

## Social

### Human Capital

#### Executive Summary

Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## Human Capital

### 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><b>Acquiring and Developing Digital Talent</b></p> <p>FY2024 Target: 97,000 persons*<sup>1</sup>  <b>FY2022 Results: 83,000 persons</b></p> <hr/> <p><b>Employee Engagement (positive response rate)</b></p> <p>FY2024 Target: 71.0%*<sup>2</sup>  <b>FY2022 Results: 69.5%</b></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><b>Zero Fatal Accidents</b></p> <p>Annual Target: 0  <b>FY2022 Results: 5</b></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.

## Social

### Human Capital

Executive Summary

#### Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## 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

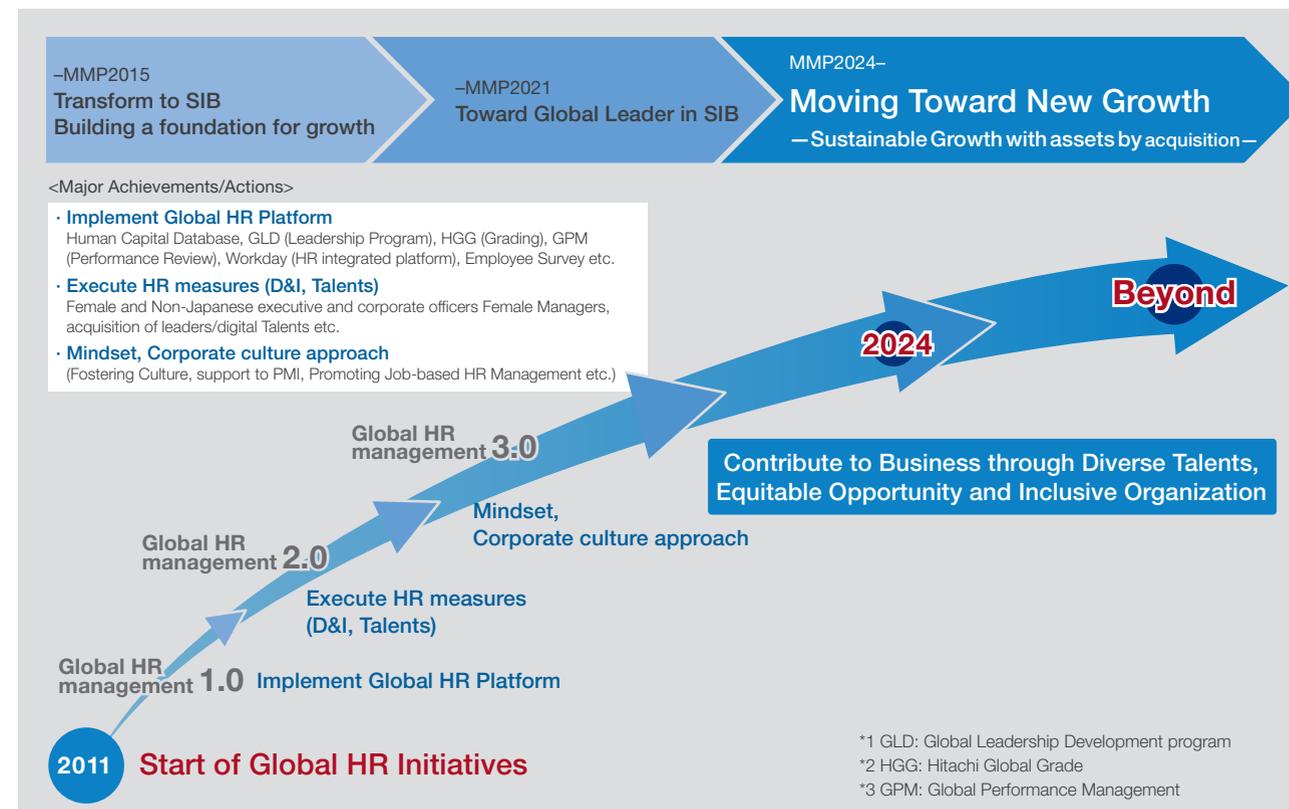
Hitachi conducts a human capital strategy linked to our management strategy. We formulated our 2024 HR Strategy based on the Hitachi Mid-term Management Plan 2024, which defines our vision of becoming an employer of choice in the global marketplace, and a vibrant organization where individuals aspiring 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



# Social

## Human Capital

Executive Summary

### Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### Overall Human Resources Strategy Linked to Management Strategy

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

Pillars		Key Initiatives
HR Strategy	<b>People (Talent)</b> 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
	<b>Mindset (Culture)</b> 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
	<b>Organization</b> 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

Optimize invested capital (P/L perspective)

# Social

## Human Capital

Executive Summary

### Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

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

### Developing Global Leaders and Digital Talent

Approach	System	Activities	Training
----------	--------	------------	----------

#### 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.

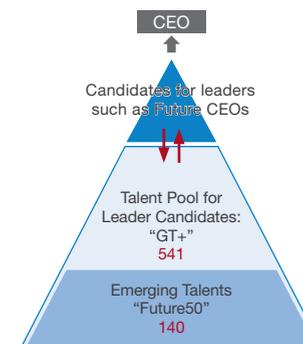
In addition, the GT+ group includes young and talented employees selected through the Future 50 program. The candidates in this program receive intensive training through work assignments, including management positions, and opportunities for direct discussions with outside directors.

\*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

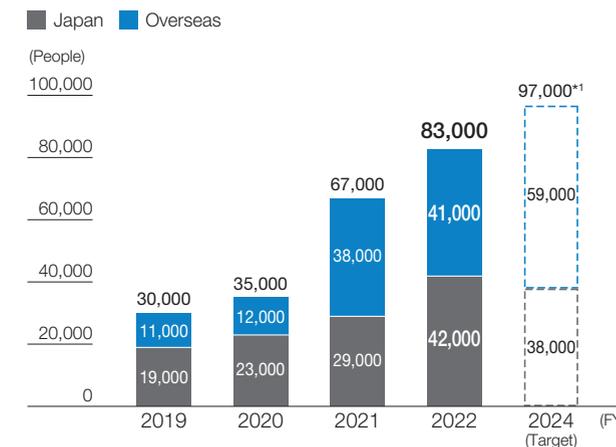
GRI 404-2

### 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

## Social

### Human Capital

Executive Summary

### Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

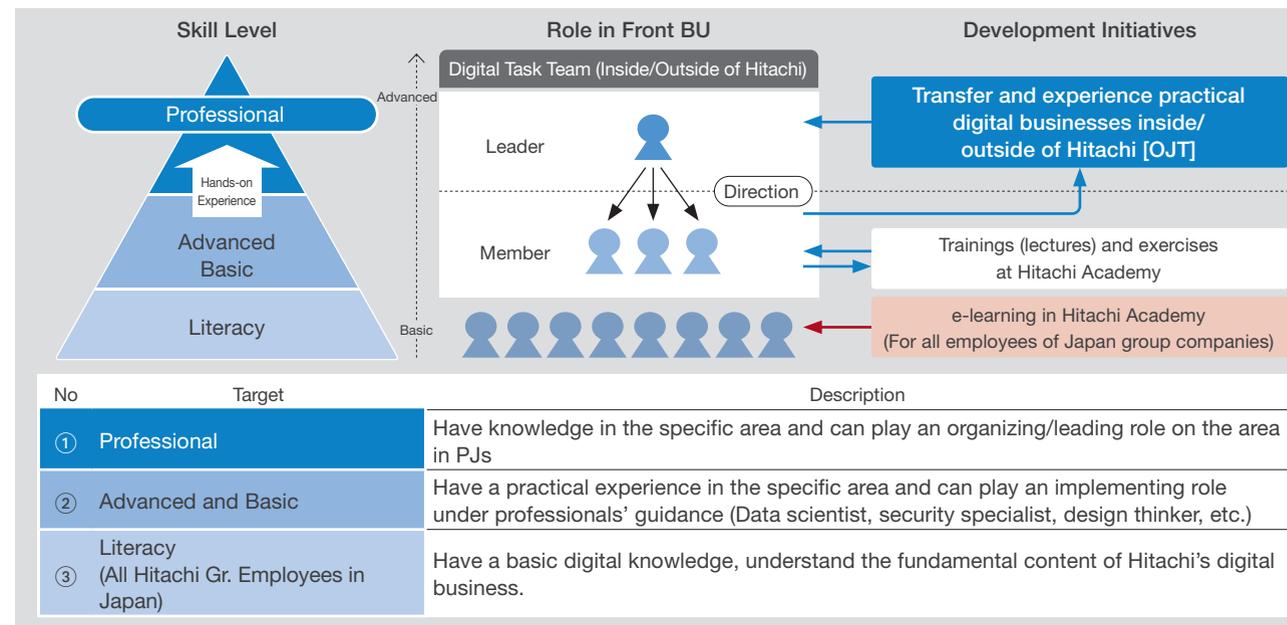
Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### 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.

## Social

### Human Capital

Executive Summary

#### Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

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

### Fostering the Hitachi Culture and Improving Employee Engagement\*<sup>1</sup> Globally

Targets	Activities
---------	------------

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.

\*<sup>1</sup> 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\*<sup>2</sup>

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.

\*<sup>2</sup> 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.

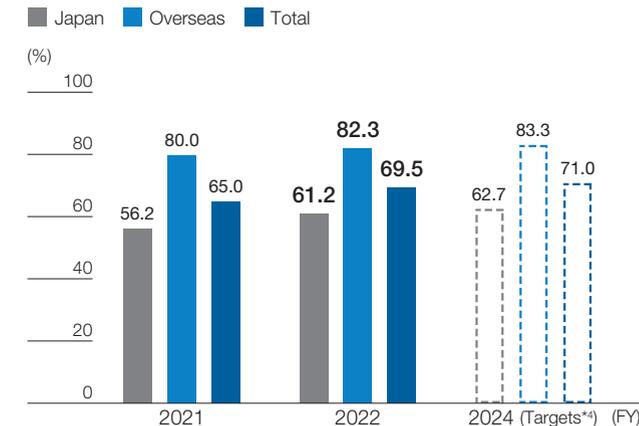
GRI 404-2

### Improving Employee Engagement Materiality

As part of human capital management, Hitachi established an employee engagement score\*<sup>3</sup> 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.

\*<sup>3</sup> 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)



\*<sup>4</sup> We raised our fiscal 2024 target as we achieved the previous target ahead of schedule in fiscal 2022.

## Social

### Human Capital

Executive Summary

#### ▶ Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### 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.

## Social

### Human Capital

Executive Summary

#### ➤ Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### 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.

# Social

## Human Capital

Executive Summary

### Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## 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.

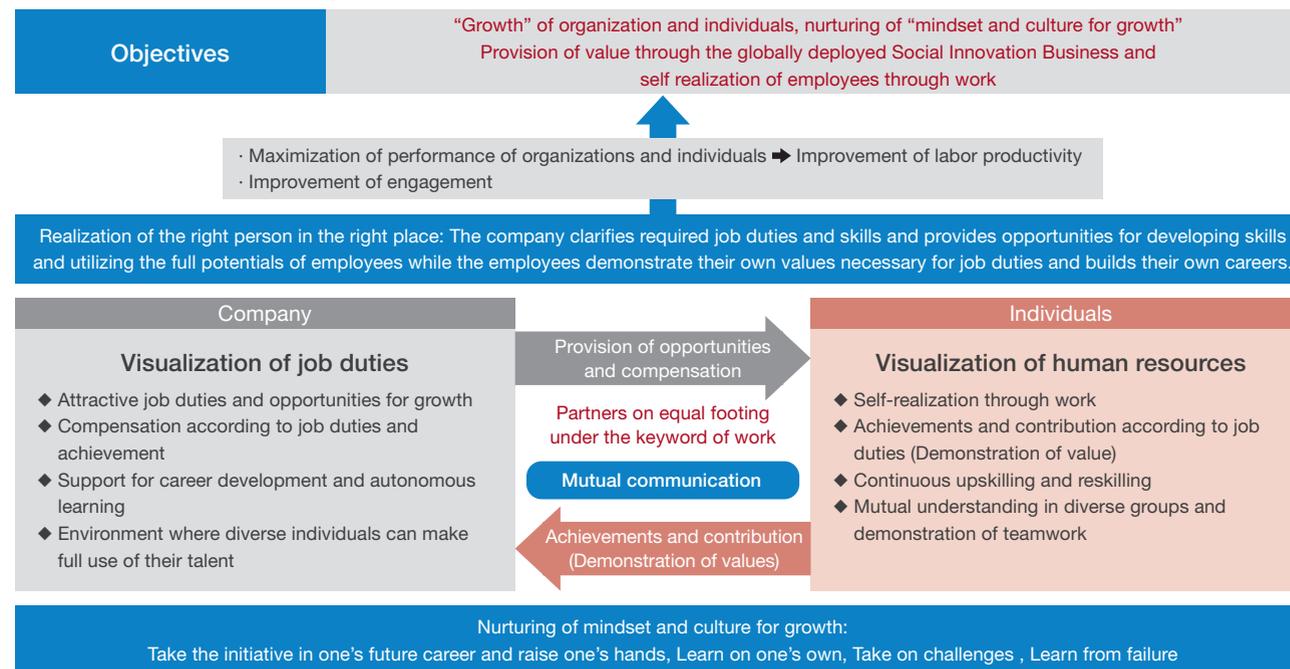
### Specific Initiatives to Transition to Job-Based HR Management

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



## Social

### Human Capital

Executive Summary

#### ▶ Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## 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
----------	--------	------------

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

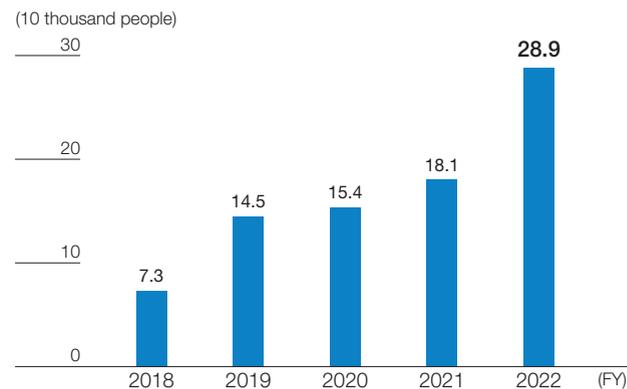
Through this platform, we share up-to-date and specific talents information (professional skills, career preferences, etc.) via a cloud system. The platform enables centralized management of various processes, including search for talents across the Group. We utilize this information for team management,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

## Social

### Human Capital

Executive Summary

#### Global Human Capital Management

Work-Life Management

Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### 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.

## Social

### Human Capital

Executive Summary

Global Human Capital Management

### Work-Life Management

Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## Work-Life Management

### Approach to Work-Life Management

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

# Social

## Human Capital

- Executive Summary
- Global Human Capital Management

## Work-Life Management

- Occupational Health and Safety
- Freedom of Association and Collective Bargaining

## Diversity, Equity and Inclusion

## Human Rights

## Responsible Procurement

## Quality and Customer Satisfaction

## Social Contribution Activities

## Social Data

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

GRI 401-2/401-3

### System

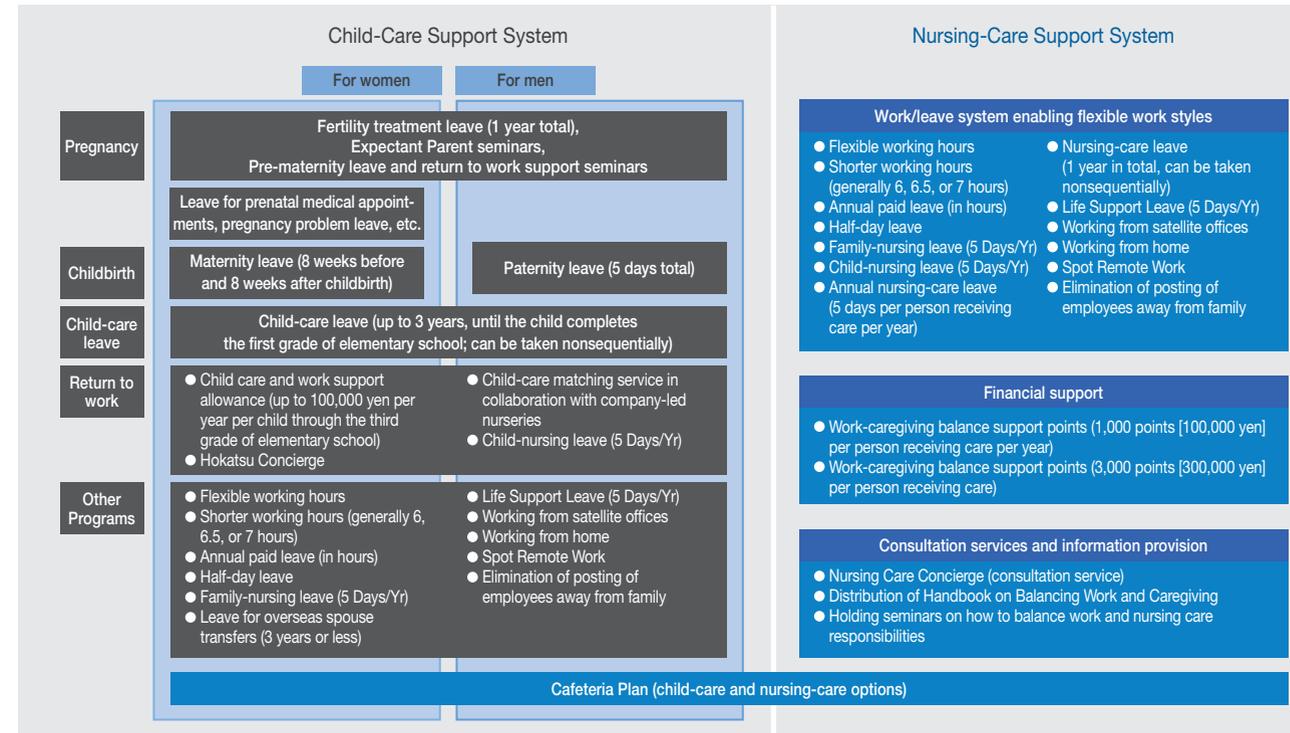
Hitachi strives to create even more supportive workplaces to help employees balance work and child care. For example, Hitachi, Ltd. offers an allowance for balancing childcare and work, services to help enroll children in daycare centers, and other programs. The company also provides e-learning courses 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.



## Social

### Human Capital

Executive Summary

Global Human Capital Management

### Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

### Diversity, Equity and Inclusion

### Human Rights

### Responsible Procurement

### Quality and Customer Satisfaction

### Social Contribution Activities

### Social Data

### Measures in Fiscal 2022

Measures	Main Details and Purpose
Expectant Parent Seminars	<ul style="list-style-type: none"> <li>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)</li> </ul>
E-learning for managers on balancing work and child care	<ul style="list-style-type: none"> <li>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</li> </ul>
Tool to simulate salary and benefits during child-care leave	<ul style="list-style-type: none"> <li>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</li> </ul>
Employee Attitude Survey on Balancing Nursing Care and Work	<ul style="list-style-type: none"> <li>Conducted attitude and fact-finding surveys across all Group companies in Japan to understand current issues</li> </ul>

### 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\*<sup>1</sup> 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).

\*<sup>1</sup> Labor management dashboard: A business tool that integrates and visualizes information and data related to labor management

## Social

### Human Capital

Executive Summary

Global Human Capital Management

### Work-Life Management

Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### 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.

## Social

### Human Capital

Executive Summary

Global Human Capital Management

Work-Life Management

### Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## 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

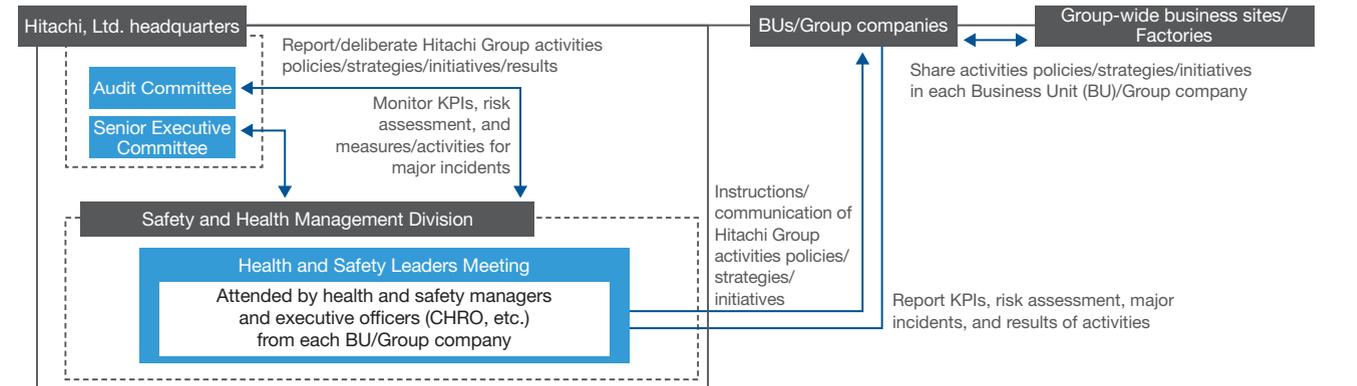
### Establishing Occupational Health and Safety Management System

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.

## Social

### Human Capital

Executive Summary

Global Human Capital Management

Work-Life Management

### Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## 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

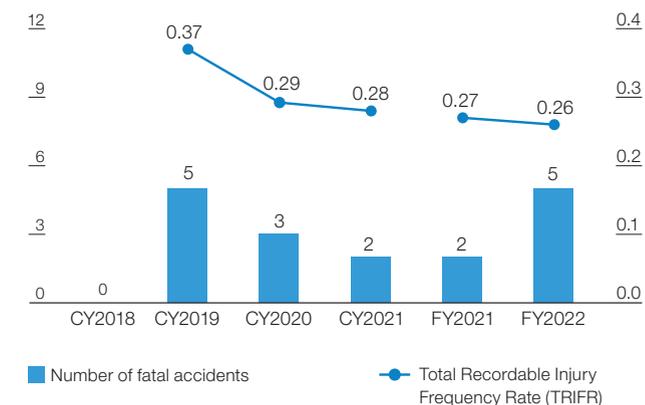
To achieve the Mid-term Management Plan 2024, we are conducting efforts on a global group-wide basis in fiscal 2023 pursuing the following action plan.

#### Action Plan for Fiscal 2023

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

\*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.

## Social

### Human Capital

Executive Summary

Global Human Capital Management

Work-Life Management

### Occupational Health and Safety

Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## 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"> <li>Build and operate an occupational global health and safety management system</li> <li>Clarify rules and processes</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>
Raising safety awareness among employees by strengthening leadership at the organization's top management	<ul style="list-style-type: none"> <li>Transform ways of thinking to encourage voluntary health and safety behaviors through training</li> </ul>	<ul style="list-style-type: none"> <li>Conducted specialized safety training by grade (management executives, line managers, personnel in charge of safety)</li> <li>Launched commendation program (Health and Safety Awards)</li> <li>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)</li> <li>Conducted visits to domestic and overseas business sites: 61 business sites (including 12 overseas business sites)</li> </ul>
Clarify accountability for implementing safety activities and expand basic countermeasures in the event of an accident	<ul style="list-style-type: none"> <li>Utilize risk assessment effectively</li> <li>Build a framework for identifying and mitigating risks</li> <li>Digitize and improve data reports using IT/digital technology</li> </ul>	<ul style="list-style-type: none"> <li>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.)</li> <li>Established a system for conducting management system audits by Group corporate</li> <li>Checked measures meant to reduce the risks of important work</li> <li>Began monthly reports of global accident statistics</li> <li>Set global KPIs for accident occurrence rates, near-misses</li> <li>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</li> <li>Promoted proper use of accident investigation system/accident investigation database</li> </ul>

## 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

## Social

### Human Capital

Executive Summary

Global Human Capital Management

Work-Life Management

### Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

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
----------	------------

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
---------	------------

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](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)

## Social

### Human Capital

Executive Summary

Global Human Capital Management

Work-Life Management

### Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### 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"> <li>• Stress coping seminars</li> <li>• External and internal EAP consultations and other consulting services</li> <li>• Stress-check approach for highly stressed employees</li> <li>• E-learning for all employees (self-care)</li> </ul> E-learning: "Thinking about mental and physical health" versions 1-3	Working environment improvement workshops, etc. <ul style="list-style-type: none"> <li>• EAP corporate diagnosis</li> <li>• Line care training</li> <li>• 360FBP*1</li> </ul> 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.

# Social

## Human Capital

- Executive Summary
- Global Human Capital Management
- Work-Life Management

## Occupational Health and Safety

- Freedom of Association and Collective Bargaining

## Diversity, Equity and Inclusion

## Human Rights

## Responsible Procurement

## Quality and Customer Satisfaction

## Social Contribution Activities

## Social Data

### 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

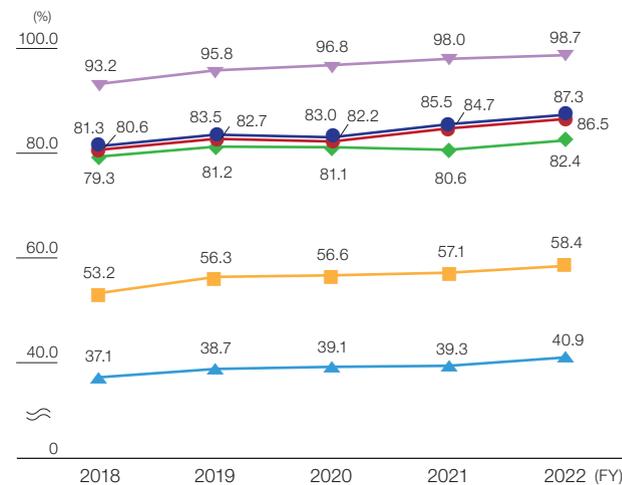
GRI 403-6

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.

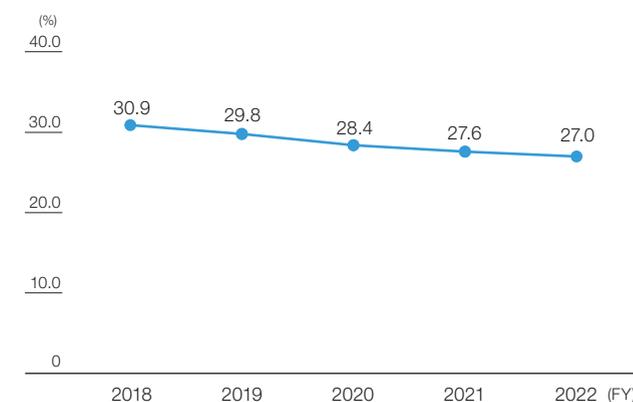
#### Medical Exam and Screening Attendance Rates (Hitachi Group companies in Japan)



- ◆ 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)

## Social

### Human Capital

Executive Summary

Global Human Capital Management

Work-Life Management

### Occupational Health and Safety

Freedom of Association and  
Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

### 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>

## Social

### Human Capital

Executive Summary

Global Human Capital Management

Work-Life Management

Occupational Health and Safety

### Freedom of Association and Collective Bargaining

Diversity, Equity and Inclusion

Human Rights

Responsible Procurement

Quality and Customer Satisfaction

Social Contribution Activities

Social Data

## 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](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.

P.086 Occupational Health and Safety