risks are high. In consideration of these developments, we revised this policy to formulate the Hitachi Group's policy for Responsible Supply Chain of Minerals in fiscal 2021.

[Hitachi Group's Policy for Responsible Supply Chain of Minerals](https://www.hitachi.com/procurement/csr/EN_HG_RSCM.pdf)
https://www.hitachi.com/procurement/csr/EN_HG_RSCM.pdf

System and Initiatives

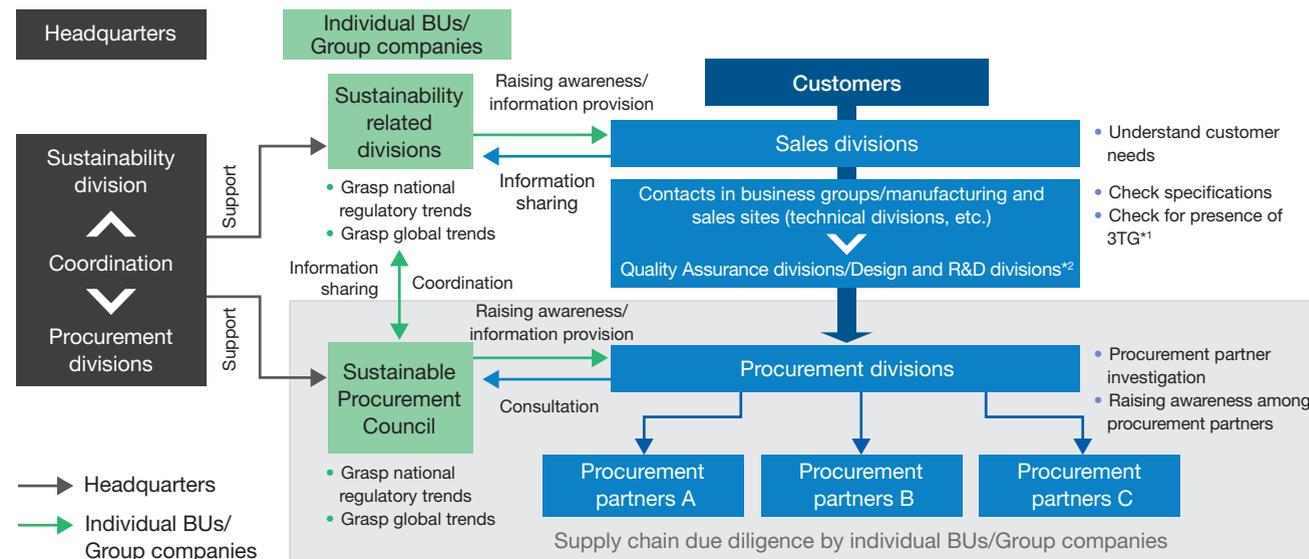
Sales divisions, business groups, manufacturing sites, procurement divisions, and other divisions within individual BUs and Group companies work together to respond to investigation requests and inquiries relating to conflict minerals. We also strive to grasp developments in conflict mineral-related laws and regulations in each country and region and what global society demands of enterprises, and work to share information within the Group.

Each BU and Group company investigates its use of conflict minerals and reports the results to customers when

requested. We carry out supply chain investigations with the cooperation of the relevant BUs' and Group companies' sales, procurement, and Sustainability divisions. In addition, Hitachi, Ltd. is a member of the Japan Electronics and Information Technology Industries Association (JEITA)'s Responsible Minerals Trade Working Group. This working group addresses the issues of conflict minerals with other members of the association. In June 2022, the working group held an online information session targeted at personnel in charge of investigating conflict minerals at companies and organizations that face common issues related to responsible minerals. The working group explained the background behind responsible minerals to 2,500 people from 1,500 companies.

[P.017 Industry Leadership and Policy Recommendations](#)

Hitachi's Conflict Minerals Response Framework



*1 3TG: Collective term for four commonly used conflict minerals: tin, tantalum, tungsten, and gold.

*2 May differ depending on BU or Group company

Note: Hitachi normally refers to suppliers (including vendors or providers) as *procurement partners* who build business together on an equal footing.

Implementing Procurement BCP Initiatives

Approach Activities

We work to enhance procurement-related business continuity plans (BCPs) across Group companies worldwide to ensure that significant incidents*1 do not disrupt our business or seriously impact the society.

*1 Events such as natural disasters (including major earthquakes) serious enough to disrupt business

[P.153 Procurement BCPs Initiatives](#)

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Basic Concept

Hitachi was founded on the founding spirits of Harmony, Sincerity, and Pioneering Spirit. We ensure product quality and safety by adhering to these principles, along with the basics and ethics, and by putting right and wrong before profit and loss. We engage in quality assurance activities through our unique practice of OCHIBO-HIROI, which means “gleaning” in English and involves analyzing and learning from failure to further develop our technologies.

We also place great importance on communication with customers and strive to reflect their opinions in our management, products, and solutions.

Topic	Overview
 <p>Quality and Product Safety Management</p>	<p>The Hitachi Group Codes of Ethics and Business Conduct states our commitment to quality and safety. We define our basic principles for quality assurance in Quality Assurance Standards, and we communicate these principles to ensure employee awareness.</p> <p>As well as establishing a framework for quality assurance, we are engaging in incident prevention activities that go beyond incident recurrence prevention. Specifically, we confirm safety across all product development processes and conduct risk assessments from a wide perspective in collaboration with related BUs and research laboratories.</p> <p>We also conduct regular external audits of product safety for certified products and other products. In addition, We acquire certification from external certifying organizations and we are committed to effectively apply the findings of third-party evaluations to our improvement activities.</p>
 <p>Customer Satisfaction</p>	<p>To improve communication with customers, we are strengthening our global account management and foster digital management to manage and monitor marketing information centrally for the entire Hitachi Group. We have established and operate under various guidelines in our advertising activities to comply with laws and regulations, in addition to showing deference to society as a whole. In addition, we established a global support portal on our website to respond to various types of information received.</p>

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GRI 3-3/417-1

Approach to Quality Assurance Activities

Approach

Hitachi was founded on the founding spirits of *Harmony, Sincerity, and Pioneering Spirit*. We ensure product quality and safety by adhering to these principles, along with Basics and Ethics, and the principle that “right and wrong” is more important than “profits and losses.” We engage in quality assurance activities through our unique practice of OCHIBO-HIROI, which means *gleaning* in English and involves analyzing and learning from failure to develop our technologies further.

As stipulated in the Hitachi Group Code of Ethics and Business Conduct, we aim to provide products and services that meet the needs and requirements of our customers, complying with relevant laws and standards and ensuring quality and safety by setting additional standards of our own where necessary. We define our basic principles for quality assurance in Quality Assurance Standards, and we communicate these principles to ensure employee awareness.

 The Hitachi Group Code of Ethics and Business Conduct
https://www.hitachi.com/corporate/about/conduct/pdf/conduct_e.pdf

Framework for Quality Assurance

Structure

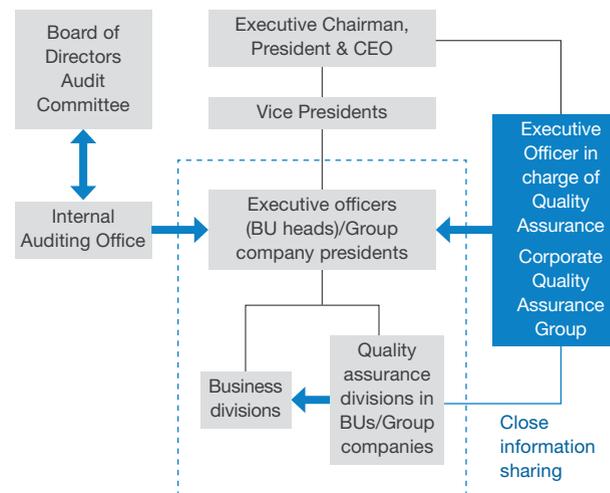
GRI 2-25

To ensure full control over quality governance, Hitachi establishes quality assurance divisions within business divisions to act independently from product design divisions and manufacturing divisions, creating a framework for activity in which the safety and trust of customers are the top priorities. To strengthen this structure further, we made quality assurance divisions independent from business divisions. We also strengthened the reporting line to the Corporate Quality

Assurance Group at the headquarters, creating a system for close information sharing. Furthermore, by giving greater authority to the Corporate Quality Assurance Group we strengthened our quality governance.

When a product incident occurs in the Hitachi Group, the quality assurance division in the Business Unit (BU) or Group company with relevant oversight reports the incident to the Corporate Quality Assurance Group. Weekly reports are provided to management executives, including the Executive Chairman, and the President & CEO at Hitachi, Ltd. In the event of a serious incident, the quality assurance division in the BU or Group company reports the incident to management executives, including the Executive Chairman, and the President & CEO at Hitachi, Ltd., as promptly as possible. We review these response procedures every six months and make improvements as necessary.

Quality Assurance Structure



Global Quality Assurance Framework

Hitachi strengthens our global quality assurance framework as a high-priority initiative. Specifically, we encourage awareness of Hitachi’s basic principles of quality assurance globally, receiving incident reports from Group companies outside Japan. As in Japan, we are establishing international quality assurance reporting lines that are independent of the business divisions, as well as practicing OCHIBO-HIROI.

Quality Assurance Activities

Activities

Materiality

Hitachi strengthens organization and management, technology, and human capital aspects of our quality assurance activities in every process—from planning and development to design, manufacturing, testing, delivery, and maintenance. We engage in incident prevention activities that go beyond incident recurrence prevention, based on our approach that prevention is the essence of quality assurance.

Quality Enhancement Activities Related to Service, Software, and Security

To strengthen quality in software and services, areas that continue to grow in scale, we have established a Service and Software Quality Enhancement Division and share quality improvement activities and current challenges. At the same time, we ensure the software development capabilities and expertise in improving reliability owned in solutions divisions are incorporated in product divisions, ensuring higher levels of reliability in increasingly sophisticated and complex software. Furthermore, we are improving and incorporating

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secure development and maintenance processes for our products and services to respond to the increasing security risks arising from network connectivity and openness.

Technical Law Compliance Activities

Hitachi promotes internal awareness of product regulations, revised statutes, and enforcement dates in each country and region. We also work to clarify product-specific laws (with our product-specific laws map), pursue regulatory compliance, and implement continuous process improvements under our product compliance management system.

Pursued through Safety Design and Safety Monitoring for Products and Services

When developing products and services, Hitachi makes the safety of customer lives, health, and property the top priority in product design. We strive to ensure safety at every step, from development and production to sales and maintenance. We strive to ensure safety through risk reduction according to the following order of priority: design (fundamental safety design), protective measures (safeguards), and usage information such as user instruction manuals. Also, we conduct risk assessments from a wide perspective in collaboration with related BUs and research laboratories.

International Standards Certification for Our Quality Management System

Activities

Hitachi's quality management system has acquired certification from external certifying organizations. We are committed to effectively applying the findings of third-party evaluations to our improvement activities as well.

We have also obtained quality management system certification for each of our product categories worldwide.

The chart below shows a representative sample.

Management System Certification

Area	Name of standard	Number of certified sites
Overall quality	ISO 9001	1,046 sites
Railway business	ISO/TS 22163	13 sites
Medical devices	ISO 13485	22 sites

Note: Survey results as of the end of June 2023

External Audits Concerning Product Quality Assurance

Activities

Hitachi commissions regular external audits of product safety for certified products and other products.

Relevant logos indicate products that have received certification. We also commission regular external audits following certification to confirm ongoing quality standards.

S-Mark: Indicates third-party certification for electronics based on a certification system administered by the Steering Council of Safety Certification for Electrical and Electronic Appliances and Parts of Japan (SCEA). (Frequency of external audits: 1 time/year)

UL Mark: Indicates compliance with safety standards established by UL Solutions, a safety certification company. (Frequency of external audits: 4 times/year)

Quality and Reliability Education

Training

Hitachi regularly provides various forms of education and training related to quality and reliability, including the safety of products and services, depending on the target employees. In addition to implementing e-learning courses on Hitachi's philosophy regarding quality, available at any time for all employees, we also feature quality assurance as a topic for position specific and executive-oriented training, as well as new employee education. We also hold various basic and technical reliability-related for specialists every year. Each BU also conducts specialized technical courses regarding manufacturing, quality assurance, and maintenance.

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Response to Product Safety Incidents

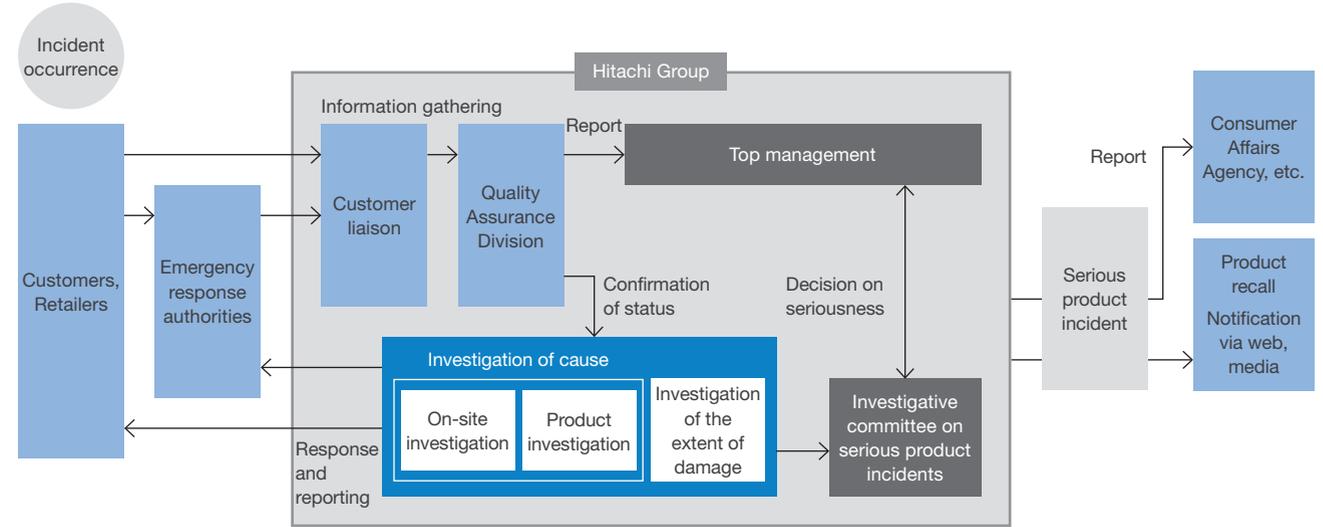
Structure

In the event of an incident, the division responsible acts swiftly to resolve the problem. We not only investigate the technical causes, but also thoroughly discuss the process, framework, and motivating factors leading up to the occurrence, along with ways to prevent recurrence, to ensure product safety.

In the case of a severe incident, we provide prompt status reports to top management, issue reports to government agencies in line with legal requirements, and provide relevant information disclosure to customers on our website and through other communication channels. At the same time, we have a framework in place to ensure that fast and appropriate action is implemented at all companies across the Group.

If we determine that retroactive action is necessary, we notify customers via newspaper advertising and websites to carry out the necessary repair or replacement program.

Response Procedure for Product Incidents



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Initiatives to Improve Communication With Customers

Activities

Hitachi values communications with customers. The sales and marketing divisions at Hitachi, Ltd. listen to customer feedback when developing management, product, and solution strategies. These divisions assign an account manager to each customer to help grow the business of the Hitachi Group. These account managers serve as points of customer contact with Group companies, leading initiatives for improving communication with customers while working to build closer relationships between customers and account managers.

Strengthening Global Account Management

Hitachi established the Global Marketing & Sales Transformation Division within the Corporate Sales & Marketing Group to achieve sustainable global business growth, driven by the concepts of *Green*, *Digital*, and *Innovation*. This headquarters works closely with business units (BUs), Group companies, and regional headquarters as *One Hitachi* to support the delivery of solutions to key customers and partners.

As a priority initiative, the division develops and executes sales strategies to develop new global businesses in the Green and Digital sectors. The division also assigns global account managers to key customers to enhance global sales activities.

Digital Marketing

Hitachi created the *One Hitachi CRM* to manage Hitachi Group marketing information centrally. We are also consolidating the role of market analysis for the Hitachi Group on a global level.

We leverage this information in digital marketing to plan business strategy for growth, conduct customer targeting, raise the sophistication of proposals, and monitor progress in the sales process.

Advertising Activities

Activities

GRI 417-3

Because Hitachi believes that advertising activities must show proper consideration for society as a whole, as well as comply with laws and regulations, we established the Advertisement Guidelines. To ensure these guidelines are followed strictly at all business locations globally, even where languages and customs may vary, the guidelines include an Advertising Material Checklist. All items on the checklist are confirmed in multiple languages when creating advertisements.

When conducting communications and promotional activities on social media channels, we abide by the Hitachi Social Media Policy, which consists of the Communication Guidelines and the Guidelines for Employees, to not only protect our brand, but also to avoid violating the rights of others. The policy stipulates our rules for social media use and specific promotional methods. To raise awareness of this policy among members of the company, we carry out e-learning activities in Japanese, English, and Chinese about the use of social media and associated risks.

We noted no instances of violations of regulations or voluntary standards related to corporate advertising activities in fiscal 2022.

[About Hitachi's Social Media Activities](https://www.hitachi.com/utility/socialmedia/index.html)
<https://www.hitachi.com/utility/socialmedia/index.html>

Comprehensive Customer Support Online

Activities

Hitachi offers comprehensive global customer support on its website to respond to customer inquiries, opinions, requests, and complaints. We take corrective actions and measures to prevent recurrence in the event of matters that we must address or resolve in connection with information received. We incorporate customer feedback when forming corrective actions or measures to prevent recurrence. We also conduct training courses, including a Web Inquiry Responsiveness Improvement Course, to improve our handling of these inquiries. Going forward, the Hitachi Group will continue to strengthen and improve consultation desks/response mechanisms among Group companies to respond more quickly and accurately to customer feedback.

Activities to Improve the Satisfaction of Home Appliance Customer

Activities

The Customer Satisfaction Division of Home Appliances business provides services and solutions to improve the quality of life for people of all ages and regions. In Japan, these initiatives are carried out under the slogan, *360° Happiness: More smiles to life for one and all*.

The call centers and websites of the Customer Support Center and Repair Contact Center handle about 2.04 million customer inquiries, repair requests, and complaints about washing machines, refrigerators, and other appliances every year. We have undertaken a number of initiatives to respond better to inquiries and to reflect customer feedback in our MONOZUKURI (Manufacturing). These initiatives include

Social

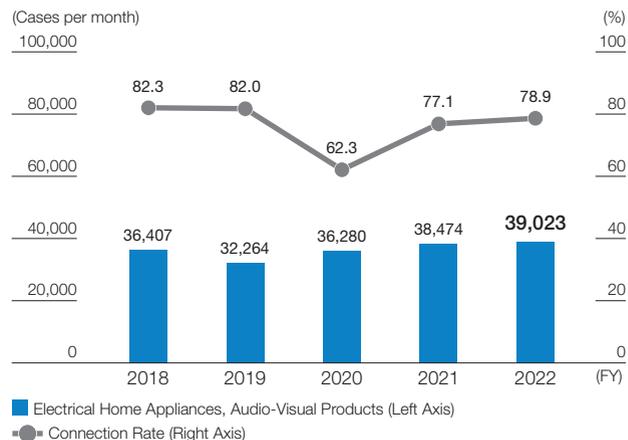
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improving the connection rate of call center; creating a database about voice of the customers, including consultations, inquiries, and complaints; and enhancing our website's FAQ section.

We also conduct customer service evaluation surveys at approximately 90 service centers in Japan every month. Based on the answers, we are improving after-sales services through CS training courses and other programs.

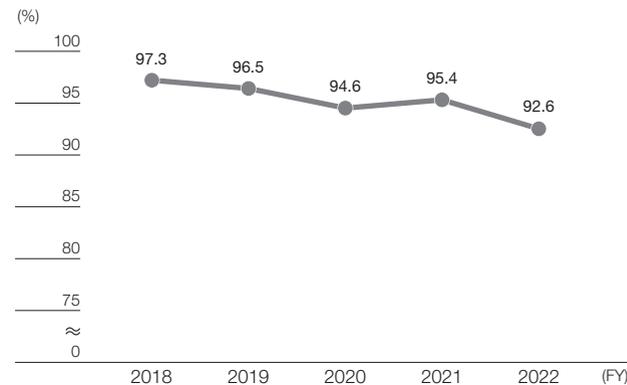
In fiscal 2022, more than 27,000 customers responded to the questionnaire, and 92.6% of respondents expressed satisfaction with our customer service.

Customer Contact Cases, Call Completion Rate*1 at Customer Support Center (12-Month Average)



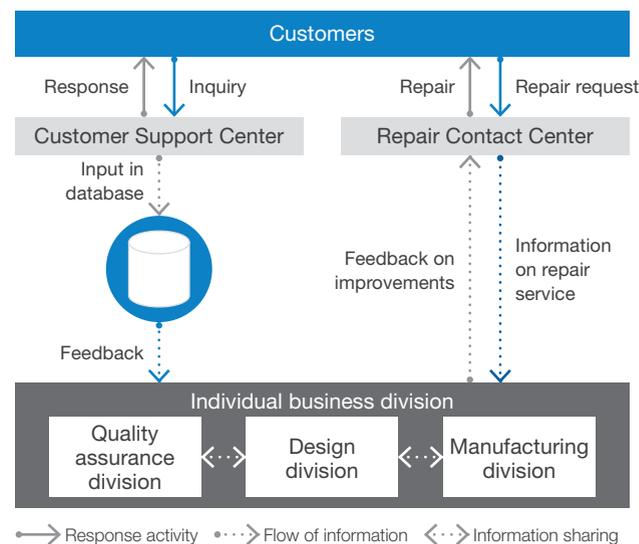
*1 Call center call completion rate

Results of Evaluation Survey for Customer Repair Services (CS)



Note: Target scope: Customers for whom repair services are provided (approx. 1.0 million cases a year)
 Question: How satisfied were you with the service from the repair request to completion?
 Responses: Satisfied/Somewhat satisfied/Somewhat dissatisfied/Dissatisfied (4 levels)
 Satisfaction level: Percentage of respondents who answered Satisfied or Somewhat Satisfied

Flow of Customer Service



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Social Contribution Activities

Basic Concept

Under the Hitachi Group Identity, we treat social contribution activities as an important matter that contributes co-creation of social value and environmental value, as well as to the sustainable development of society and business. We believe that it is people themselves who create innovations to solve social issues and bring about social impact and social good. Based on this belief, we adopted the social contribution statement, *Nurturing People, Connecting to the Future*.

Topic	Overview	Targets, KPIs, and Results
 <p>Social Contribution Activities</p>	<p>Under our social contribution activities policy, we conduct various activities globally in the three areas of STEAM (science, technology, engineering, arts and mathematics), the environment, and community contribution.</p> <p>We also introduced a social contribution program (matching funds) in which employees and the company work together to make donations, with the aim of increasing employee engagement in social contribution activities.</p> <p>The Hitachi Global Foundation pursues social contribution activities in three core areas: the promotion of academic research, human development, and the realization of an inclusive society.</p>	<p>Participants in Hitachi Young Leaders Initiative</p> <p>FY2022 Results: 30 people (Cumulative Total Since 1996: 405 people)</p> <hr/> <p>Participants in Hitachi High-Tech Science Education Support Activities</p> <p>FY2022 Results: 62,487 people (Cumulative Total Since 1990: 367,362 people)</p>

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Social Contribution Activities

GRI 2-24/201-1/203-1/413-1

Approach to Social Contribution Activities

Approach

Hitachi regards social contribution as an important activity that contributes to the sustainable development of both society and business, and actively promotes social contribution activities in regions where it operates. It is people themselves who creates innovation to solve social issues, bringing about social impact and social good. Based on this belief, we adopted the social contribution statement, “Nurturing People, Connecting to the Future,” and we are engaged in various activities in three areas: STEAM (Science, Technology, Engineering, Arts, and Mathematics), the environment, and community support. Our activities in these areas also contribute to the Green, Digital, and Innovation growth drivers described in our Mid-term Management Plan 2024. In addition, in the materiality topic identified in fiscal 2022, we set a KPI related to next-generation talent development and are promoting activities.

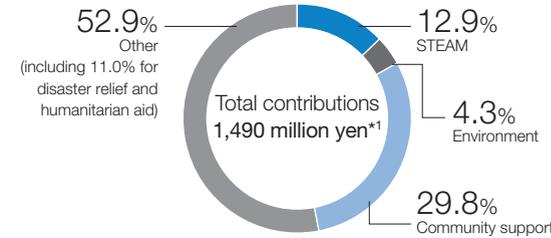
 Policy on Social Contribution Activities
<https://www.hitachi.com/sustainability/sc/vision/index.html>

Funding for Social Contribution Activities and Number of Participating Employees

Activities

The Hitachi Group and the Hitachi Global Foundation provided 1,490 million yen in fiscal 2022 toward social contribution activities worldwide, including initiatives to cultivate a talented younger generation and financial donations and other support for disaster-struck areas. A total of 23,576 Hitachi Group employees (roughly 7.3% of total employees) participated in social contribution activities in fiscal 2022.

Breakdown of Funding for Social Contribution Activities in Fiscal 2022



*1 Japan: Hitachi, Ltd., 86 Group companies (87 companies total), and the Hitachi Global Foundation.
 Outside Japan: 183 companies.
 Funding includes monetary and in-kind donations, independently organized programs, participation or dispatch of employees, community use of facilities, and employee donations. Funding excludes personnel costs incurred from the participation or dispatch of employees.

Support for Employee Social Contribution Activities

System

Hitachi believes that if each employee views social issues as their own and engages actively in social contribution activities it will lead to the growth of our entire organization. To this end, we create systems that facilitate employee participation in social contribution activities.

Social Contribution Scheme Enabling Hitachi and Employees to Make Donations Together (Matching Funds)

Hitachi offers matching funds as a tool to encourage employees to participate actively in social contribution activities. These matching funds are social contribution schemes through which donations made by employees in response to disasters, accidents, disease outbreaks, and so on are

matched by the Group in full. This program serves to increase employee engagement in social contribution activities and embody the Hitachi Group corporate mission, solidifying the Hitachi Group identity further. In fiscal 2022, Hitachi donated a total of approximately 13 million yen through the matching funds.

Life Support Leave System

In April 2023, Hitachi, Ltd. introduced Life Support Leave, a multi-purpose paid leave system designed to balance work and family, career development, and social contribution (volunteer activities outside of work, participation as a donor for bone marrow or organ donations, etc.) based on different needs at each life stage. The leave program also encourages autonomous work styles. Employees can take up to five days leave per year by using this system.

Social Contribution Activities

Activities

Hitachi pursues activities centered on the development of human capital for the next generation. We work actively to solve a wide range of issues affecting global and local communities. More specifically, we conduct programs that support the development of next-generation leaders and science and engineering talents who will be agents of change in society. In particular, with the rapid development of information technology such as AI and big data, development of IT talents is a global challenge, so we focus on educational activities related to STEAM, which has gained attention as a tool for fostering talent development capable of utilizing cutting-edge technologies to enhance creativity, expressivity, and problem-solving skills.

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Examples of Social Contributions

Area	Activity	BU/Group company
STEAM	Activities to support online science education with electron microscopes https://www.hitachi-hightech.com/global/science-edu/	Hitachi High-Tech
Environment	One Hitachi Earth Month (Encouraging Environmental Volunteer Activities by Employees) https://www.hitachi.us/about/hitachi/sustainability/turning-ambition-into-action	Hitachi America, Ltd.
Community support	Hitachi Young Leaders Initiative (Next-generation leader development program for university and graduate students in seven Southeast Asian countries and Japan) http://www.hitachi.com.sg/about/hitachi/activities/hyli/index.html	Hitachi, Ltd., Hitachi Asia
	Contributing to the Development and Tradition of Nebuta Floats While Considering the Environment https://social-innovation.hitachi/en/article/nebuta/	Hitachi, Ltd.

Support for Earthquake Relief Efforts in Türkiye and Syria

Hitachi donated 20 million yen each to the Japanese Red Cross Society and the Japan Committee for UNICEF, for a total of 40 million yen. These contributions provide relief to victims of the earthquake that struck the southeastern part of the Republic of Türkiye near the border with the Syrian Arab Republic in February 2023. These are also used to support reconstruction in the affected areas.

In addition, Hitachi makes donations through the Red Cross via matching funds (Fiscal 2022 Results: approx. 7 million yen.) Hitachi Energy and Hitachi Vantara also sponsored their own individual donation programs.

Hitachi to Donate to Support Earthquake Relief Efforts in Türkiye and Syria
<https://www.hitachi.com/New/cnews/month/2023/02/230215a.html>

Providing Donations for Humanitarian Aid to Ukraine

In fiscal 2022, Hitachi, Ltd. donated the equivalent of 8.8 million yen in in-kind goods to Médecins Sans Frontières Japon to aid people affected by the situation in Ukraine and those who have fled to neighboring areas.

In addition, Hitachi makes donations to the Red Cross, UNICEF, and World Central Kitchen via matching funds. (Fiscal 2022 Results: approx. 5.4 million yen)

Developing and Empowering Next-Generation Human Capital

Materiality

Fostering next-generation leaders in Asia through the Hitachi Young Leaders Initiative

Hitachi Ltd. and Hitachi Asia have been supporting the Hitachi Young Leaders Initiative since 1996 with the aim of developing young leaders who will lead the next generation in Asia. The four-day program consisting of forums, workshops, and fieldwork prepared for university and graduate students from seven ASEAN countries and Japan. Participants discuss and exchange opinions on social issues facing ASEAN, and on the final day of the program, they make specific proposals for solving these social issues. As of the end of July 2022, a total of 405 program participants are each playing an active part in various fields such as international organizations, government, companies, and NPOs.

Support for Talent Development in Science and Engineering

Aiming to develop the next generation of science and engineering talent, Hitachi provides opportunities for the younger generation to experience science and technology.

Hitachi High-Tech has supported science education since the 1990s, using its own tabletop electron microscopes. To

date, the organization has offered outreach classes and loaned tabletop electron microscopes in 31 countries and regions, pursuing a goal of providing learning opportunities to 50,000 people every year. We seek to cultivate talent who will lead the development of science and medical technology by stimulating interest in science and technology and by supporting research activities in more countries and regions.

GlobalLogic Social Contribution Activities in India

GlobalLogic believes in being socially responsible, and the company's *Grow to Give* motto embodies this belief. As the company succeeds and progress, employees make sure to give back to and support their communities.

One of the key programs under this approach is *Educate to Empower* through which the company supports quality education for around 6,000 children across India. This initiative empowers underprivileged children by giving them access to quality education, with a special focus on girls. In fact, the program ensures that at least 50% of participants are girls, creating equal opportunities for all. *STEM Innovation Lab* is another GlobalLogic-supported program towards creating an ecosystem that supports student learning in science by setting up STEM and robotics lab in government schools. These STEM labs give girls a chance to discover 21st century skills and spark their interest in STEM and modern technologies such as Robotics—all while having fun and learning.

Through these initiatives, GlobalLogic ensures everyone gets a fair shot at learning, paving the way for them to become the brilliant innovators that will shape the future.

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Contributing to Society Through the Hitachi Global Foundation

The Hitachi Global Foundation conducts activities that contribute to the public good centered on three areas: promotion of academic research, science and technology, human development, and realization of an inclusive society. These contributions are in line with the intention of Namihei Odaira, the founder of Hitachi, to contribute to society through business activities.

Achievements in Fiscal 2022

To promote academic research, science and technology, we held an interim report meeting for five research projects funded by the Hitachi Fund Support for Research Related to Infectious Diseases. Third Hitachi Global Foundation Asia Innovation Award was also held in fiscal 2022, and the research findings of the award winners have been shared publicly. In the area of human development, we have continued to conduct the Hitachi Future Innovator Program at elementary schools. In other specific activities, we held a forum related to realization of an inclusive society and formed a working group for an electronic journal to be published in fiscal 2023.

Examples of the Hitachi Global Foundation Activities

Area	Activity	Details
Promotion of Academic Research, Science and Technology	 The Kurata Grants https://www.hitachi-zaidan.org/global/activities/kurata/index.html	A grant program supporting researchers who engage in the pursuit of solutions to social challenges in the natural sciences and engineering or in philosophical, historical, and etc. fields through research in the humanities and social sciences. [Cumulative grants awarded by the end of fiscal 2022: 1,570]
	 The Hitachi Global Foundation Science and Technology Seminars https://www.hitachi-zaidan.org/global/activities/seminar/index.html	An awareness-raising initiative providing opportunities for the public to learn more about cutting-edge science technology topics, with the aim of supporting people in discovering the fascinating fields of science. [Brain Decoding - Decoding Brain Images with AI Event in Fiscal 2022]  18th The Hitachi Global Foundation Science and Technology Seminar https://www.hitachi-zaidan.org/global/newsletter/data/nl_vol_44.pdf
	 The Hitachi Global Foundation Asia Innovation Award https://www.hitachi-zaidan.org/global/activities/award/index.html	An initiative providing awards for achievements in research and development in science and technology innovation that help to solve social challenges in the ASEAN region. [Cumulative awards given as of the end of fiscal 2022: 40]
	 Hitachi Fund Support for Research Related to Infectious Diseases https://www.hitachi-zaidan.org/global/activities/fundsupport/index.html	A research grant initiative aimed at promoting academic investigations, analysis, and considerations based on data and evidence for issues that became apparent under COVID-19. The aim of the grant is to share findings and research results internationally. [Projects adopted in fiscal 2021: 5]
Human Development	 Hitachi Future Innovator Program https://www.hitachi-zaidan.org/global/activities/innovator/index.html	A program promoting the development of science and engineering human capital targeting Japanese schoolchildren in the upper grades of elementary school. The program aims to cultivate personality traits and abilities required for future human resources in science and technology. [Cumulative schools and students participating by the end of fiscal 2022: 18 schools and 1,410 students]
	 Girls in Science Support Project https://www.hitachi-zaidan.org/global/activities/girls/index.html	A program aiming to support science and engineering education for women by showing the rewards of science and engineering careers to female junior and senior high school students in Japan. [Dialogue and Workshops With Female Role Models in Science and Technology Held in Fiscal 2022]  PIONEER TALK (Japanese only) https://www.hitachi-zaidan.org/my-tomorrow/dialog/vol8/01.html
Realization of an Inclusive Society	 Realization of an Inclusive Society https://www.hitachi-zaidan.org/global/activities/symposium/index.html	A program urging a new understanding among citizens for the purpose of creating inclusive societies in which people accept various viewpoints and values. [Online forum, Developing the Power to Thrive for High School Students with International Backgrounds - The Reality of Education and Questioning the Nature of Support - Held in Fiscal 2022] We formed a working group for an electronic journal to be published in fiscal 2023. This working group studied specifics regarding the academic fields to be addressed, expected readers, editorial structure, etc.  Developing the Power to Thrive in High School Students From Various International Backgrounds (Japanese only) https://www.hitachi-zaidan.org/topics/topics089.html

 The Hitachi Global Foundation
<https://www.hitachi-zaidan.org/global/index.html>

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Human Capital

Employee Data

		Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees	Hitachi Group	Total	People	295,941	301,056	350,864	368,247	322,525
		(By region)*1						
		Japan		162,083	162,100	158,194	156,768	133,762
		China		40,784	41,673	51,903	50,707	43,410
		ASEAN, India, and the rest of Asia	People	44,229	45,114	61,411	69,876	62,614
		North America		20,985	22,034	27,122	27,914	22,863
		Europe		17,074	17,850	32,449	42,519	43,155
		Other areas		10,786	12,285	19,785	20,463	16,721
		Total	People	239,802	244,962	279,659	283,020	294,746
		(By gender)*2						
		Male	People	196,221	199,603	228,278	227,652	230,947
		Female		43,581	45,359	51,381	55,368	63,799
		(By age)*2*3						
		15–19 years old	%	0.5	0.5	0.5	0.4	0.5
		Japan	%	0.4	0.4	0.4	0.3	0.2
		Outside Japan		0.1	0.1	0.1	0.1	0.2
		20–29 years old	%	15.4	15.7	14.9	15.2	19.0
		Japan	%	10.0	9.8	8.6	8.2	6.6
		Outside Japan		5.4	5.9	6.3	7.0	12.4
		30–39 years old	%	27.5	26.8	27.5	27.8	29.5
		Japan	%	17.8	16.5	13.9	12.7	9.8
		Outside Japan		9.7	10.1	13.6	15.1	19.6
		40–49 years old	%	30.8	30.4	29.1	28.5	26.2
		Japan	%	25.1	23.8	19.4	17.5	13.0
		Outside Japan		5.7	6.6	9.7	11.0	13.1
		50–59 years old	%	24.3	25.1	25.6	25.6	22.6
		Japan	%	21.3	21.5	19.6	19.1	15.9
		Outside Japan		3.0	3.6	6.0	6.5	6.7

*1 Regional classifications were changed from fiscal 2020. *2 Approximately 20,000 manufacturing workers not registered in the employee database and approximately 8,000 employees of some newly consolidated companies are not included.

*3 Hitachi does not employ 0-14 years old children.

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		Reporting Boundary		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees	Hitachi Group	(By age) ^{*2*}	60-69 years old	%	1.5	1.6	2.4	2.4	2.2
			Japan	%	0.6	0.6	0.6	0.6	0.4
			Outside Japan	%	0.9	0.9	1.8	1.8	1.8
		Over 70 years old	%	0.0	0.0	0.1	0.1	0.1	
			Japan	%	0.0	0.0	0.0	0.0	0.0
			Outside Japan	%	0.0	0.0	0.1	0.1	0.1
Hitachi, Ltd.	Total			People	33,490	31,442	29,850	29,485	28,672
		(By gender)	Male	People	27,828	25,628	24,100	23,749	22,939
			Female	People	5,662	5,814	5,750	5,736	5,733
		Average age	Hitachi Group ^{*2}	Total	Age	41.3	41.5	41.8	41.7
(By gender)	Male			Age	41.9	41.9	42.2	42.1	41.7
	Female			Age	39.0	39.4	40.1	40.2	39.6
Hitachi, Ltd.	Total			Age	42.1	42.4	43.0	43.3	43.4
		(By gender)	Male	Age	42.6	43.0	43.5	43.8	43.9
			Female	Age	39.5	40.1	40.8	41.1	41.2
		Average service (years)	Hitachi Group ^{*2}	Total	Years	15.1	15.0	13.6	13.5
(By region) ^{*1}	Japan			Years	18.8	18.8	18.9	18.1	18.3
	China			Years	8.8	8.4	8.4	9.2	10.2
	ASEAN, India, and the rest of Asia			Years	7.4	7.4	7.2	8.2	7.1
	North America			Years	7.1	7.2	6.4	7.5	8.3
	Europe			Years	7.6	8.3	6.0	5.7	9.1
	Other areas			Years	6.4	7.6	7.5	5.7	6.7
(By gender)	Male			Years	15.8	15.7	14.2	13.8	13.4
	Female			Years	11.8	11.8	11.0	10.9	10.1
Hitachi, Ltd.	Total					Years	18.0	17.9	18.3
		(By gender)	Male	Years	18.5	18.5	18.8	19.0	19.2
			Female	Years	15.6	15.6	16.0	16.2	16.3
Turnover rate ^{*4*}	Hitachi Group ^{*2}	Total	%	6.3	5.2	4.3	7.5	8.5	
		(By region) ^{*1}	Japan	%	2.2	2.5	2.0	3.3	2.6
			Outside Japan	%	15.4	10.9	7.4	13.1	13.5

*1 Regional classifications were changed from fiscal 2020. *2 Approximately 20,000 manufacturing workers not registered in the employee database and approximately 8,000 employees of some newly consolidated companies are not included.

*3 Hitachi does not employ 0-14 years old children. *4 The figures are based on enrolled employees with employment contract including those seconded from Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to Hitachi Group (as of March 31). *5 Figures include only voluntary resignations.

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Reporting Boundary			Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Turnover rate ^{*4*5}	Hitachi Group ^{*2}	(By gender)	Male	5.8	4.8	4.1	7.1	7.8
			Female	8.4	7.2	5.2	8.9	10.8
	Hitachi, Ltd.	Total	%	1.6	1.7	1.4	1.8	2.0
		(By gender)	Male	1.4	1.5	1.3	1.7	1.8
			Female	3.0	2.8	2.1	2.3	2.8

*2 Approximately 20,000 manufacturing workers not registered in the employee database and approximately 8,000 employees of some newly consolidated companies are not included.

*4 The figures are based on enrolled employees with employment contract including those seconded from Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to Hitachi Group (as of March 31).

*5 Figures include only voluntary resignations.

Diversity, Equity and Inclusion

Reporting Boundary			Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number and ratio of registered employees ^{*1}	Hitachi Group ^{*2}	Total number of registered employees	%	242,994	251,016	285,857	291,028	301,320
		Number and Ratio of female employees	People (%)	45,580 (18.8)	48,665 (19.4)	54,719 (19.1)	58,830 (20.2)	67,224 (22.3)
		(By region)						
			Japan	25,076 (14.9)	26,203 (15.6)	26,106 (16.0)	26,773 (16.5)	24,832 (17.9)
			China	6,733 (39.5)	6,856 (37.5)	7,232 (34.1)	7,594 (35.7)	7,869 (35.1)
			ASEAN, India, and the rest of Asia	6,231 (24.6)	6,828 (25.3)	6,990 (20.7)	9,120 (20.6)	15,851 (25.2)
			North America	3,176 (26.2)	3,955 (24.9)	4,298 (22.7)	4,954 (25.7)	5,076 (25.1)
			Europe	2,348 (21.5)	2,361 (21.3)	6,903 (22.0)	6,761 (23.8)	9,705 (23.6)
			Other areas	2,016 (22.1)	2,462 (23.4)	3,190 (18.2)	3,628 (23.4)	3,891 (24.6)
	Hitachi, Ltd.	Total number of registered employees	People	37,489	34,997	33,198	32,713	32,086
		Number and Ratio of female employees	People (%)	6,678 (17.8)	6,649 (19.0)	6,537 (19.7)	6,595 (20.2)	6,584 (20.5)
Number and Ratio of managers ^{*3}	Hitachi Group ^{*1*2}	Total number of managers	People	47,831	48,336	48,712	48,690	65,171
		Number and Ratio of female managers	People (%)	3,975 (8.3)	4,302 (8.9)	4,641 (9.5)	4,762 (9.8)	8,461 (13.0)
	Hitachi, Ltd. ^{*4}	Total number of managers	People	13,332	12,694	11,881	11,584	11,188
		Number and Ratio of female managers	People (%)	635 (4.8)	700 (5.5)	768 (6.5)	785 (6.8)	826 (7.4)
		(By rank)						
			General manager or above	135 (3.4)	147 (3.9)	156 (4.5)	146 (4.3)	160 (5.0)
			Section manager	500 (5.3)	553 (6.2)	612 (7.3)	639 (7.8)	666 (8.4)
Wage Ratio of Women to Men ^{*1*5}	Hitachi, Ltd.	All employees		—	—	—	—	66.4
		Permanent and full-time employees	Female/Male (%)	—	—	—	—	66.7
		Part-time and fixed-term employees		—	—	—	—	55.3

*1 The figures are based on enrolled employees with employment contract including those seconded from Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to Hitachi Group (as of March 31). *2 Approximately 20,000 manufacturing workers not registered in the employee database and approximately 8,000 employees of some newly consolidated companies are not included. *3 The increase in the number and percentage of female managers over time reflects improved coverage of our human capital databases and changes in the number of consolidated companies. And, does not include subsidiaries with unregistered employees at certain grades (positions). *4 The figures are based on the number of employees including those seconded from Hitachi Group to other companies, those taking leave, and those seconded from other companies to Hitachi Group (as of March 31). Figures for fiscal 2021 exclude those seconded from other companies to Hitachi Group. *5 "All employees" is the sum of "Permanent and full-time employees" and "Part-time or fixed-term employees." The "Permanent and full-time employees" are permanent employees in full-time positions, while the "Part-time or fixed-term employees" are employees who are either part-time or fixed-term employees. There are no gender-based differences in the employee compensation system. The difference in per capita wages for men and women is mainly due to higher proportion of men at higher employee grades, including management positions, and higher proportion of women who work shorter hours.

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		Reporting Boundary		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number and Ratio of new employees hired	Hitachi Group*2	Total		People	17,120	14,997	17,963	29,539	32,733
		Number and Ratio of new female employees hired		People (%)	4,574 (26.7)	3,943 (26.3)	4,269 (23.8)	6,489 (22.0)	9,593 (29.3)
	(By region)	Japan		People (%)	1,438 (23.1)	1,372 (23.0)	1,329 (23.9)	2,051 (15.7)	1,275 (25.8)
		China			432 (35.6)	400 (30.9)	371 (31.9)	449 (38.3)	377 (29.0)
		ASEAN, India, and the rest of Asia			793 (25.3)	1,002 (27.7)	595 (22.2)	1,402 (22.0)	4,314 (30.4)
		North America			1,002 (32.8)	635 (29.7)	574 (23.2)	927 (27.9)	1,212 (28.3)
		Europe			313 (23.8)	147 (22.9)	970 (26.5)	971 (27.9)	1,482 (28.8)
Other areas		596 (27.3)	387 (28.9)	430 (17.8)	689 (27.4)	933 (32.7)			

*2 Approximately 20,000 manufacturing workers not registered in the employee database and approximately 8,000 employees of some newly consolidated companies are not included.

		Reporting Boundary		Unit	June 2019	July 2020	June 2021	June 2022	June 2023
Number and Ratio of female and non-Japanese executive and corporate officers	Hitachi, Ltd.	Number of female executive and corporate officers		People	4	5	7	9	9
		Ratio of female executive and corporate officers		%	5.0	7.1	10.1	12.2	11.4
		Number of non-Japanese executive and corporate officers		People	7	6	8	13	16
		Ratio of non-Japanese executive and corporate officers		%	8.8	8.6	11.6	17.6	20.3

		Reporting Boundary		Unit	June 2019	July 2020	June 2021	June 2022	June 2023
Number and Ratio of female and non-Japanese Directors	Hitachi, Ltd.	Total		People	11	13	13	12	12
		Male		People	9	11	11	10	10
				%	81.8	84.6	84.6	83.3	83.3
		Female		People	2	2	2	2	2
				%	18.2	15.4	15.4	16.7	16.7
		Japan		People	7	7	7	7	7
				%	63.6	53.8	53.8	58.3	58.3
		Outside Japan		People	4	6	6	5	5
		%	36.4	46.2	46.2	41.7	41.7		

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		Reporting Boundary		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Maternity/partner's leave	Hitachi, Ltd.	Utilization rate* ⁶	Male	%	37.8	38.1	33.8	32.9	43.9
			Female		100.0	100.0	100.0	100.0	100.0
		Return rate for recipients* ⁷	Male		100.0	100.0	100.0	100.0	100.0
			Female		100.0	100.0	99.7	100.0	98.3
		Retention rate for recipients* ⁸	Male		99.7	96.9	97.7	97.5	99.4
			Female		100.0	100.0	99.7	98.5	100.0
Childcare leave	Hitachi, Ltd.	Utilization rate* ⁹	Male	%	2.7	4.0	7.3	9.9	18.4
			Female		100.0	99.6	99.6	100.0	100.0
		Return rate for recipients* ¹⁰	Male		94.3	100.0	100.0	100.0	100.0
			Female		97.4	97.4	98.9	100.0	99.3
		Retention rate for recipients* ¹¹	Male		90.9	84.8	71.4	94.4	100.0
			Female		99.4	95.5	98.0	96.6	95.9
Childcare or partner maternity leave	Hitachi, Ltd.	Utilization rate* ¹²	Male	%	34.5	37.2	35.4	40.6	56.8

*6 Total number of employees who took maternity leave or partner's maternity leaves/Total number of employees with newborn children

*7 Total number of employees not resigning on the day after completing maternity leave or partner's maternity leaves/Total number of employees who took maternity leave or partner's maternity leave

*8 Total number of employees who did not resign within one year after maternity leave or partner's maternity leave/Total number of employees who took maternity leave or partner's maternity leave

*9 Total number of employees who took child-care leave/Total number of employees with newborn children

*10 Total number of employees returning from child-care leave/Total number of employees who planned to return from child-care leave. Number of employees returning excludes those who planned to return and resigned voluntary without returning

*11 Total number of employees continuously working one year after returning from child-care leave/Total number of employees returning from child-care leave

*12 Total number of employees who took childcare leave or partner maternity leave, or the number of employees taking both/Total number of employees with newborn children

		Reporting Boundary	Unit	June 2019	June 2020	June 2021	June 2022	June 2023
Employment of people with disabilities	Hitachi Group companies in Japan* ¹³		People	1,899	2,403	2,575	2,767	2,650
Employment rate of people with disabilities			%	2.26	2.33	2.37	2.43	2.48

*13 It includes special subsidiaries and related Group companies. (There were one special subsidiary and 21 related Group companies in June 2023.)

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Employee Engagement

		Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
Percentage of positive responses to employee engagement questions	Hitachi Group	Global average	%	60	60	62	65	69.5	
		(By region)	Japan	%	—	—	—	56	61.2
			Outside Japan	%	—	—	—	80	82.3

Note: Questions change slightly each year. Above figures are not adjusted for changes in questions. In fiscal 2022, the composition of questions measuring employee engagement was revised. The percentage was calculated from the average of the percentage of positive responses to the following four questions: pride in working for Hitachi; whether it is a great place to work that one would recommend to others; job satisfaction and sense of accomplishment; and desire to continue working for Hitachi for the foreseeable future.

Talent Development

		Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of participants of management training programs	Hitachi Group	For management leaders	People	83	90	78	76	87
		For managers	People	3,761	3,973	3,481	3,900	4,191
Training hours per employee	Hitachi Group		Hours	—	—	—	25.9	29.0
Average amount invested in training per employee*1	Hitachi Group		Yen	—	—	61,700*2	58,300*3	62,700*4
	Hitachi Group companies in Japan		Yen	127,800*5	128,000*6	—	—	—

*1 The scope of data was changed from the Hitachi Group in Japan to the Hitachi Group from fiscal 2020.

*2 Hitachi, Ltd., 44 Group companies in Japan, and 54 Group companies outside Japan, total 99.

*3 Hitachi, Ltd., 44 Group companies in Japan, and 63 Group companies outside Japan, total 108.

*4 Hitachi, Ltd., 37 Group companies in Japan, and 66 Group companies outside Japan, total 104.

*5 Hitachi, Ltd. and 13 major Group companies in Japan

*6 Hitachi, Ltd. and 12 major Group companies in Japan

		Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
Digital talent headcount*7	Hitachi Group	Total	People	—	30,000	35,000	67,000	83,000	
		(By region)	Japan	People	—	19,000	23,000	29,000	42,000
			Outside Japan	People	—	11,000	12,000	38,000	41,000

*7 Disclosure initiated in fiscal 2019. We define digital talent as those who possess any of the 12 capabilities required for digital business, including design thinking, data science, and security. The number of digital talents is the total number of persons under each capability (total number of people, in thousands).

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Occupational Health and Safety

		Reporting Boundary	Unit	CY2018	CY2019	CY2020	CY2021	FY2021	FY2022
Total Recordable Injury Frequency Rate (TRIFR*1)	Hitachi Group	Total	—	—	0.37	0.29	0.28	0.27	0.26
		(By region)							
		Japan		—	0.17	0.14	0.12	0.12	0.14
		Asia (excluding Japan)		—	0.30	0.17	0.12	0.11	0.09
		North America, Central and South America	—	—	1.66	1.54	1.36	1.20	1.10
		Europe		—	0.53	0.45	0.38	0.45	0.39
Number of fatal accidents	Hitachi Group (including contractors)		Cases	0	5	3	2	2	5
Number of deaths	Hitachi Group	Employees		0	4	1	1	1	3
	Hitachi, Ltd.	Employees	People	0	0	0	0	0	0
	Contractors	Contractors		0	1	2	1	1	2

Note: We used the statistical period between January and December of each year in the past. However, in accordance with the safety targets set under our Mid-term Management Plan 2024, we changed the statistical period for total recordable injury frequency rate and injuries/fatal injuries to April through March beginning in fiscal 2021.

*1 TRIFR: Total Recordable Injury Frequency Rate (injuries per 200,000 work hours)

		Reporting Boundary	Unit	CY2018	CY2019	CY2020	CY2021	CY2022
Lost-time accidents	Hitachi Group			506	396	314	434	419
	Hitachi Group companies in Japan*2		Cases	64	57	52	54	51
	Hitachi, Ltd.			6	6	4	3	2
Occupational accident severity rate*3	Hitachi Group companies in Japan*2		—	0.11	0.03	0.00	0.00	0.02
Occupational accident frequency rate*3	Hitachi Group companies in Japan*2		—	0.20	0.17	0.17	0.17	0.16*4

Notes: The period for each year is from January to December.

*2 Hitachi Group figures for Japan, including Hitachi, Ltd., are for 188 Group companies in 2018; 169 companies in 2019; 136 companies in 2020; 131 companies in 2021; and 142 companies in 2022.

*3 Occupational accidents are defined as those involving a fatality or work-time loss of one day or more.

*4 For management purposes, the figures for companies that became affiliated companies during 2022 are aggregated for the year from January to December.

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Reporting Boundary				Unit	CY2018	CY2019	CY2020	CY2021	CY2022
Absence rate*5	Hitachi Group companies in Japan	(By health type)	Mental	%	0.64	0.65	0.62	0.66	0.74
			Physical		0.24	0.25	0.22	0.21	0.24

*5 The percentage of employees taking sick leave for seven or more consecutive days or formally taking leave (number of employees taking sick leave per month/number of employees per month × 100)

Reporting Boundary				Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Medical Exam and Screening Attendance Rates	Hitachi Group companies in Japan	(By exam type)	General physical exam*6	%	79.3	81.2	81.1	80.6	82.4
			Breast cancer screening*7		53.2	56.3	56.6	57.1	58.4
			Uterine cancer screening*8		37.1	38.7	39.1	39.3	40.9
			Stomach cancer screening*9		80.6	82.7	82.2	84.7	86.5
			Intestinal cancer screening*9		81.3	83.5	83.0	85.5	87.3
Smoking Rate*11	Hitachi Group companies in Japan			%	30.9	29.8	28.4	27.6	27.0

*6 Men and women aged 35 and over

*7 Women aged 30 and over

*8 Women aged 25 and over

*9 Men and women aged 30 and over

*10 Men and women aged 35 and over

*11 Employees aged 35 and over (results of specific medical examinations)

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Sustainable Procurement Activities

	Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Sustainability monitoring			345	291	271	(Human rights) 2,524* ¹ (Environment) 708* ¹	1,374 * ²
Sustainability audits	Hitachi Group	Companies	24	19	27	25	128 * ³
Sustainability Procurement Seminars			126	59	450	359	520

*1 Sustainability monitoring in fiscal 2021 was focused on human rights and environmental risk assessment

*2 Sustainability monitoring in fiscal 2022 was focused on environment, labor and human rights, sustainable procurement, and ethics.

*3 Including the number of companies audited by Hitachi Energy beginning fiscal 2022

Rate of Local Procurement of Materials for Main Regions

	Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022** ⁴
China			88	90	98	95	93
Asia (excluding China and Japan)			71	71	80	87	85
Europe	Hitachi Group	%	81	78	77	83	83
Americas			66	69	70	83	74

*4 Hitachi Metals and Hitachi Construction Machinery were excluded in FY2022, and Hitachi Energy was included in FY2022.

Green Purchasing

	Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Green purchasing rate* ⁵	Hitachi Group	%	86	84	83	83	81

*5 Green purchasing rate: The percentage, by monetary value, of products with the Eco Mark among all products purchased subject to the Act on Promoting Green Procurement.

Conflict Mineral Issue

	Reporting Boundary	Unit	CY2018	CY2019	CY2020	CY2021	CY2022
Number of surveys on conflict minerals conducted from customer requests	Hitachi Group* ⁶	Cases	1,874	1,645	1,836	2,002	— * ⁷

Note: Reported statistics is from January to December every year

*6 Among all Business Units (BUs) and Group companies, there are a total of 20 BUs and Group companies that have a registered CSR manager. Among these 20, the boundary covered some BUs and Group companies that conducted the survey from customer requests.

*7 The data for 2021 are the most recent available, due to the timing of data compilation.

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Funding for Social Contribution Activities and Total Employees Participating

		Reporting Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Funding for social contribution activities	Hitachi Group and The Hitachi Global Foundation*1	Total	Million Yen	1,888	1,833	1,910	1,869	1,490
		By area*2						
		STEAM		383 (20.3)	278 (15.2)	325 (17.1)	201 (10.8)	193 (12.9)
		Environment		38 (2.0)	51 (2.8)	23 (1.2)	36 (1.9)	65 (4.3)
		Community support	Million Yen (%)	387 (20.5)	477 (26.0)	206 (10.8)	295 (15.8)	444 (29.8)
		Other		1,080 (57.2)	1,027 (56.0)	1,356 (71.0)	1,337 (71.5)	789 (52.9)
		Of which, disaster relief and humanitarian aid		130 (6.9)	86 (4.7)	220 (11.5)	143 (7.7)	163 (11.0)
Total employees participating	Hitachi Group and The Hitachi Global Foundation*1		Participants	54,629	88,134	39,982	33,585	23,576

*1 FY2018 Japan: Hitachi, Ltd., 141 Group companies, and The Hitachi Global Foundation. Outside Japan: 152 companies
 FY2019 Japan: Hitachi, Ltd., 153 Group companies, and The Hitachi Global Foundation. Outside Japan: 234 companies
 FY2020 Japan: Hitachi, Ltd., 119 Group companies, and The Hitachi Global Foundation. Outside Japan: 209 companies
 FY2021 Japan: Hitachi, Ltd., 103 Group companies, and The Hitachi Global Foundation. Outside Japan: 252 companies
 FY2022 Japan: Hitachi, Ltd., 86 Group companies, and The Hitachi Global Foundation. Outside Japan: 183 companies

*2 Area classifications were changed from fiscal 2022.