Respect for Human Rights Throughout the Value Chain

Hitachi respects international human rights norms in every country and region and strives to continuously and thoroughly implement those norms. Along with putting into practice the Hitachi Group Human Rights Policy and other guiding principles, we are implementing educational activities targeting company executives and employees at each Group company on an ongoing basis. At the same time, company executives are taking the lead in analyzing potential risks within the business process and creating an organization in which human rights infringements do not occur.

We also have been putting in place a system for implementing human rights due diligence from the perspective of preventing any involvement with human rights violations, and in fiscal 2015 we expanded the system to include our supply chain.

Human Rights Initiatives
In May 2013, we adopted the Hitachi Group Human Rights Policy to supplement the Hitachi Group Codes of Conduct, drawn up in fiscal 2010. In this policy, we clarify our understanding of human rights as being, at a minimum, those outlined in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. This policy shapes Hitachi's approach to meeting the responsibility to respect human rights, including implementing human rights due diligence*1 in line with the UN Guiding Principles on Business and Human Rights,*2 providing appropriate education to employees, adhering to national laws and regulations in all the regions and countries where we operate, and seeking ways to honor the principles of international human rights when faced with conflicts between internationally recognized human rights standards and national laws.

In fiscal 2014, Hitachi added the perspective of Business and Human Rights to its existing structures and policies and developed a guidance on human rights due diligence that explains procedures for everyday business practices. Based on this guidance, in fiscal 2015 we initiated human rights due diligence in procurement, assessing and prioritizing human rights risks in the supply chain and considering measures to reduce these risks.

Hitachi Group Codes of Conduct
http://www.hitachi.com/corporate/about/conduct/index.html

Hitachi Group Human Rights Policy

Framework for Human Rights
Hitachi, Ltd. established the Corporate Human Rights Promotion Committee in fiscal 1981 to gauge the impact of business activities on stakeholders’ human rights and to deliberate on mechanisms and policies for preventing human rights violations. The executive officer in charge of human capital chairs this body, whose members include representatives from sales, procurement, human capital, CSR, and other corporate units. Hitachi is improving its Group-wide human rights awareness based on the guidelines discussed and written by the Corporate Human Rights Promotion Committee. Information from deliberations is shared with all employees through business units and business site committees, led by business unit presidents and division heads. Business units provide consultation services through which employees can seek consultation on issues such as sexual harassment and are working to ensure that those coming forward are treated with respect and dignity.

In a practice launched in fiscal 2014, we distribute a human rights message by Representative Executive Officer, President, and CEO Toshiaki Higashihara every year on December 10, Human Rights Day. In fiscal 2015, approximately 148,000 executives and employees at Hitachi, Ltd. and Group companies in and outside Japan received an e-mail message regarding global trends in human rights, Hitachi’s human rights policy and activities, and the importance of individual employees respecting human rights in their work.

Hitachi, Ltd. Framework for Promoting Respect for Human Rights

*1 Human rights due diligence: An ongoing process to identify and assess potential and actual human rights impacts, integrate findings, and take appropriate action to prevent or mitigate potential impacts or to provide for or cooperate in remediation of actual impacts. The processes also cover tracking the effectiveness of actions to address impacts and communicating externally.


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Corporate Human Rights Promotion Committee

| Chairperson | Executive officer in charge of human capital |
| Members | Personnel in charge of corporate divisions such as sales, procurement, human capital, and CSR |

Business Unit and Business Site Committee

| Chairperson | Business unit presidents and division heads |
| Members | Division managers |

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| Members | Division managers |
Engaging in Responsible Procurement

As a company that procures products and services from suppliers in regions and countries around the world, Hitachi was quick to introduce policies on CSR and green procurement. Moreover, Hitachi has taken the lead in responding to the issue of conflict minerals, which has been the focus of public interest in recent years, by scrutinizing the countries where raw materials are mined in order to prevent the infringements on human rights by countries engaged in conflict.

Raising Human Rights Awareness Among Executives and Employees

Hitachi conducts regular group training and seminars and uses videos to educate employees in each business unit and Group company. The target is for each employee to attend these sessions at least once every three years (equivalent to a yearly participation rate of 33.3%). In fiscal 2015, the participation rate came to 71.8% at Hitachi, Ltd. and 46.0% among Group companies. We also offer an e-learning program on business and human rights, launched in June 2013; as of March 2015, approximately 187,000 Group employees in Japan and elsewhere had taken the program. Using educational materials developed in line with the Hitachi Group Human Rights Policy, adopted in May 2013, the program aims to ensure that employees understand Hitachi’s human rights policy and act accordingly. The training is provided to all employees once every three years on average, taking into account human rights trends worldwide.

In July 2015, moreover, 25 Hitachi, Ltd. executive officers participated in an officer training session on the theme of human rights in global businesses, led by Takaji Hishiyama of the Center for Corporate Behavior. Touching on several cases, Hishiyama discussed what the international community expects of corporations regarding respect for human rights and how human rights risks translate into business risks, among other topics.

CSR Supply Chain Management Framework

Given the global reach of Hitachi’s business, there is a growing likelihood of supply chain risks creating management problems, and we are working hard to identify and mitigate these risks beforehand as much as possible. We established a CSR/Ecological Procurement Promotion Center within the Hitachi headquarters in fiscal 2011. We have also established the Hitachi Group CSR Green Procurement Committee, which includes committee members from in-house and key Group companies. This completes a framework that will enable our CSR supply chain management and green procurement philosophy and initiatives to be shared throughout the Group.

In order to share the philosophy of Hitachi among our suppliers, in fiscal 2015 we also introduced a new initiative to provide suppliers directly with information in a face-to-face format, in addition to the information shared on the Hitachi website as well as our CSR monitoring, CSR audits, and other measures. The first of these face-to-face events was held in January 2016 at a CSR and green procurement seminar held in Shanghai for Hitachi Group partners in China. The event was attended by 15 people from 12 companies, primarily suppliers in eastern China. At the seminar, Hitachi explained topics including its fundamental CSR philosophy, the CSR audit situation, regulatory trends under Chinese environmental laws, and Hitachi’s related policies. Feedback from participants included a comment from one person who was “impressed by the emphasis the Company places on not only monozukuri craftsmanship but also on fulfilling its social responsibility in a range of areas.” Another participant “gained a sense that profit-ability is not the sole aim and that it is important to adhere to environmental laws.” As reflected in the comments, the seminar served to deepen the understanding of Hitachi initiatives related to CSR and green procurement.

Guidelines for Procurement Activities

Procurement Policy

CSR/Green Procurement