

For Procurement Partners

Hitachi Group Sustainable Procurement Guidelines

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Hitachi, Ltd.
Value Integration Division

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Definition:

The terms in Hitachi Sustainable Procurement Guidelines are defined as follows:

1. Procurement partner(s):

Hitachi refers to suppliers and vendors who have direct business with Hitachi as "procurement partners".

2. Worker(s):

Person(s) who has a direct employment contract with a company, and a person who works in the workplace based on a labor relationship with a third party (dispatched workers, contract employees, etc.) including full-time, part-time, fixed-term and short-term contract employees.

The Hitachi Group Sustainable Procurement Guidelines (hereinafter referred to as the "Guidelines") consist of 1) Hitachi Group Policies, which introduces Hitachi Group initiatives, and 2) Procurement Partner Code of Conduct (hereinafter referred to as the "Code of Conduct"), which summarizes the fundamental requirements from Hitachi to all procurement partners to comply with.

1. Hitachi Group Policies and Sustainability Activities

The policies for Hitachi Group employees and Hitachi activities are described below.

A. Hitachi Group Policies and Activities

A-1 Hitachi Group Identity

Our Mission is to "contribute to society through the development of superior, original technology and products." In striving to accomplish this, we embrace the values of Hitachi Founding Spirit: Harmony, Sincerity and Pioneering Spirit. Our Vision was created based on our Mission and Values to express what the Hitachi Group aims to become in the future. The Hitachi Group Identity is a simple concept designed to share our Mission, Values, and Vision.

[Hitachi Group Identity](#)

A-2 Hitachi Group Code of Ethics and Business Conduct

The Hitachi Group Code of Ethics and Business Conduct consists of rules and principles to assist officers and employees make decisions and take actions consistent with the Hitachi Group Identity.

[Hitachi Group Code of Ethics and Business Conduct](#)

Hitachi has established a consultation and reporting hotline, and you can report any violations or suspected unethical or potentially harmful acts involving Hitachi's business activities. You also may inform a member of Hitachi's management or use the Hitachi Global Compliance Hotline, which is available 24 hours and 365 days, and allows anyone to remain anonymous, where permitted by law.

[Hitachi Global Compliance Hotline](#)

A-3 Hitachi Group Human Rights Policy

Hitachi revised the Hitachi Group Human Rights Policy in 2024, and we view this policy as one of our highest internal standards. The Hitachi Group contributes to society through the development of superior, original technology and products, and delivering innovations that answer society's challenges. As a prerequisite to this, Hitachi Group is committed to fulfilling its responsibility to respect human rights throughout its value chain.

[Hitachi Global Human Rights Policy Statement](#)

A-4 Environmental Vision and Long-term Environmental Targets

Hitachi has developed an Environmental Vision that clearly outlines the type of society we aspire to build over the long term, considering global trends in escalating environmental challenges and our own corporate policies. To realize this vision, we have formulated our long-term environmental goal, "Hitachi Environmental Innovation 2050", which defines our desired state by 2050, and we are advancing initiatives towards achieving it.

[Environmental Vision: Environmental Activities](#)

For more details on Hitachi Group's Sustainability Policies and Initiatives, please see the links below.

[Sustainability: Hitachi](#)

[Sustainability Report : Hitachi](#)

B. Hitachi Group Procurement Policies

B-1 Guidelines for Procurement Activities

Guidelines for Procurement Activities define business transaction standards which shall be applied to all Hitachi executives and employees in connection with purchasing necessary materials, products, services, and information from outside sources.

1. Overall procurement activities of Hitachi shall adhere to the Hitachi Group Code of Ethics and Business Conduct.
2. Hitachi shall maintain proper partnerships, mutual understanding, and reliable relationships with procurement partners considering long-term results.
 - (1) Hitachi shall treat all procurement partners impartially and be prohibited from favoritism such as giving unfair priority to any specific procurement partners.
 - (2) Hitachi respects fair business dealings with procurement partners and will avoid any improper act which might cause a loss to a procurement partner apart from normal and customary business transactions.
 - (3) Hitachi shall keep procurement partners' trade secrets strictly confidential and prevent them from being revealed or improperly used.
3. Hitachi develops procurement partners to maintain competitiveness from a worldwide point of view.
 - (1) Hitachi responds to all procurement partners' offers sincerely and is always willing to offer the information necessary for procurement partners to compete on a level playing field.
 - (2) Hitachi shall periodically check and review procurement partners' performance and will consider offering more advantageous business opportunities when comparison with other resources allows.
4. Through a designated selection process, procurement partners shall be evaluated by product quality, reliability, delivery, price, procurement partners' business stability, technical development ability, fair and transparent information release, compliance with societies' rules, regulation compliance, respect for human rights, elimination of discrimination in respect of employment and occupation, elimination of all forms of forced and compulsory labor, environmental preservation activities, social contributions, good working environment, and recognition of social responsibilities with business partners.
 - (1) Hitachi shall not request quotations from procurement partners with whom there is no intention to enter into a future business relationship.

- (2) In accordance with internal procedures, the role and responsibility for specifications, terms and conditions, product acceptance and inspection belong to each Requester, Procurement Department and Inspection Department.
 - (3) Procurement Departments shall be a representative of Hitachi when contracting with procurement partners.
5. Hitachi members are prohibited from receiving any personal gifts or offers from procurement partners.

[Guidelines for Procurement Activities](#)

B-2 Hitachi Group's policy for Responsible Supply Chain of Minerals

Hitachi is committed to responsible procurement activities to ensure that the procurement of materials containing conflict minerals (tin, tantalum, tungsten, and gold) and cobalt does not encourage the activities of armed groups, human rights violations including child labor, corruption, and environmental destruction in the conflict and high-risk regions.

Hitachi also respects the latest edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and conducts more detailed investigations based on the Guidance while understanding social issues and the expected roles of companies in the regions.

For its procurement partners, Hitachi will continue to inquire their minerals' country of origin and supply chains using the Conflict Minerals Reporting Template (CMRT) issued by the Responsible Minerals Initiative (RMI) and request its procurement partners to procure minerals from smelters certified under RMI's Responsible Minerals Assurance Program (RMAP).

This procurement policy is published on the following website in four languages (Japanese, English, Chinese, and Thai) at Responsible Supply Chain of Minerals.

[Responsible Supply Chain of Minerals](#)

2. Hitachi Group Procurement Partner Code of Conduct

Hitachi believes that developing sustainability-oriented business activities in the value chain will lead to mutual prosperity between procurement partners and Hitachi Group. In order to understand the actual situation of the upstream supply chain and promote initiatives to reduce human rights risks and environmental impacts, Hitachi expects all procurement partners involved in Hitachi Group's business to comply with the Code of Conduct as stipulated in this chapter.

Introduction

- Hitachi requires your company to operate in full compliance with applicable laws, legal rules and regulations in all business activities. The Code of Conduct is based on and respects the internationally recognized standards described in "References". Some of the items in the Code of Conduct may exceed legal compliance, e.g. working hours and recruitment fees, however, we request that you seek to implement business activities in pursuit of meeting stricter requirements to the extent possible.
- Hitachi requests your company to respond to self-assessment questionnaires and accept on-site audit with the aim of strengthening your company's awareness of the current state of sustainability and future initiatives. Also, we request that you take steps to improve and enhance the items identified in the questionnaires and on-site audits.
- If your company is unable to comply with the Code of Conduct, if significant risks have already occurred, or if there is a high likelihood that they will occur, we request your company to immediately report to Hitachi, discuss and agree on activities and countermeasures.
- In the event of a serious violation to the Code of Conduct, Hitachi may take measures such as terminating the contract or verifying legal responsibility for the violation.
- The Code of Conduct applies to all companies involved in the upstream of Hitachi's supply chain. We request your company to extend the Code of Conduct to your suppliers and subcontractors to comply with.

A. Labor

We **require** your company to commit to respecting the human rights of workers, and to treat them with dignity within procurement partners and suppliers upstream in the supply chain.

(1) Prohibition of Forced Labor

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons, is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services.

There **shall** be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities including workers' dormitories or living quarters.

As part of the hiring process, all workers shall be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers shall receive the employment agreement prior to the worker departing from his or her country of origin and there **shall** be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms.

All work **shall** be voluntary, and workers **shall** be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which **should** be clearly stated in workers' contracts. We **require** your company to maintain documentation on all leaving workers. Employers, agents, and sub-agents shall not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time **shall** workers be denied access to their documents.

Workers **should** not be required to pay employers' agents' or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees **should** be repaid to the worker.

(2) Prohibition of Employment of Young Workers and Child Labor

Child labor **shall** not be used in any business activity including manufacturing. The term "child" refers to any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is the highest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime.

We require your company to ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. We require your company to implement an appropriate mechanism to verify the age of workers.

We require your company to provide appropriate support and training to all student workers according to learning programs which comply with all laws and regulations. In the absence of local law, the wage rate for student workers, interns who work under employment contract, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation shall be provided.

(3) Working Hours

Working hours, including overtime, shall not exceed applicable laws and regulations, and where such legal requirements do not exist, the working hours should not exceed sixty hours per week including overtime, except in emergencies or extraordinary circumstances. All overtime shall be voluntary. Workers should be allowed at least one day off every seven days.

(4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Moreover, we request your company to seek to provide fair and market-competitive wages and benefits that ensure employees an adequate standard of living beyond legal requirements.

All workers shall receive equal pay for equal work and qualifications. Workers shall be compensated for overtime in accordance with applicable laws and regulations, or at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure should not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

(5) Non-Discrimination / Non-Harassment / Humane Treatment

We require your company to commit to a workplace free of harassment and discrimination. There should be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment.

Companies should not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin,

disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Disciplinary policies and procedures in support of these requirements should be clearly defined and communicated to workers.

Workers should be provided with reasonable accommodation for religious practices and disability. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way.

(6) Freedom of Association and Collective Bargaining

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

In alignment with these principles, we **require** your company to respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.

(7) Land Rights

In order to ensure that the legitimate land tenure rights (including customary and informal rights) of individuals, communities and indigenous peoples are respected, and that established rights to land acquisition and land use are maintained, we request that you implement the following:

Land will be acquired and used only by lawful means. We **request** your company not to be complicit in the expropriation of land and engage in any business including procurement from those who are complicit in the expropriation of land. We **request** your company to respect the legitimate rights of land use, including the customary and traditional communal rights of indigenous peoples and local communities. Whenever land is legally acquired, we **require** your company to comply with laws and regulations.

B. Health and Safety

We require your company to maintain a safe and healthy working environment in addition to minimizing the incidence of work-related injuries and illnesses. We require your company to conduct ongoing worker input and education to identify and solve health and safety issues in the workplace.

(1) Occupational Health and Safety

Health and safety hazards (chemical, electrical and other energy sources, machines and some parts of machines, fire, and fall hazards, etc.) shall be identified and risk-assessed, mitigated using such as the Hierarchy of Controls(*). Additionally, before starting work for not only routine tasks but also non-routine or unexpected ones, it is required to identify hazards, conduct risk assessments, confirm safe implementational methods and procedures, and determine necessary risk reduction measures. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials and training about risks to them associated with these hazards. Personal protective equipment shall also be optimally designed for those who need it, regardless of gender or size.

Gender-responsive measures should be taken including but not limited to having pregnant women and nursing mothers in working conditions which could cause health effects to them or their children.

(*) Hierarchy of Controls : The method of organizing orders and making decisions of countermeasures to protect Workers from health and safety and reduce risks at workplace based on risk-effectiveness. It is necessary to implement the most effective measures as much as possible.

(2) Emergency Preparedness

Potential emergency situations and events shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills.

Emergency drills shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

(3) Occupational injury and illness

Procedures and systems should be in place to prevent, manage, track and report occupational injuries and illnesses, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work. Reports from workers include minor injuries with first-aid and near-miss incidents that could have resulted in personal injury. We require your company to allow workers not to return until the occupational injury or illness is mitigated.

(4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents shall be risk-assessed and mitigated to reduce risks according to the Hierarchy of Controls. When hazards cannot be adequately controlled, workers shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge.

We require your company to provide workers with safe and healthy working environments, which shall be maintained through ongoing, systematic monitoring of workers' health and working environments. We require your company to implement ongoing protective occupational health programs including educational materials and training about the risks associated with exposure to workplace hazards.

(5) Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks should be risk-assessed and mitigated to reduce risks according to the Hierarchy of Controls.

(6) Equipment Safeguarding

Equipment, production and other machinery shall be risk assessed on a regular basis. Physical guards, interlocks, and other barriers should be installed in advance and properly maintained where equipment and machinery present an injury hazard to workers. Additionally, it is necessary to check the installation conditions and operation of these before starting to use.

(7) Sanitation, Food and Housing

Workers should be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by your company or a labor agent should be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodation for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

(8) Health and Safety Communication

We **require** your company to provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to. Health and safety related information **shall** be clearly posted in the facility or placed in a location identifiable and accessible by workers.

Health and safety information and training **should** include content on specific risks relevant to factors such as the gender and age of workers. Training **should** be provided to all workers prior to the beginning of work and regularly thereafter. Workers **shall** be encouraged to raise any health and safety concerns without retaliation.

C. Environment

We require your company to recognize that environmental responsibility is essential in conducting business activities, to identify the impacts on local communities, environment and natural resources and to minimize adverse effects, while safeguarding public health and safety.

(1) Environmental Permits and Reporting

All required environmental permits, approvals, and registrations shall be obtained, maintained, and kept up to date and complied with their operational and reporting requirements

(2) Greenhouse Gas Emissions Management and Reduction

We request your company to establish a science-based, corporate-wide greenhouse gas reduction target in line with Hitachi's reduction target (detailed in [A-4 Environmental Vision and Long-term Environmental Targets](#)). The target and progress updates should be reported to Hitachi. To achieve the target, measures to minimize energy consumption and greenhouse gas emissions should be taken.

In addition, we request your company to track and document the following greenhouse gas data, and report to Hitachi:

- Energy consumption and all Scopes 1, 2 and 3 (upstream and downstream) greenhouse gas emissions at the corporate level (*)
- Product level greenhouse gas emissions for products supplied to Hitachi (Product Carbon Footprint) (*)

(*)Each term is defined in accordance with GHG Protocol.

(3) Contribution to Circular Economy

We request your company to proactively identify, manage, reduce, and responsibly dispose of or recycle waste in its business activities, and strive to improve efficiency of resource use through a systematic approach. By utilizing recycled materials in procured goods and raw materials, and by conducting business activities that consider circular society, efforts will be made to promote resource recycling throughout the supply chain. We request your company to set targets related to circular economy including above issues and report to Hitachi.

Also, data related to circular economy, such as durability and recycled content, should be tracked, documented, and reported to Hitachi upon request.

(4) Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and generation of waste should be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, should be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

(5) Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment should be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Hazardous waste data should be tracked, documented and provided to Hitachi upon request.

(6) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion by products generated from operations should be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone-depleting substances shall be effectively managed in accordance with the Montreal Protocol(*) and applicable regulations. We request your company to conduct routine monitoring of the performance of its air emission control systems.

(*) Montreal Protocol: An international framework adopted in 1987 with the aim of protecting the ozone layer

(7) Materials Restrictions

We require your company to adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

(8) Water Management

We request your company to implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater should be characterized, monitored, controlled, and treated as required prior to discharge or disposal. We request your company to conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance. Also, the reuse of treated wastewater should be promoted to minimize water withdrawal from underground or surface water sources.

As water resources have extensive impacts, we request your company to assess the risks of water use, including water pollution, droughts and other risks, and set target for water resources in accordance with these assessments and report to Hitachi.

(9) Conservation of Biodiversity and Ecosystems

Conservation of biodiversity and ecosystems are essential for survival of human race, but also for sustainability of business operations. Hence, we request your company to take preservation of ecosystems into account when your company engages in the mining and extraction of raw materials, product design, production and procurement activities.

Also when supplying forest-derived products to Hitachi, we request your company to comply with internationally recognized standards and principles to ensure no direct or indirect involvement in deforestation or forest land conversion.

We request your company to assess biodiversity risks from its production activities, and based on the results, set target for reducing risks in biodiversity and ecosystems and report to Hitachi.

Our requests to procurement partners on the chemical substances in procurement products are stipulated in the '[Hitachi Group Green Procurement Guidelines](#)'. Please check and acknowledge the latest guidelines and manage the specified chemical substances.

D. Business Ethics

Hitachi is committed to complying with applicable laws and regulations and upholding the highest standards of business ethics and conduct. We expect your company to promote transparency and accountability in your business activities, including the implementation of effective processes and procedures to:

(1) Prevent Bribery and Corruption

- Prevent bribery and corruption and comply with applicable anti-bribery and anti-corruption laws and regulations.
- Refrain from offering or accepting anything of value to keep business, secure business, or gain an unfair advantage, and refrain from making facilitation payments on behalf of Hitachi unless there is an immediate threat to life, safety, security, or freedom. If your company makes payment under these circumstances, your company should notify Hitachi immediately.

(2) Give and Receive Gifts and Entertainment Responsibly

- Give and Receive Gifts and Entertainment Responsibly.
- Refrain from offering or receiving gifts and entertainment on Hitachi's behalf that are contrary to local laws or could be perceived as unduly influencing a business decision.

(3) Conduct Business Transactions

- Conduct your business transactions with transparency and accurately record and classify transactions in your company's accounting books and records.
- Do not keep hidden financial accounts or unrecorded funds.
- Report relevant information in accordance with applicable laws and regulations.

(4) Security Trade Control

- Comply with national and international trade compliance laws, export control regulations, economic sanctions, and customs laws that control international transactions of products and services.
- Obtain the required export licenses before proceeding with any export and comply with the license terms or any exemption requirements.

(5) Compete Fairly

- Compete fairly and comply with antitrust and competition laws in all countries in which you do business with, or on behalf of, Hitachi.
- Refrain from entering into an agreement with a competitor to divide markets or customers, fix prices, the competitive bidding process, or exchange or discuss Hitachi's manipulate confidential, sensitive information.

- Refrain from abusing or exploiting a dominant market position to secure unfair terms or to unfairly consolidate or strengthen market power.

(6) Prevent Money Laundering

- Prevent money laundering, comply with anti-money laundering and anti-terrorism laws and regulations, and avoid activities associated with criminal acts, including money laundering or terrorist financing

(7) Identify and Manage Conflicts of Interest

- Identify and manage conflicts of interest and avoid situations in which personal interests, outside activities, financial interests, or relationships conflict or appear to conflict with the interests relating to Hitachi activities
- Do not allow business dealings with, or on behalf of, Hitachi to be influenced by personal considerations or relationships

(8) Disclose Information

- Disclose information regarding your company's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance in accordance with applicable regulations and prevailing industry practices.
- Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

(9) Respect intellectual Property

- Respect intellectual property rights. Transfer technology and know-how in a manner that protects intellectual property rights, and safeguard customer and supplier information.

(10) Protect Identity and Non-Retaliation

- Maintain programs that ensure confidentiality, anonymity, and protection of employee whistleblowers in your company and upstream in the supply chain, unless prohibited by law, have a communication process for those workers to be able to raise any concerns without fear of retaliation.

(11) Responsible Sourcing of Minerals

- Adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, gold, and cobalt in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

For the Hitachi Group's approach to responsible sourcing of minerals, please also refer to the "Hitachi Group's policy for Responsible Supply Chain of Minerals" described in B-2.

E. Product Quality and Safety

(1) Product Safety

We request your company to design products with adequate safety measures in place and sell products, complying with the requirements of laws, regulations and safety standards related to product safety.

This includes managing traceability including procurement of parts and materials, manufacturing processes, etc. and ensuring quick responses to problem solving.

(2) Promotion of Quality Assurance Activities

We request your company to formulate a quality assurance policy and conduct continuous improvement activities through the Plan-Do-Check-Act (PDCA) cycle based on policy. To this end, we request your company to establish an organizational structure, define an activity plan, and promote a quality management system (e.g. ISO 9000) that specifies responsibilities and procedures.

F. Prevention of Personal and Confidential Information Leakage

(1) Protection against Threats to Computer Networks Including Cyberattacks

We require your company to take measures in accordance with applicable laws and regulations to prevent threats to computer networks, including cyberattacks, from affecting its internal and external operations. These threats include viruses, worms, spyware, ransomware, social engineering, and targeted attacks. Computers or servers infected with viruses and other malware may leak customer and confidential information or attack other companies' computer networks, causing serious harm due to the stagnation of daily operations and the loss of trust. In addition, careful attention must be paid to targeted attacks and other types of threats by hackers who may break into computer networks and leak or destroy a variety of information, resulting in similar damage.

(2) Privacy Protection

We require your company to be committed to effectively protecting personal information and privacy of all people involved in your business, including suppliers, customers, consumers, and workers. Personal information must be collected, stored, processed, transmitted, and shared in accordance with laws and regulations related to privacy and information security.

(3) Measures to Prevent Personal Information Leakage

We require your company to ensure that personal information(*) is not obtained, used, disclosed, or leaked illegally and unfairly by formulating codes and policies to be complied with by workers in accordance with applicable laws and regulations, while thoroughly managing the information through the PDCA cycle.

(*) Personal information: Information about a living individual that can be used to distinguish that specific individual's identity, such as name, date of birth, and other descriptions (including anything that easily matches other information to identify a specific individual).

(4) Measures to Prevent Leakage of Customer and Third-party Confidential Information

We require your company to ensure that all confidential information(*) of customers and third parties is not obtained, used, disclosed, or leaked illegally and unfairly by thoroughly managing the information through the PDCA cycle.

(*) Confidential information: Information disclosed in a written form (including electromagnetically or optically recorded data information) that is designated as confidential in an agreement or information orally disclosed after confidentiality is notified.

G. Management Systems

Taking the increasing volatile environment into account and in order to prevent any damage to Hitachi and our stakeholders, Hitachi requests your company to monitor your company's operations and supply chain carefully. We request your company to adopt or establish a management system with a scope that is related to the content of the Code of Conduct. The management system shall be designed to ensure compliance with applicable laws and regulations. Furthermore, we request your company to fulfill the followings:

1. Compliance with customer requirements related to your company's operations and products and services;
2. Conformance with the Code of Conduct; and
3. Identification and mitigation of operational risks related to the Code of Conduct. It should also facilitate continual improvement.

The management system should contain the following elements:

(1) Company Commitment

- To establish human rights, health and safety, environmental and ethics policy statements affirming your company's commitment to due diligence and continual improvement, endorsed by executive management.
- Policy statements should be made public and communicated to workers in a language they understand via accessible channels.

(2) Management Accountability and Responsibility

- To clearly identify senior executives and company representative(s) responsible for ensuring implementation of the management systems and associated programs.
- Senior management reviews the status of the management systems on a regular basis.

(3) Legal and Customer Requirements

- To adopt or establish a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of the Code of Conduct.

(4) Risk Assessment and Risk Management

- To adopt or establish a process to identify risks associated with your company's operations such as legal compliance, environmental, health and safety (*), labor practice and business ethics risks.

- To determine the relative significance for each risk and implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance at least on an annual basis.

(*) Areas to be included in a risk assessment of the environment, health, and safety are production bases, warehouse/storage facilities, plant/facility support equipment, laboratories and test areas, sanitation facilities (toilets), kitchens/cafeterias, and worker housing/dormitories.

(5) Improvement Objectives

- To establish written performance objectives, targets and implementation plans to improve your company's social, environmental, and health and safety performance, including a periodic assessment of your company's performance in achieving those objectives.

(6) Training

- To establish programs for training managers and workers to implement your company's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

(7) Communication

- To establish a process for communicating clear and accurate information about your company's policies, practices, expectations, and performance to workers, suppliers upstream in the supply chain, and customers.

(8) Worker/Stakeholder Engagement and Access to Remedy

- To establish processes for ongoing two-way communication with workers, their representatives, and other stakeholders where relevant.
- These processes must be designed to obtain feedback on operational practices and conditions covered by the Code of Conduct, and to foster continuous improvement.
- Workers should be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

(9) Audits and Assessments

- To conduct periodic self-audits and self-assessments to ensure conformity to legal and regulatory requirements, the content of the Code of Conduct, and customer contractual requirements related to social and environmental responsibility.

(10) Corrective Action Process

- To establish a process for timely correction of deficiencies identified by internal or external audits and assessments, grievance mechanisms, inspections, investigations, and reviews and to take corrective actions where required.

(11) Documentation and Records

- To create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.
- To provide the documentation and records to Hitachi in accordance with Hitachi's requirements.

(12) Due Diligence for Suppliers Upstream in the Supply Chain

- To communicate the requirements of this code of conduct to suppliers upstream in the supply chain before starting transactions, conduct due diligence on these companies, and mitigate any identified risks.
- After starting transactions, to continue to conduct due diligence to monitor compliance with the Code of Conduct and performance.

3. Revision History

Edition	Date	Details
1	January, 2009	Created the 1st edition of the Hitachi Supply Chain CSR Promotion Guidebook.
2	June, 2009	In the "Introduction", added/inserted text declaring participation in The United Nations Global Compact.
3	January, 2017	(1) Changed the title to "Hitachi CSR Procurement Guideline". (2) In the "Introduction", added/inserted text related to SDGs and COP21. (3) Deleted the "Hitachi Group CSR Activities Policy" and replaced it with the "Framework of CSR Management". (4) Inserted the "Hitachi Group Human Rights Policy". (5) Inserted the "Hitachi Group Conflict Minerals Procurement Policy". (6) From page 13 onwards, inserted the "CSR Procurement Guideline" while referring to contents of the "Hitachi Group Code of Conduct", as based on the "EICC Code of Conduct Version 5.1".
4	July, 2021	(1) Changed the title to "Hitachi Group Sustainable Procurement Guidelines". (2) Established based on Hitachi Group's various policies (the Hitachi Group Codes of Conduct (revised in February 2018), etc.), initiatives (including the results of human rights due diligence), widely recognized global standards, and other references.
5	March, 2023	Replaced "supplier" to "procurement partner".
6	October, 2023	(1) Changed based on Hitachi Group Codes of Ethics and Business Conduct (revised in March 2023), etc.). (2) Changed the content of "Hitachi Group Human Rights Policy".
7	May, 2025	(1) Reflect contents on Responsible Business Alliance Code of Conduct 8.0 (2) Add new contents in 2. Procurement Partner Code of Conduct - Introduction - 2-A. Land Rights - 2-C.(2) Greenhouse Gas Emissions Management and Reduction to achieve Carbon Neutrality - 2-C.(3) Contribution to the Circular Economy

The guidelines were established based on Hitachi Group's various policies (the Hitachi Group Codes of Ethics and Business Conduct (revised in March 2023), etc.), initiatives (including the results of human rights due diligence), widely recognized global standards, and other references. (*)

(*) References:

- RBA (Responsible Business Alliance) Code of Conduct 8.0
<https://www.responsiblebusiness.org/code-of-conduct/>
- United Nations Universal Declaration of Human Rights
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- United Nations Guiding Principles on Business and Human Rights
https://www2.ohchr.org/english/bodies/hrcouncil/docs/17session/A.HRC.17.31_en.pdf
- OECD Guidelines for Multinational Enterprises
<http://www.oecd.org/daf/inv/mne/48004323.pdf>
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
<http://www.oecd.org/corporate/mne/mining.htm>
- OECD Due Diligence Guidance for Responsible Business Conduct
<https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>
- UNDRIP (United Nations Declaration on the Rights of Indigenous Peoples)
<https://www.ohchr.org/en/indigenous-peoples/un-declaration-rights-indigenous-peoples>
- GHG Protocol "A Corporate Accounting and Reporting Standard"
<https://ghgprotocol.org/corporate-standard>
- The Montreal Protocol on Substances that Deplete the Ozone Layer
<https://www.unep.org/ozonaction/who-we-are/about-montreal-protocol>
- ISO 9000 (Quality Management)
<https://www.iso.org/iso-9001-quality-management.html>
- ISO 14001 (Environmental Management)
<https://www.iso.org/iso-14001-environmental-management.html>
- ISO 45001 (Occupational health and safety)
<https://www.iso.org/standard/63787.html>