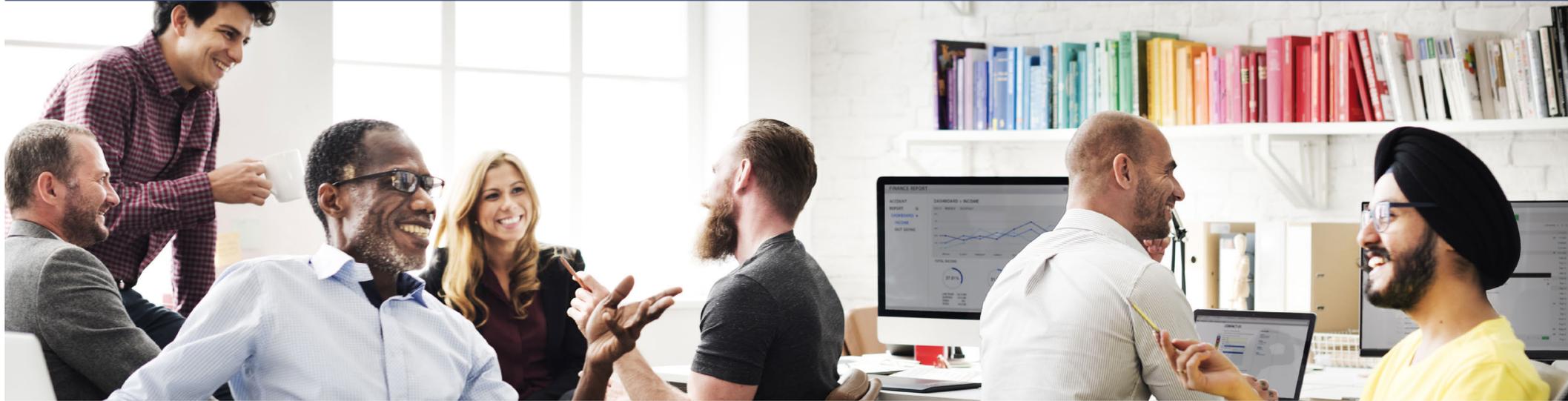


Human Capital



Key SDGs



Why it matters

In order to engender innovation and create new value in a global and digital era, Hitachi is working on attracting, retaining, and developing diverse talent, and transforming its organization to drive sustainable business growth. With due attention paid to respecting the rights of employees, equality of opportunity, occupational health and safety, and employee well-being, we strive to build good relations between employees and the company, including promoting work environments that make employees feel proud and happy to work at Hitachi, and engage in active dialogue regarding employee

treatment and career advancement.

In recognition of the “new normal” in light of the ongoing novel coronavirus (COVID-19) pandemic, not only are we promoting diverse working styles as a driver of telecommuting innovation, in order to improve productivity and allow employees to use their abilities to the utmost, we are also implementing job descriptions, performance management, and other systems to clarify the role of, expectations for, and output of each employee’s position, and accelerate the pivot to job-based human capital management.

What we are doing

| | Core initiatives | Goals and KPIs | Achievements in FY 2019 |
|--|---|--|---|
| <p>Global human capital management</p> | <ul style="list-style-type: none"> Develop global human capital Promote people analytics Ensure fair evaluation and compensation | <ul style="list-style-type: none"> Promoting global human capital management in order to hire, promote, and develop diverse human capital | <ul style="list-style-type: none"> Accelerated the pivot to job-based human capital management in light of the COVID-19 pandemic Undertook initiatives to protect employees from transmission and support telecommuting Tried People Analytics in certain business divisions |
| <p>Talent development</p> | <ul style="list-style-type: none"> Develop management-level leadership Globalize management training Develop digital talent | <ul style="list-style-type: none"> Management-level leadership development Strengthening our digital talent (increasing the number of data scientists to 3,000 by fiscal 2021) | <ul style="list-style-type: none"> Established a training system for digital transformation and a range of digital talent training programs targeting different positions Strengthened recruitment at the Indian Institutes of Technology and other top-class universities around the world |

What we are doing

| | Core initiatives | Goals and KPIs | Achievements in FY 2019 |
|---|--|--|--|
|  <p>Diversity and inclusion</p> | <ul style="list-style-type: none"> Review our systems and operations in light of the Statement on Diversity and Inclusion Expand hiring of people with disabilities | <ul style="list-style-type: none"> Achieving a 10% ratio of both female and non-Japanese executive and corporate officers by fiscal 2020 Increasing of the number of female managers in Japan to 800 by fiscal 2020 (twice the number at the end of fiscal 2012) | <ul style="list-style-type: none"> Held the 6th Hitachi Group Women Leaders' Meeting Held the 4th Global Women's Summit |
|  <p>Work-life management</p> | <ul style="list-style-type: none"> Promote work-life reform Enhance work-life management support systems Develop support systems that meet diverse employee needs | <ul style="list-style-type: none"> Promotion of work-life management | <ul style="list-style-type: none"> Strengthened support for balancing work and nursing care with initiatives such as a seminar for all employees aged 40 and over on how to balance work and nursing care Launched a child-care matching service in collaboration with company-led nurseries |
|  <p>Occupational health and safety</p> | <ul style="list-style-type: none"> Establish occupational health and safety management systems Prevent work-related accidents Provide support for staying mentally and physically healthy | <ul style="list-style-type: none"> Achieving zero fatal accidents by the end of fiscal 2021; reducing lost-time accidents globally by 50% compared to the previous year | <ul style="list-style-type: none"> Established the Safety Management Division Established the Health and Productivity Management Promotion Office (in April 2020) |
|  <p>Freedom of association and collective bargaining</p> | <ul style="list-style-type: none"> Respect the rights of employees Foster employee-management dialogue | <ul style="list-style-type: none"> Deepening mutual understanding through dialogue between employees and management | <ul style="list-style-type: none"> Engaged in continuous employee-management dialogue |

Key SDGs



Global Human Capital Management

Developing Global Human Capital

Approach

Hitachi's 2021 HR Strategy, based on its 2021 Mid-term Management Plan, is designed to allow the company's diverse global team to grow through their work, feel proud and happy about working at Hitachi, respect diverse values, and contribute to the creation of safe and vibrant workplaces each in their own way. Alongside this, we are striving to cultivate a common Hitachi Group Identity in all employees worldwide, along with the values of Harmony, Sincerity, and Pioneering Spirit that comprise the Hitachi Founding Spirit, so that we can work as One Hitachi across countries, regions, and divisions to contribute to society. To this end, we are advancing a variety of enhanced measures around the four key concepts of "Talent," "Culture," "Organization," and "HR Transformation."

In recognition of the "new normal" in light of the ongoing novel coronavirus (COVID-19) pandemic, we are also making telecommuting standard for a wide range of positions. As well as promoting diverse working styles as a driver of telecommuting innovation, in order to improve productivity and allow employees to use their abilities to the utmost, we are implementing job descriptions, performance management, and other systems to clarify the role of, expectations for, and output of each employee's position, and accelerate the pivot to job-based human capital management.

Main Enhanced Measures of the 2021 HR Strategy

| 4 Key Concepts of the HR Strategy | Main Enhanced Measures Toward FY 2021 |
|---|---|
| Talent Attract, retain, and develop diverse talent to lead business growth | <ul style="list-style-type: none"> Develop digital human resources*1 Develop mindset and skills to become global leaders Promote diversity and inclusion*2 |
| Culture Transform organizational culture and employee mindset to encourage proactivity and individual growth | <ul style="list-style-type: none"> Build Hitachi culture globally*3 Foster a culture of career ownership |
| Organization Reform organization and transform employment policies to adapt to environmental changes; take action on organizational reshuffling | <ul style="list-style-type: none"> Ensure safety, health, and compliance*4 Build job-based HR management*5 |
| HR Transformation Transformation | <ul style="list-style-type: none"> Execute HR transformation Implement HR career development and mindset transformation Shift to digital HR |

Developing Global Human Capital

Structure

In order to become a world leader in the Social Innovation Business, we believe it is important to maintain high engagement across countries and regions as well as companies and establish diverse human capital and a working environment that maximizes personal and organizational performance. Based on this idea, we have developed a global human capital management strategy. We hire, promote, and develop human capital via global human capital management that uses unified performance evaluation criteria and offers a common leadership development program for employees around the world.

In addition, as a way of integrating the various existing measures for the management of global human capital, we have built a platform containing an array of information about the skills, career orientations, and other aspects of our human capital. We use the platform for globally optimized placement, identifying and nurturing management leaders of the future, and strengthening manager-employee communication.

Achievements in FY 2019

From fiscal 2019, Levent Arabaci, general manager of our global human capital division has also served as chief transformation officer of global operations. Initiatives he has led in this role include using global shared services to standardize and optimize shared work within the Group, drastic operational reforms on the back of increased diversity, business process re-engineering using cutting-edge digital technologies within and outside the company, and optimal deployment of talent.

Additionally, in order to change the awareness and behavior of employees as we seek to reinvent ourselves as a global leader in the Social Innovation Business, we reconsidered our competencies. Our new focus will be on competencies in line with both Hitachi's Corporate Credo and the Founding Spirit. These will be used as shared behavioral objectives to unite diverse human capital and organizations as we seek to raise awareness of Hitachi's corporate culture globally.

- *1  Developing Digital Talent ▶
- *2  Diversity and Inclusion ▶
- *3  Solidifying the Hitachi Group Identity ▶
- *4  Occupational Health and Safety ▶
- *5  Developing Global Human Capital ▶

Shared Global Foundation for Group-wide Human Capital Management

| | |
|-------------------------------|--|
| Global Human Capital Database | To visualize the entire Group's human capital for a macro understanding of HR data |
| Hitachi Global Grade | To evaluate the role and responsibilities of each position against unified standards shared by the entire Group |
| Global Performance Management | To align business and individual objectives and promote sustainable improvement and growth of both individuals and businesses |
| Global Leadership Development | To clarify human capital requirements for key management positions and identify and develop candidates for management leadership from around the world |
| Hitachi University | A learning management system shared globally by the entire Group. |

Promoting People Analytics

Activities

Hitachi's People Analytics initiative involves gathering and analyzing data about employee awareness and behavior and putting it to use in human resources and management policy.

Quantifying the effect of human resources initiatives has always been difficult. Evaluations have tended to be based on the experience or intuition of the evaluator. However, with People Analytics, which uses IT such as AI and data analysis, optimal initiatives based on objective indicators and analysis can be promulgated. Not only does this allow the human resources to follow the development of each and every individual employee, it can also contribute to management by activating human capital.

In concrete terms, this means conducting a survey based on a unique psychological scale constructed under the academic guidance of the University of Tsukuba, then making use of AI in analyzing the awareness of individuals and job assignment and behavioral data arising from the survey's results. This makes it possible to provide individual employees with insight encouraging a change in behavior, streamline human capital placement, and otherwise formulate more effective and precise human resources initiatives.

Achievements in FY 2019

In fiscal 2019, as well as trialing People Analytics in certain business divisions, we formulated a plan for expanding the scope of its implementation. From fiscal 2020, we will expand its deployment to more business divisions in Japan. We will also begin planning for a global rollout of People Analytics across the entire Group.

Ensuring Fair Evaluation and Compensation

System

We believe that a fair global system of employee evaluation and compensation is essential for attracting diverse and highly engaged human capital regardless of nationality. Accordingly, we have established a Global Compensation Philosophy shared by all Group companies based on the principles of ensuring market competitiveness, pay for performance, and maintaining transparency.

We have developed a performance-based compensation system for full-time, regular employees that is fair and competitive in the context of the labor market for each national or region industry. Each employee's compensation is set based on an annual performance review. Feedback on this review is also provided as fuel for further development.

We ensure compliance with the laws and regulations of each country and region in which we operate when determining compensation. Starting pay for new graduates in Japan—which accounts for about half of the Group's full-time, regular employees—is roughly 20% higher than the weighted average of Japan's regional minimum wages.

Conducting a Global Employee Survey

Activities

We conduct an annual global employee survey called Hitachi Insights as a way of measuring employee engagement.*1 In September 2019, the survey was administered for the seventh time. Around 200,000 employees worldwide were sent the survey in one of 14 different languages, and roughly 180,000 responses were received. This represents a response rate of 87%, the highest since the survey was first performed in 2013. Results continue to improve, with an overall approval rating of 61% (1% higher than last year, 7% higher than 2013) and an engagement indicator of 60% (unchanged from last year, 7% higher than 2013). Moving forward, senior management and managers on site will confirm the survey results for their own organizations and, through communication with team members, take concrete action through the PDCA cycle, further enhancing the level of engagement.

*1 Hitachi uses the term "engagement" to refer to employees' understanding of the company's strategies and policies, as well as their job satisfaction and desire to take actions on their own initiative to bring about results.

Promoting the “Make a Difference!” Idea Contest

Activities

Hitachi believes that changing the awareness of each and every employee is necessary for achieving the corporate reforms needed to steadfastly uphold our medium- to long-term vision. We therefore launched the “Make a Difference!” idea contest for all employees around the theme of the “I will” mindset. This is designed to encourage participant growth, not only through a change in perspective as

their ideas are linked to real experience in creating new businesses, but also by providing an opportunity for employees to think for themselves, make decisions, and see a project through to completion. For some prize-winning ideas, the verification experiment process has already begun. In fiscal 2019, 741 ideas were received.

Countermeasures Against the COVID-19 Pandemic

Amid the novel coronavirus (COVID-19) pandemic, ensuring the health and safety of all employees is our highest priority as we strive to prevent the spread of the virus. As well as promoting telecommuting for, in principle, all positions except those requiring a physical presence for society to function, we are undertaking initiatives to protect employees from transmission and support telecommuting.

COVID-19’s impact is global, and our countermeasures in each region are informed by the conditions around regional headquarters. Hitachi Europe surveyed telecommuting employees to find out what they needed, and developed an action plan to provide it. At Hitachi India, an e-learning course on COVID-19 was created and shared to raise awareness of the virus and how employees can prevent its spread.

We also used the “Make a Difference!” platform to gather ideas globally across the Group for new workstyles or ways Hitachi employees could come together as one and contribute to society. This project, titled “Challenge to COVID-19,” attracted some 1,430 ideas from around the world.

One proposal involving support via crowdfunding for small business owners affected by the pandemic has already been adopted. Regarding the other proposals, after discussion with relevant divisions, the decision was made to divide them among 15 themes for further consideration of their feasibility. In concrete terms, regarding social contribution activities, we will promote activities such as providing online education to children; as contributions utilizing Hitachi’s technology, we are preparing for the implementation of systems and products leading the way to a new lifestyle predicated on prevention of infection.

Hitachi, Ltd.’s Main Policies Supporting New Workstyles for the “New Normal”

| | | |
|--|--|---|
| Support for employees based on immediate risk of transmission | Financial support for purchases necessary to prevent transmission | 3,000 JPY per month per person toward the cost of telecommuting or, if working at the office, preventing transmission via masks, disinfectant, etc. |
| | Financial support for purchase of telecommuting equipment | Financial support for the purchase of IT devices, work desks, chairs, and other equipment for telecommuting |
| | Establishment of Novel Coronavirus Countermeasure Allowance | For employees who work in environments where risk of transmission is thought to be high, an allowance of 500–1,000 JPY per day depending on the level of risk |
| | Deployment of Inbound Medical Assistance Services for foreign employees working in Japan | In addition to a 24-hour, year-round call center offering medical assistance in 16 languages for foreign employees and their families in Japan, including referrals and appointments to medical facilities and arrangements for emergency transport and hospitalization, translation via telephone and other services |
| Main policies for supporting medium- to long-term telecommutings | IT environment improvements | Improvement of remote access environment, lending laptops for telecommuting, etc. |
| | Appropriate health support for long-term telecommuters | Remote counseling by occupational physicians and other medical staff, provision via intranet of information for staying mentally and physically healthy, etc. |
| | Provision of tools for stimulating communication | Using Hitachi’s unique “happiness level,” which measures people’s feelings of contentment, to stimulate communication |

-  Support for Employees During the COVID-19 Pandemic [Occupational Health and Safety] ▶
-  Hitachi Group’s COVID-19-Related Support Efforts [Social Contribution Activities] ▶
-  Responding to COVID-19 [Business Continuation Initiatives] ▶

Talent Development

Hitachi's Approach to Talent Development

Policy

Approach

Hitachi has traditionally placed great emphasis on developing talent, including the establishment of the Apprenticeship Training School, 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 *yūteki* (guidance through assistance) and *jikyō* (endeavor through one's own efforts).

That spirit has been inherited to the present day. In addition to on-site training through work tasks, we are also expanding education globally across the Group to improve individual capabilities, skills, and specialties. We will continue to support the growth of each and every individual employee with the goal of developing talent who can contribute to resolving social issues.

Management-level Leadership Development

Approach

Activities

Hitachi believes that innovation in talent management to resolve the diverse challenges of global society is essential to increasing social, environmental, and economic value, making it vital to develop the management-level leadership who will drive this innovation and change. For this reason, we approach management-level leadership development as a medium- to long-term initiative with the president and CEO and Nominating Committee playing a central role.

When developing candidates for appointment in the next and subsequent term to executive positions including president, CxO, and division head, several hundred candidates are selected from the Hitachi Group's human capital around the world and given both on-the-job training (OJT), including stretch assignments, and off-the-job training (Off-JT) such as external training and coaching.

We also select a "Future 50" of around 50 outstanding emerging employees as future candidates for management-level leadership. By giving this Future 50 tough assignments and opportunities for direct discussion with independent directors, we accelerate their development in a focused manner.

Global Management Training

System

Activities

We are globalizing our talent development programs in accordance with global talent management strategy to develop management-level human capital.

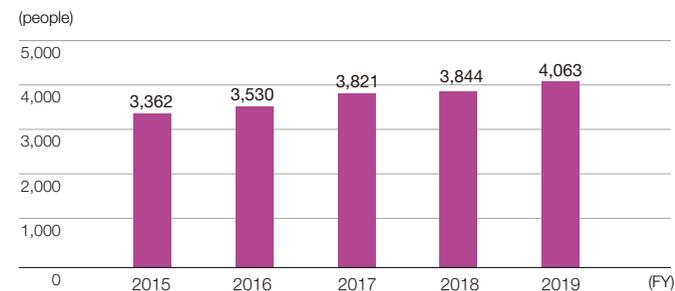
Achievements in FY 2019

In fiscal 2019, we launched the Global Group Executive Development Course (Global GEC) for new leaders of Hitachi subsidiaries outside Japan. This e-learning course, attended by 100 people in fiscal 2019, fosters a basic understanding of Hitachi's management and provides the latest information for advancing our Social Innovation Business. We are continuously developing new programs to foster human capital.

Management Training Currently Offered Globally

| | |
|---|--|
| Global Leadership Acceleration Program for Key Positions (GAP-K) | Selective training held for 3 months in India and Japan to accelerate development of future management candidates. Attended by 30 people from 8 countries. |
| Global Advanced Program for Leadership Development (GAP-L) | Held twice a year with the aim of developing the superior leadership, mindset, and skill necessary to drive Hitachi's global development. Attended by around 60 local leaders from 19 countries expected to perform well in overseas subsidiaries. |
| Global Leadership Acceleration Program for Managers (GAP-M) Ready to Lead (R2L) | Leadership training with globally unified content for general managers and new managers. In fiscal 2019, held in 8 regions and attended by around 3,000 participants. |

Number of Participants of Global Management Training Programs



Developing Digital Talent

Approach Goals Structure

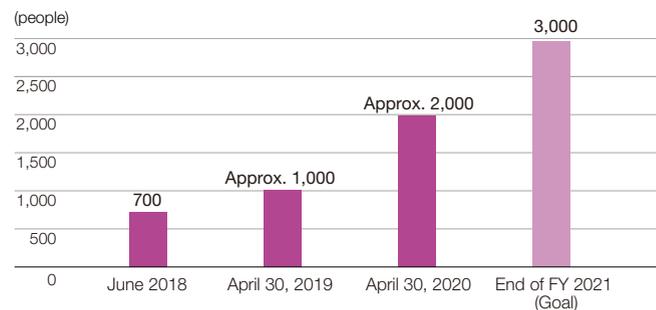
To accelerate our Social Innovation Business using digital technologies, we are working to develop human capital that can lead a digital transformation. We are increasing the amount of digital talent across the entire Hitachi Group from 30,000 employees in fiscal 2019 to 37,000 in fiscal 2021. At the end of April 2020, we had around 2,000 data scientists with specialist knowledge of data analysis, including AI, IoT, and the utilization of big data, and we are aiming to increase that number to 3,000 by fiscal 2021 as we expand our global digital solutions.

Achievements in FY 2019

Aiming to further develop and strengthen our digital talent, we consolidated our various training institutes into the Hitachi Academy in April 2019, and are currently constructing a training system for developing human capital to drive digital transformation. In fiscal 2019, we established a training system for digital transformation and a range of digital talent training programs targeting different positions, focusing on developing world-leading human capital and digital talent in order to accelerate our Social Innovation Business. We also strengthened recruitment at the Indian Institutes of Technology and other top-class universities around the world.

Through a development policy that combines knowledge and skill obtained by participating in training with OJT, we will strengthen our digital talent development along the twin axes of broader fundamental training and specialist development.

■ Data Scientists in Hitachi Group



Providing Younger Employees with Overseas Experience

Activities

Hitachi maintains a broad array of programs to systematically cultivate and secure people who can succeed in global business. To develop the careers of people capable of understanding and adapting to local cultures and lifestyles, we offer a program enabling younger employees in Japan to live and work in another country. We have dispatched more than 5,000 Group employees in total, allowing them to take part in over 80 programs designed to promote understanding of other cultures and to engage in language studies, local field studies, and internships, as well as to provide opportunities to work with local people to resolve social issues. In fiscal 2019, we moved to encouraging employees to engage in opportunities for leadership training to accelerate the development of employees ready to take on global challenges.

Career Development Support in Japan

Activities

Hitachi has developed a broad range of career development support that focuses on employees' "internal careers," namely, their individual values and views on the significance and meaning of their work. By ensuring that individuals can fulfill their potential and maximize their creativity and linking individual growth to positive outcomes and growth for the organization, we enhance our corporate value. Along with promoting self-understanding and fostering strong individuals with the independence and autonomy to think and act for themselves, we are also providing support to create a framework that will capitalize on the engagement and motivation of individual employees and to enhance mutual understanding as a way of fostering the teamwork needed to enhance organizational strength and performance.

Recognizing the importance of maximizing individual and organizational performance as we seek to become a major global player, we implement Global Performance Management (GPM) grounded in diversity and the individual, thereby promoting career development with respect for each employee's individuality and personal aspirations.

In concrete terms, based on the idea that the center of career development is the work that employees perform daily in the workplace, we implement a cycle aimed at the growth of each employee through a process in which goals for daily tasks are set and then pursued, followed by evaluation of the results to formulate the next objectives. We call this Global Performance Management, and it includes the following initiatives.

Global Performance Management

| | |
|----------------------|--|
| Performance planning | After consulting with their supervisors to reach a consensus on short-term objectives, employees work with supervisor guidance and support. At the end of the fiscal year, they consult with supervisors on whether these objectives were met and set new ones for next fiscal year. |
| Career consultation | Employees meet with supervisors to discuss medium- and long-term career plans regarding such matters as requests for transfers or overseas postings. |

We also provide direct support for individual career development through a career development program that supports workplace communication. This program is the Hitachi Career Development Workshop (H-CDW). Through self-analysis work, participants consider the direction they should

proceed in, their career goals, and their career path, and then engage in self-directed efforts to develop their career and abilities. Around 13,900 people have participated in the program so far (as of March 31, 2020), with a focus on technicians, managers, and researchers in their 30s. In addition to those programs, Hitachi also offers programs targeting specific age groups, such as career education for younger employees and training for middle-aged or older employees to help them prepare for the changes ahead in their careers.

We also operate a Career Counseling Center as part of our career development support. At the center, employees can speak with professional counselors about any concerns they have regarding their work, their career, or interpersonal relationships, in order to help them seek a solution themselves.

Initiatives at Regional Headquarters to Develop Employee Skills

Hitachi is a company with global operations, so its skills development programs are implemented primarily by its 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 the human capital who will become Hitachi’s leaders globally across the Group.

- **Hitachi America, Ltd.:** An individualized e-learning platform is used alongside a Global management training program for employees aspiring to become global leaders. HR business partners work with managers at Hitachi Vantara Corp. — the core of Hitachi’s digital solutions — to assess employee skills and capabilities while helping employees set and achieve their personal goals.
- **Hitachi Asia Ltd.:** A regional program to enhance the knowledge and skills needed to grow Hitachi’s business in Asia is implemented in addition to making full use of Global management training courses and an e-learning platform for general employees. Training roadmaps to develop employee knowledge, skill sets, and competencies are created to achieve optimal work performance.

- **Hitachi (China) Ltd.:** The growth of all employees is promoted through a training system catering to different levels of development, enabling workers to develop the specialized and comprehensive skills they need to perform their jobs. Global training materials and the e-learning platform for general employees are expanded with content to help employees acquire the skills and knowledge.
- **Hitachi Europe Ltd.:** Employees across Europe can develop their skills through classroom lectures and online classes, enabling them to acquire professional qualifications in cultural awareness, presentation skills, and IT desktop skills. Global management training and other programs bring together Hitachi leaders in Europe, helping build an important network in support of One Hitachi.
- **Hitachi India Pvt. Ltd.:** L&D Committee consists of senior executives and meets twice a year to discuss training programs. Employees are encouraged to build skill sets by making full use of Global management training courses and the e-learning platform for general employees. Advances through self-learning were made while employees worked from home due to the COVID-19 pandemic, and the top-performing employees were honored by Hitachi India.

Diversity and Inclusion

Toward Achieving Diversity and Inclusion

Approach

Hitachi has composed a Statement on Diversity and Inclusion and strives to create an environment where diverse human capital can exercise its potential to the fullest. Furthermore, we continually review our systems and operations in light of this statement.

Statement on Diversity and Inclusion

Diversity and Inclusion Open Our Future

Diversity is the wellspring of our innovation and our growth engine. Hitachi regards personal differences—such as gender, nationality, race, religion, background, age, and sexual orientation—as well as other differences, as facets of people’s individuality. By respecting our employees’ individualities and positioning them as an advantage, Hitachi frames its diversity and inclusion as conducive to both the individual’s and the company’s sustainable growth. With a diverse workforce, strong teamwork and broad experience in the global market, we will meet our customers’ needs.

Diversity Management Promotion Framework

Structure

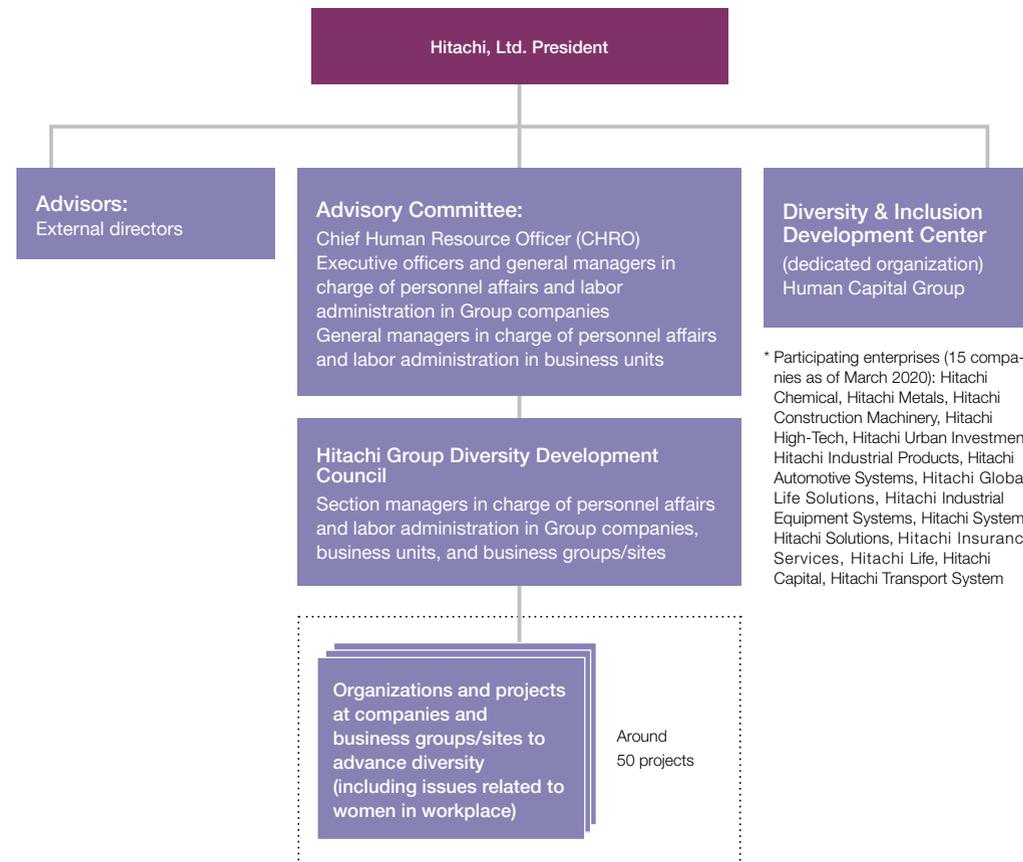
Hitachi has created a Diversity & Inclusion Development Center to promote its diversity initiatives, including support for diverse human capital and work-life management. The center acts as a secretariat managing the Advisory Committee and Diversity Development Council, which are operated jointly by Hitachi, Ltd. and 15 Group companies. The Advisory Committee ensures follow-through on our diversity management policy, while the Diversity Development Council discusses specific activities and shares best practices. Both meet every six months.

Group companies and business sites are also advancing diversity management in accordance with their challenges and circumstances. To this end, they have set up their own diversity-promotion organizations and projects, such as those to help develop women’s careers, in order to enhance initiatives geared to the challenges faced by individual workplaces.

Among global diversity initiatives, the achievement of gender equality across the entire Group has been identified as needing particular attention, and initiatives like our Global Women’s Summit are underway across the Group.

We also hold regular meetings to exchange opinions on diversity with labor unions.

Hitachi Diversity Structure



KPIs for Promoting Diversity

| | |
|-------|------------|
| Goals | Activities |
|-------|------------|

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With the aim of increasing diversity among executive officers and managers, Hitachi, Ltd. has created the following two key performance indicators (KPIs). These demonstrate our commitment both internally and to the world to supporting diverse human capital and enhancing diverse management.

Goals for Hitachi, Ltd. (KPIs)

- Achieve a 10% ratio of both female and non-Japanese executive officers and corporate officers by fiscal 2020.
- Increase the number of female managers in Japan to 800 by fiscal 2020 (twice the number at the end of fiscal 2012).

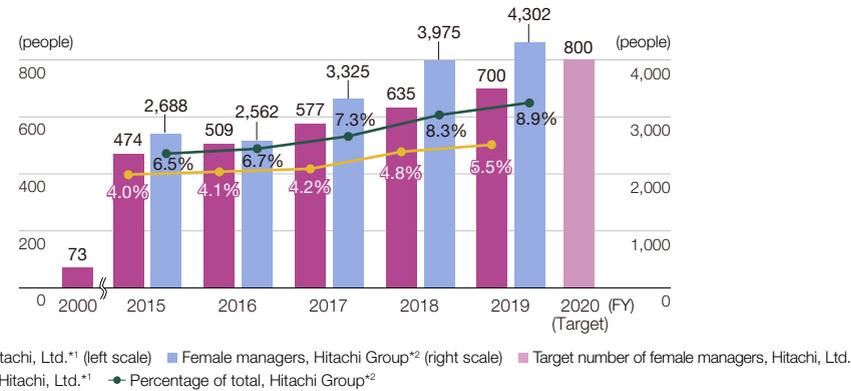
To achieve these goals, as well as reinforcing existing programs, we introduced the Hitachi Group Women’s Career Success Survey to highlight progress with initiatives and outstanding issues in each business division and to set numerical targets for each division, strengthening our management commitment. We will also boost women’s individual ambitions and morale through programs such as the Hitachi Group Women Leaders’ Meeting and the Roundtable Conference with Female Independent Directors, which support female employees at the supervisory level and above. We intend to create an environment where as many women as possible are able to optimize their potential in management positions.

Achievements in FY 2019

The 6th Hitachi Group Women Leaders’ Meeting was held in February 2020. The meeting was attended by 31 women newly appointed to managerial positions in Hitachi Group companies within Japan. A lecture by an external expert and a roundtable on the theme “Proactive Career Building and Behavioral Change” promoted a lively exchange of views between participants, and each participant announced a personal action plan and statement to further encourage behavioral change at the workplace.

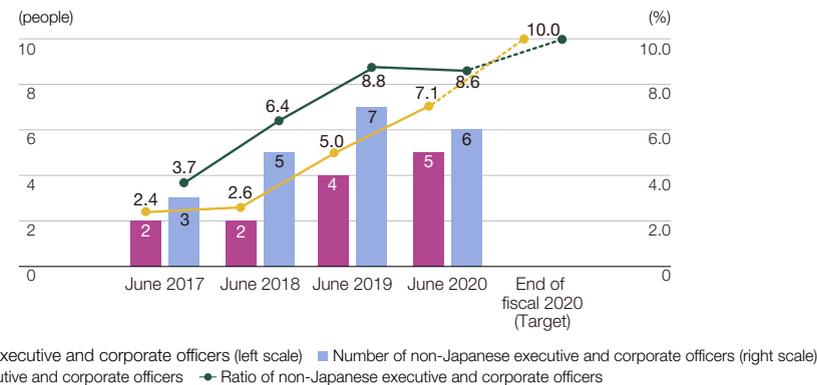
Alongside these efforts, we are working to change the mindset of managers and male staff regarding gender parity and examining our working style as a whole with the aim of transforming our corporate culture. Employee compensation is set according to each individual’s roles and achievements, with no divisions or differences based on gender or age.

Number and Ratio of Female Managers



Note: Figures include section manager-level employees and above.
 *1 Since fiscal 2017, “Female managers” has included managerial employees dispatched from Hitachi, Ltd. to other companies and those accepted from other companies by Hitachi, Ltd. Earlier figures include regular managerial employees dispatched to other companies but exclude those accepted from other companies. Figures for fiscal 2020 are targets.
 *2 Beginning in fiscal 2019, the scope of reporting shifted from full-time, regular female managers, excluding those dispatched to non-Group companies, to all female managers including those dispatched from Hitachi, Ltd. to other companies; figures for previous years have been adjusted to match this new scope. Rising numbers of female managers in part reflect improved coverage of our human capital databases.

Ratios for Female and Non-Japanese Executive and Corporate Officers (Hitachi, Ltd.)



Note: Disclosure began in 2017, when initiatives for increasing diversity among executive and corporate officers started.

Ratios for Male/Female and Japanese/Non-Japanese Directors (Hitachi, Ltd.) (as of July 2020)

| Item | | Total | Male | Female | Japanese | Non-Japanese |
|-----------|-----------|-------|------|--------|----------|--------------|
| Directors | Number | 13 | 11 | 2 | 7 | 6 |
| | Ratio (%) | | 84.6 | 15.4 | 53.8 | 46.2 |

Basic Salary and Total Individual Compensation for Female and Male Managers at Hitachi, Ltd. (Fiscal 2019)

| Basic Salary | Total Individual Compensation |
|--------------|-------------------------------|
| 100 : 104 | 100 : 106 |

Note: Benefits for men and women are identical. Differences between male and female salary and compensation are due to age distribution, grade distribution, etc.

Global Women's Summit

The Global Women's Summit is a venue where Hitachi Group employees from various countries, regions, companies, and positions gather for discussion on the theme of achieving gender equality.

To encourage attendance by as many employees as possible, the summit takes place at a different country of the world each year. The meeting for fiscal 2019 was held in October in Japan—the fourth country, following the United Kingdom, the United States, and Singapore—and was attended by around 180 executives and employees from 17 countries and regions. During the meeting, President and CEO Toshiaki Higashihara and a female independent director made speeches, and panel discussions were held featuring prominent leaders from regional offices. At workshops and networking dinners, participants deepened their engagement with each other, exchanging information and career advice.

Newly added this year were a program for both male and female employees and a panel discussion involving male executives, offering all participants, male or female, an opportunity to consider gender parity in the workplace.

Expanding Hiring of People with Disabilities

Activities

405-1

Hitachi, Ltd. and Group companies in Japan have worked hard to employ people with disabilities, such as by holding a special hiring fair and study meetings for Group companies to share information. We have also worked to expand the range of employment opportunities for people with disabilities, coordinating with special subsidiaries to develop new positions for such individuals in IT. As a result, as of June 2020 the employment ratio of people with disabilities was 2.33% at Hitachi, Ltd.*1 and 2.38% for the entire Group in Japan. Both of these figures exceed Japan's legally required employment rate of 2.2%.

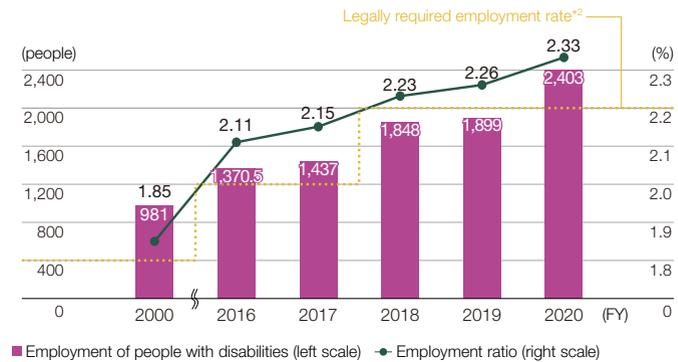
Achievements in FY 2019

Three special subsidiaries within the Hitachi Group were merged into one new company on April 1, 2020, in an effort to improve management stability by expanding business scale and increase employment of people with disabilities within the Group.*2

*1 Includes one special subsidiary and 25 related Group companies.

*2 The new company's name is Hitachi You and I Co. Ltd. The company employs around 450 people, of which around 380 are people with disabilities.

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



*1 Includes special subsidiaries and related Group companies. (Two special subsidiaries and 17 related Group companies in fiscal 2020.)

*2 The legally required employment rate was 1.8% up to fiscal 2012, 2.0% between fiscal 2013 and 2017, and became 2.2% in fiscal 2018.

Note: • Data compiled in June 1 of each fiscal year.

• The employment ratio is calculated according to methods prescribed in the relevant laws.

B-BBEE Initiatives in South Africa

As Hitachi expands its business in South Africa, it pursues activities aligned with the country's Broad-Based Black Economic Empowerment (B-BBEE)*1 policies to create employment and economic development. As of the end of fiscal 2019, Hitachi Construction Machinery Southern Africa has achieved a B-BBEE rating of level 4, while Hitachi Vantara has reached level 5.

*1 B-BBEE: Companies and organizations in South Africa are scored on their B-BBEE initiatives and contributions and rated on a scale from level 1 (highest) to 8 or as being "non-compliant."

Work-Life Management

Approach

Hitachi goes beyond “work-life balance,” in which employees are simply urged to balance 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 believe that practicing work-life management will enrich employees’ work and private lives, enhance professionalism, and build personal character, resulting in both individual and organizational growth over the long term. Based on this philosophy, we have established systems to support work-life reforms and a balance between employees’ work and private lives.

Promoting Work-Life Reform

Approach System Activities

Hitachi, Ltd. promotes a companywide work-life reform initiative, “Hitachi Work Life Innovation,” to develop workstyles allowing talent from diverse backgrounds to work with enthusiasm and demonstrate strong performance.

In order to put work-life reform into practice, it was determined that reform of administrative operations at the company’s headquarters was necessary. To that end, we implemented a review of our own business operations and processes.

Today, 70% of all full-time, regular Hitachi employees take advantage of our telecommuting and satellite office work programs, including managerial-level employees, flex workers, and career-track employees who need to balance work with child care or nursing care. The programs do not require the applicants to come into the office for a certain amount of time, nor are there any limitations on the number of times for doing so, allowing employees to work from wherever they need to be for child care or nursing care. If posted away from their families, they can work from their family home. We are also rolling out location-free work for managerial-level employees, allowing them to perform their duties from anywhere when approved by the company. To further enhance our telecommuting and satellite office work programs, since fiscal 2020 we have added balance between work and medical care as grounds for program use, and made the programs available to all employees meeting the necessary conditions.

Work-Life Innovation Initiatives at Hitachi, Ltd.

| Initiative | Key components |
|--|---|
| Top commitment | <ul style="list-style-type: none"> Send message within company |
| Review of operations and processes | <ul style="list-style-type: none"> Reform administrative operations at headquarters Clarify rules for outgoing email Use support tool designed to optimize meeting durations and participant numbers and improve meeting efficiency |
| Strengthening of workplace management | <ul style="list-style-type: none"> Increase operational transparency using in-house consultants (experience-oriented approach) Improve attendance management system for compliance rule enforcement |
| Promotion of time- and location-independent work practices | <ul style="list-style-type: none"> Expand telecommuting program Create environments where internal wireless local area network (LAN) can be accessed safely Distribute around 30,000 IT tools to support paperless and online meetings Roll out location-independent work for managerial-level employees Expand satellite office network (88 sites as of March 2020, with over 50,000 monthly users across the entire Hitachi Group) 15,651 people participating in Telework Days |
| Companywide promotional tactics | <ul style="list-style-type: none"> Put up posters, create intranet site Share best practices by giving awards |

Enhancing Work-Life Management Support Systems

System

401-2 401-3

Hitachi, Ltd. introduced and expanded an array of programs to support work-life balance, striving to create a more friendly working environment. We have distributed an Allowance for Balancing Child Care and Work; launched “Hokatsu Concierge,” an information-providing service supporting the search for a nursery; and provided a child-care matching service in collaboration with company-led nurseries. Through these kinds of support, we offer an environment where work and parenting can be balanced with peace of mind.

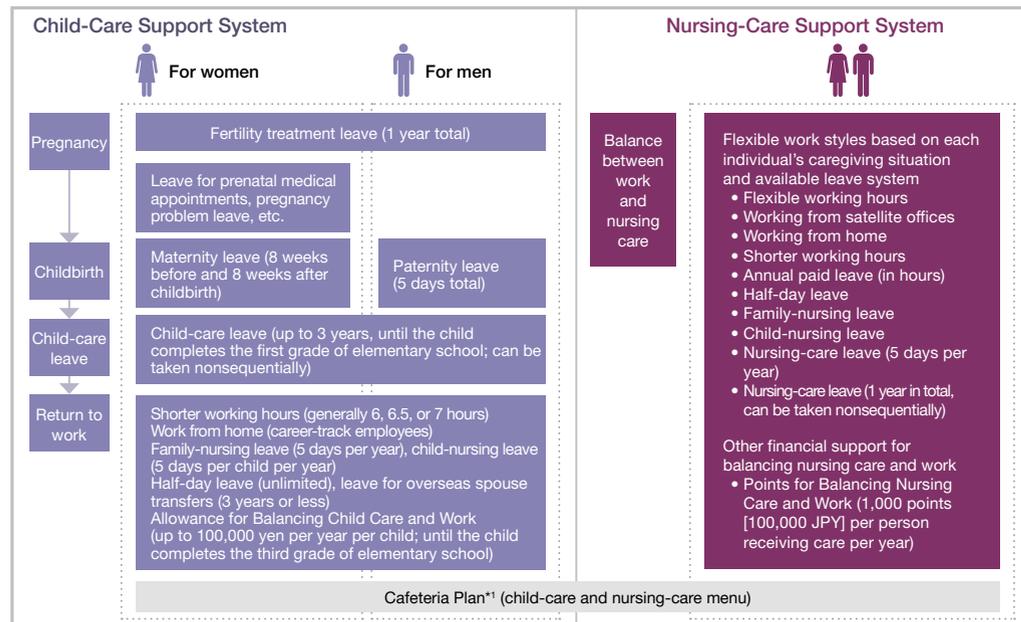
Additionally, with Japan’s society continuing to age, it is expected that more employees will be involved in caring for their elderly family members. We have, therefore, declared the years from fiscal 2018 to fiscal 2020 a period to focus on reinforcement of work and nursing care balance support, and are expanding programs. We have established a new “Points for Balancing Nursing Care and Work” system strengthening financial support for employees. We also conducted awareness surveys and work-life support seminars to encourage employees and provide information to prepare for this issue, emphasizing the importance of balancing work with nursing care and conveying practical know-how on the topic.

Achievements in FY 2019

Sometimes employees quit their job unexpectedly due to caregiving obligations when better information on nursing care might have helped them balance those obligations with work. To prevent such outcomes, Hitachi, Ltd. held a seminar for all employees aged 40 and over on how to balance work and nursing care. Anticipating that their families might also need such information, we also created the *Handbook on Balancing Work and Caregiving*, which includes the basic information provided in the seminar along with case studies on using support systems and services, and distributed a copy to each employee's home.

In Japan, to support a more balanced approach between work and parenting, in fiscal 2020 we launched a child-care matching service in collaboration with company-led nurseries. This service enables employees who are looking for a nursery for their children to apply for admission to a company-led nursery, created with the help of the Cabinet Office's support program, thereby expediting an early return to work for employees on maternity or child-care leave.

Work-Life Management Support System at Hitachi, Ltd.



*1 Flextime and discretionary labor systems are also available. The Cafeteria Plan is a system in which employees can select the support that they need, when they need it, according to their "Cafeteria Points."

Return and Retention Rates After Maternity and Child-Care Leave (Hitachi, Ltd.)

| | | FY 2019 |
|--------------------|--------|---------|
| Return rate (%) | Male | 100 |
| | Female | 97.4 |
| Retention rate (%) | Male | 84.8 |
| | Female | 95.5 |

In-House Child-Care Centers

Hitachi, Ltd., in collaboration with its labor union, has set up in-house child-care facilities with capacity for approximately 70 children in its Yokohama Office as a way to support employees in balancing work with child care.

Support Systems that Meet Diverse Employee Needs

401-2 | 404-2

To respond to the diverse lifestyles and needs of its employees, Hitachi, Ltd. has provided a wide range of support through welfare benefits that includes a Cafeteria Plan program, housing support such as dormitory and family housing and a housing allowance system, allowances for balancing work with child and nursing care, a property accumulation promotion system, an employee stock ownership program, retirement and pension plans, group insurance, a consolation payment system, internal sales, cultural and physical education activities, and employee cafeterias.

The Cafeteria Plan allows employees to select the benefits they receive, depending on individual lifestyles and needs, from a list of options, such as skills development, child care, nursing care, health promotion, and donations. Employees can use their Cafeteria Points to select the type of support they need when they need it.

For our retirement and pension plans, defined contribution and defined benefit plans have been introduced across the Hitachi Group in response to the diversification of lifestyles among the elderly and the changes in forms of employment.

Achievements in FY 2019

Starting in fiscal 2020, we expanded the scope of our support systems to recognize same-sex partners of employees. Considering the intent of laws around equal pay for equal work, we are expanding the scope of some support systems to cover limited-term contract employees as well.

Initiatives at Regional Headquarters to Create a Good Working Environment

The Statement on Diversity and Inclusion guides Hitachi's endeavors to create work environments that allow our diverse range of human capital to work with enthusiasm and to support workstyles that are conducive to each employee achieving their full potential. Region-specific policies are also implemented by our regional headquarters.

- **Hitachi America, Ltd.:** Initiatives to promote diversity and inclusion include a mentor program and webinars to share the experiences of employee role models. Of the employees promoted between January and early August 2020, 36% were women. New hires during the same span were about one-third women, and half were ethnic minorities. Nearly 30% of minority employees have reached the level of director or higher.
- **Hitachi Asia Ltd.:** Efforts to make Hitachi Asia the best place to work in Asia include providing equal opportunities for all employees and creating workplaces that foster and retain outstanding human capital. Emphasis is placed on employee engagement aimed at promoting teamwork and recognizing the importance of human capital diversity. The concerns of employees' families are also considered, such as by offering flexible working hours to enable a better work-life balance and providing fringe benefits for family members.
- **Hitachi (China) Ltd.:** Activities are being promoted to strengthen inter-divisional cooperation. A group of mainly younger employees are asked to introduce their division's work to workers in other divisions to deepen understanding and encourage collaborative creation across divisions. The activities were launched in fiscal 2019 with the participation of 27 employees, and the network built through these activities has contributed to smoother business operations. Plans for fiscal 2020 include increasing the frequency of meetings and holding them online.
- **Hitachi Europe Ltd.:** In addition to conducting a Global Employee Survey, Hitachi Europe independently implements a survey targeting employees who choose to leave the company. Their reasons are analyzed, and measures to reduce attrition are formulated. Support is provided to employees' philanthropic activities, with auctions and sporting events being organized to benefit a charity selected by a vote among employees each year. An online program was implemented in Germany to promote the health of employees working from home during the COVID-19 pandemic.
- **Hitachi India Pvt. Ltd.:** To ensure the safety of female employees, those traveling on business or leaving work after 7:00 p.m. in the summer and 6:00 p.m. in the winter are permitted to use the company car or a taxi. Measures to support employees working from home during the COVID-19 outbreak are being expanded, such as by using a cellphone app offering online meditation and yoga sessions.

Occupational Health and Safety

Basic Principle for Occupational Health and Safety

Policy

403-1

Ensuring the health and safety of all employees is the basic principle underlining the Hitachi Group Health and Safety Policy, which is shared by all Hitachi Group companies around the world. Employees work together to create healthy, safe, and secure work environments that aim to be accident free.

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.”

To accomplish this, we will:

1. Continually be involved in health and safety activities in order to prevent work-related injuries and sickness by designating the health and safety of employees as management’s top priority.
2. Comply with the local laws and regulations in each company regarding health and safety.
3. Develop a safe and comfortable work environment by encouraging employees to maintain their own health and taking a proactive stance on health and safety activities in the workplace.
4. Require an understanding of Hitachi’s principle and the promotion of health and safety awareness from all business partners of the Hitachi Group.
5. Contribute to the creation of a safe and pleasant society by emphasizing activities that make health and safety a top priority in all of Hitachi’s business activities.

Revised November 2013

Establishing Occupational Health and Safety Management Systems

Framework

System

403-1 | 403-2 | 403-3 | 403-4

Hitachi, Ltd. is committed to building an organization in which employees can promote safety activities of their own accord. To this end, in April 2019, we established a Safety Management Division that reports directly to the president. This division holds an annual Safety Strategy Congress, attended by safety officers from each Group company and representatives from each division, to set budgets and objectives for companywide safety strategy, review ongoing efforts to improve occupational health and safety management systems, and share the clear commitment from top management to make protecting the health and safety of employees their top priority. The state of occupational health and safety management, including important health and safety issues, is reported regularly to the Senior Executive Committee and meetings of Group company presidents.

In addition, the Safety Strategy Promotion Council, attended by safety department managers from each business unit and Group company, examines the promotional frameworks for safety activities and education in each division alongside standards to be shared across the Group.

In Japan, a health and safety commission—composed of business owners, labor union officials, and employees—is convened at each business site every month to discuss and share information related to such issues as work-related accident cause analysis and countermeasures and health and safety activities in light of the situation regarding employees who have taken sick leave.

Achievements in FY 2019

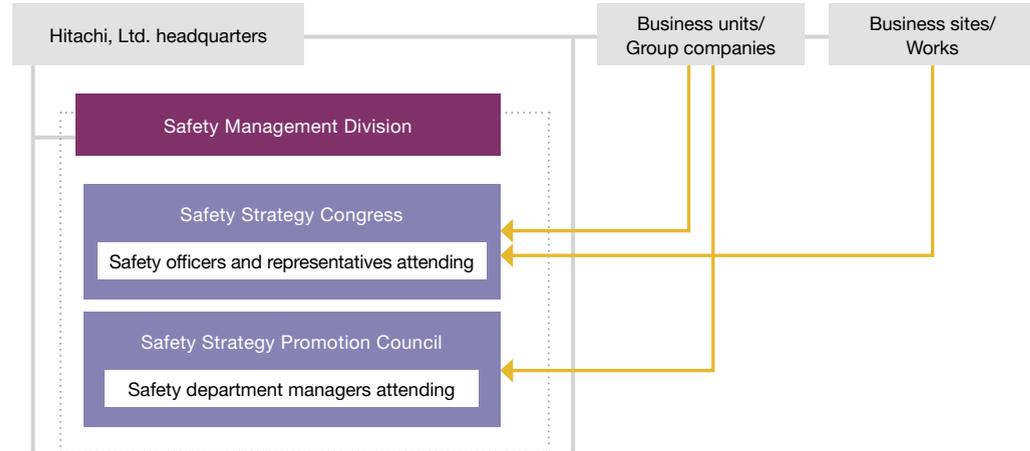
In fiscal 2019 senior management at Hitachi, Ltd. held one-on-one meetings with the CEOs of each business unit and Group company presidents to reinforce their commitment to health and safety management.

We also introduced an Incident Investigation System as a tool for analyzing occupational accidents to be commonly used across the Hitachi Group and intend to roll it out globally.

Goals for Hitachi, Ltd. (KPIs)

- Achieving zero fatal accidents by the end of fiscal 2021; reducing lost-time accidents globally by 50% compared to the previous year.

■ Safety Management Framework



Initiatives to Prevent Work-related Accidents

| | Target | Details |
|--|---|--|
| Hitachi Group Key Safety Management Designation System | Group companies and business sites that have experienced serious work-related accidents | Under the leadership of top executives, target companies and business sites take on both management-driven and bottom-up initiatives to formulate specific plans, and the progress of these plans is monitored by safety officers, who also lead initiatives to prevent recurrence. |
| Hitachi Group Health and Safety Portal System | In Japan | Based on each accident's severity, analysis of its causes and examples of countermeasures are registered in the system and shared with the entire Group as part of our knowledge base to be used globally. By analyzing detailed accident information from multiple perspectives aggregated by the system, similar accidents can be prevented. |
| Incident Investigation Database | Entire Group | An Incident Investigation Database was built to analyze accidents and formulate future countermeasures in accordance with the Incident Investigation System established in 2019. The database is currently operational for Japan, and we intend to roll it out globally. |

Initiatives for Preventing Work-related Accidents

Employee Engagement

403-5 | 403-7

To prevent work-related accidents among employees, Hitachi sets and applies its own safety standards to be observed at manufacturing sites around the globe as well as advancing health and safety measures tailored to the operations of individual companies. In particular, under the Safety Management Division, we have worked to improve our safety measures in terms of both policy, by examining and improving our risk assessment frameworks, and technology, by using IT and digital technology to prevent accidents.

Additionally, because the risk of accident is higher for workers not yet accustomed to their work or environment, employees and temporary workers receive individual health and safety training and on-the-job training before work begins, to help prevent accidents by ensuring that they understand work procedures and dangers. We are also working to build an education system that meets the requirements of the occupational health and safety management system integrated across the Group's operations worldwide. At each business site, the system will provide training for safety administrators at each organizational level and safety training for specific hazardous work activities as appropriate for organizational structure or business type.

On occasions of business restructuring, we share the details of the health and safety management frameworks and initiatives of the organizations to be merged in advance, and, paying all due respect to the organizational cultures on both sides, ensure that safety is always preserved during the execution of a smooth business launch.

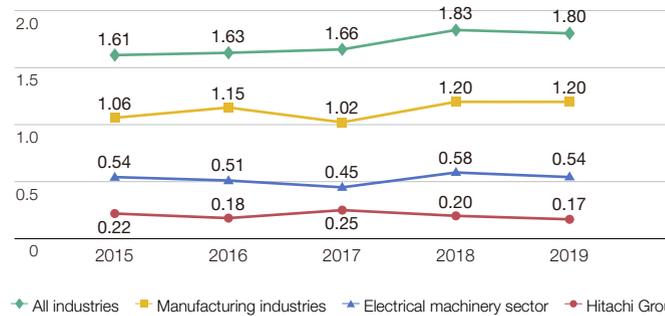
Current Work-related Accident Situation

Activities

403-9

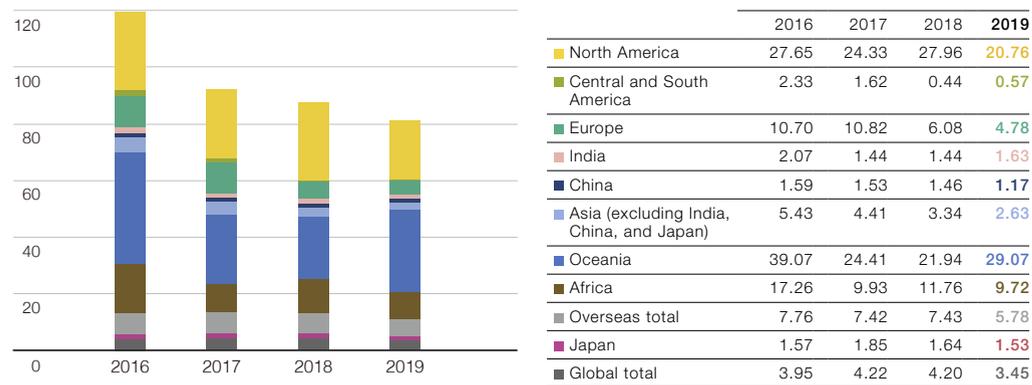
Unfortunately, during fiscal 2019, we had four fatal work-related accidents. Although the number of lost-time accidents decreased by 23% compared with the previous fiscal year, improvement is required. Taking an honest view of our present situation, we are continuously striving to improve our health and safety management systems, reviewing our risk management to make it more effective and enhancing our employees' ability to determine the cause of accidents.

Work-related Accident Frequency Rate



Notes: Work-related accidents are defined as those involving fatality or work-time loss of one day or more. Hitachi Group figures for Japan, including Hitachi, Ltd., are for 240 Group companies in 2015; for 200 Group companies in 2016; for 201 Group companies in 2017; for 188 Group companies in 2018; and for 169 Group companies in 2019.

Hitachi Group's Global Safety Figures (Occurrence Rate*1)



*1 Occurrence rate is the rate of workplace accidents per 1,000 directly contracted employees (excluding cases without lost workdays). Note: Collection of statistics began in 2016.

Initiatives to Improving Employee Health

Approach | Activities



403-6 | 403-10

Hitachi believes that health is the foundation for employees being able to work with energy and peace of mind. The basic principle of the Hitachi Group Health and Safety Policy, shared by all Group companies globally, is that "Health and Safety Always Comes First." Based on this principle, we strive as one to create working environments that allow workers to do their jobs without anxiety over their mental or physical health. In particular, within Japan, we are promoting support for identifying employees struggling with physical and mental issues, not just work-related but also private, and work with the Health Insurance Society to promote the individual support provided to each employee.

In Japan, occupational healthcare workers, human resources divisions, and the Health Insurance Society work together to promote a range of health support and appropriate health promotion management in accordance with Japan's Industrial Safety and Health Act.

Achievements in FY 2019

In order to advance employee health and promote health management, in fiscal 2019 the results of a third-party external evaluation conducted in the previous fiscal year were brought together with on-site reports for review and discussion by in-house occupational healthcare staff. Going forward, we will strive to further strengthen the foundation of health management, with the Health and Productivity Management Promotion Office, established in April 2020, playing a central role in improving health systems and policies in cooperation with the human resources division and the Health Insurance Society.

Health Support Initiatives in Japan

- Occupational healthcare provided by occupational physicians, nurses, and other occupational healthcare personnel both at health-management centers located at individual business locations and regional health-management centers serving multiple business locations
- 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 employees' health concerns and encourage regular exercise

- Proactive implementation of stress checks specified by law at all business sites—even those employing fewer than 50 employees, which are only required to make efforts toward compliance—to help prevent mental health issues and revitalize workplaces
- 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 officers

Absences



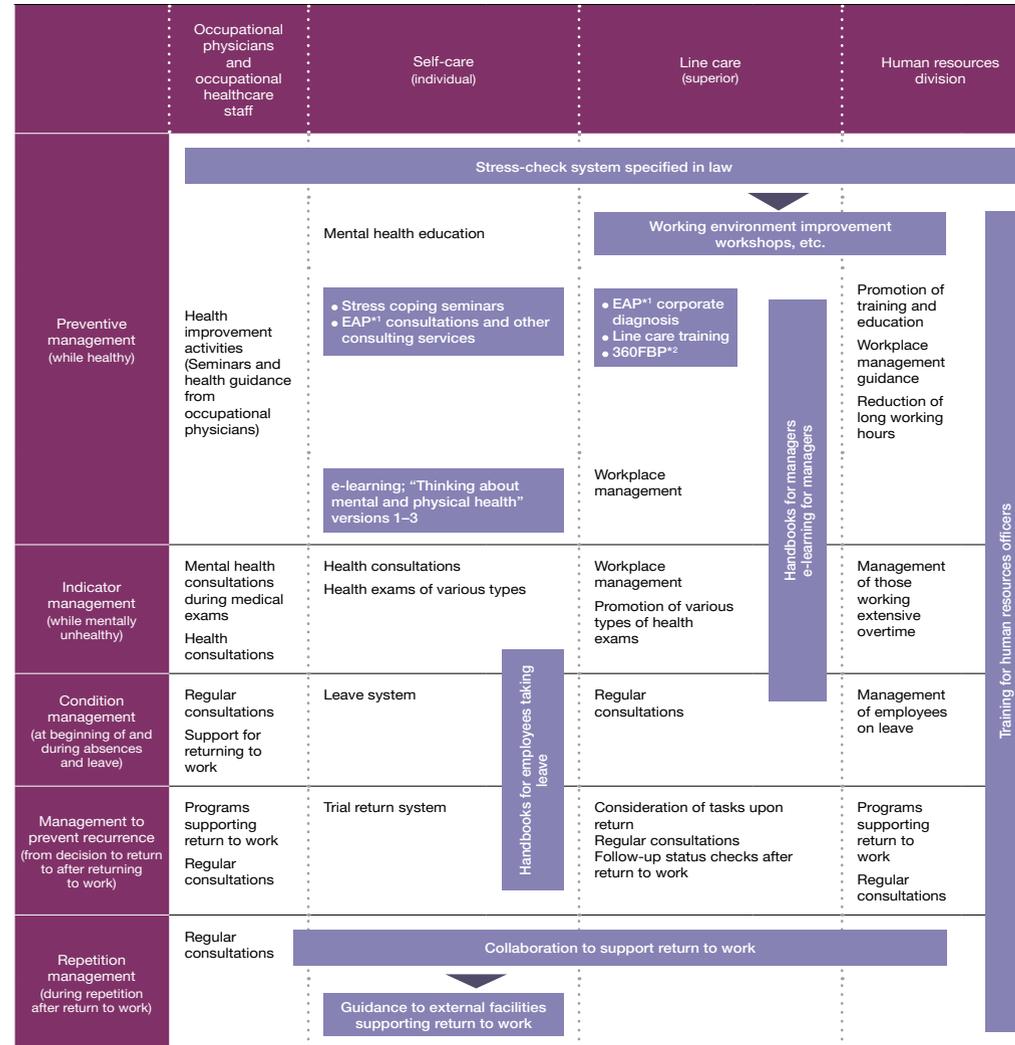
Note: Percentage of employees taking sick leave for seven or more consecutive days, or formally taking leave (Number of employees taking sick leave per month ÷ Number of employees per month × 100).

Addressing Mental Health

Activities
403-6

Hitachi has established measures addressing mental health to be taken by employees, workplace managers, occupational healthcare workers, and human resources divisions, and is working to spread basic mental health knowledge and understanding of ways to deal with stress, as well as to reinforce the ability of those in each position to respond to these issues.

Initiatives Addressing Mental Health at Hitachi



*1 EAP: Employee Assistance Program.
*2 360FBP: 360-degree Feedback Program.

Encouraging Employees to Receive Medical Exams and Vaccinations

Activities

403-6

In Japan, Hitachi has established a system offering financial support for medical exams by the Health Insurance Society, and encourages employees aged 35 and over in particular to receive the general physical and other exams specified in law, as well as targeted screening based on their age, in order to promote early diagnosis and treatment.

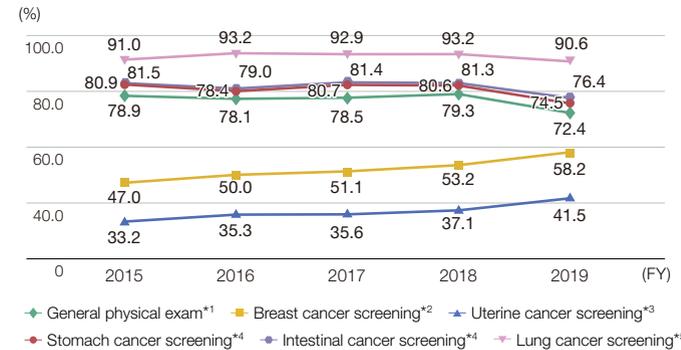
Furthermore, as a response to metabolic syndrome, in addition to special health guidance made compulsory for the Health Insurance Society, we actively promote policies to prevent and control conditions such as diabetes, cerebral strokes, and myocardial infarctions. Additionally, each year on May 31, World No Tobacco Day, we run an anti-smoking campaign aimed at employees.

To prevent employees from infectious diseases at overseas destinations, the Health Insurance Society has established financial support frameworks for vaccinations against conditions such as hepatitis A, tetanus, and cholera, as well as flu vaccinations for employees and their families to prevent the flu spreading in workplaces. As an initiative to prevent employees falling ill or suffering from serious conditions, we encourage vaccination in the early stage of each illness's spread. These programs are used by around 120,000 employees and family members each year.

Achievements in FY 2019

In fiscal 2019, as part of our efforts in Japan to encourage male employees of the generation not covered by a national MR vaccination program as children to receive an antibody test for and vaccination against measles and rubella—both of which are now free of charge—we introduced an incentive point system in cooperation with the Health Insurance Society.

Medical Exam and Screening Attendance Rates



*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 In FY 2016–2017, men and women aged 50 and over; from FY 2018, changed to men and women aged 35 and over.

Health Promotion Initiatives for Employees and Their Families

Activities

403-6

To encourage healthy lifestyles among employees and their families, the Hitachi Health Insurance Society has established a portal site for individuals entitled “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 a healthier lifestyle.

Achievements in FY 2019

Our health promotion initiatives for fiscal 2019 included an Autumn Walking Campaign using the pedometer function on “My Health Web.” The program ran for around three months and had some 21,000 participants. A ranking chart for participants was presented on the website, encouraging them to compete over daily results as they improved their health.

Promoting Collabo-Health*1

Activities

403-6

As well as carrying out individual health improvement initiatives according to their own unique characteristics, Group companies in Japan strive to maintain and improve the health of employees by taking full advantage of the services offered by the Health Insurance Society. Initiatives are evaluated on an annual basis, with recognition of the most accomplished companies and business sites within the Group heightening the motivation among business owners and employees to pursue such activities.

*1 Collabo-Health: A concept involving insurers like the Health Insurance Society proactively working with business owners, with a clear division of labor and a good working environment, to effectively and efficiently improve the health of insured persons (employees and their families), including with preventive strategies.

Health and Safety Considerations for Nuclear Businesses

403-7

Since 2008, Hitachi has been working with the world's leading nuclear power plant vendors to develop voluntary, private principles of conduct covering the exportation of nuclear power plants and reactors. The "Nuclear Power Plant and Reactor Exporters' Principles of Conduct" were formally revealed on September 15, 2011. They were adopted by all involved in its development, and we have also indicated our adherence to them.

Regarding our employees and other persons employed at nuclear sites under the Hitachi Group umbrella, we perform exposure management based on our internal management systems, and perform evaluation of radiation damage (dose management).

For health management in particular, our management indicators for radiation exposure are stricter than those set by Japan's Ministry of Health, Labor, and Welfare. We monitor physical and mental health along with exposure dose even for employees of partner companies, and an occupational physician from Hitachi visits sites to perform examinations and offer health advice.

Support for Employees During the COVID-19 Pandemic

Hitachi is taking measures to prevent the spread of COVID-19 and ensure the health and safety of employees and their families globally across the Group.

Hitachi, Ltd. adopted a sweeping work-from-home policy in March 2020 and maintained a telecommuting rate of 80% during Japan's state of emergency. In addition to establishing in-house procedures to deal with infections among employees, we adhere to government guidelines in preventing the spread of infection. Should an employee test positive, we instruct everyone in the same workplace to stay at home and monitor their health, and we also disinfect the workplace.

We are expanding our efforts to address a broad array of mental and physical health concerns among long-term telecommuters. For example, we provide remote healthcare counseling, offer tips on staying healthy while working from home, support foreign employees seeking medical services in Japan, and ensure the human rights of infected employees.

Helping Employees in Japan Stay Healthy

| Initiatives | Details |
|---|--|
| Remote counseling by occupational physicians | Start of remote counseling by occupational physicians and nurses as an early-response measure to address the mental and physical health concerns of long-term telecommuters |
| Tips on staying healthy while working from home | Launch of a website providing information on ways to keep mentally and physically fit—such as stress-coping strategies and simple, at-home exercises—and links to career-, family-health, and other counseling services |
| Inbound Medical Assistance Services | A 24-hour, year-round call center offering medical assistance in 16 languages for foreign employees and their families in Japan, including referrals and appointments to medical facilities and arrangements for emergency transport and hospitalization |
| Looking after infected employees | Messages delivered by the CEOs of business units to give reassurance to infected individuals and raise awareness among their colleagues |

 Hitachi Group's General Policies in Response to COVID-19 ▶ <https://www.hitachi.com/information/ImportantNotices/management.html#section2>

 Countermeasures Against the COVID-19 Pandemic [Global Human Capital Management] ▶

 Hitachi Group's COVID-19-Related Support Efforts [Social Contribution Activities] ▶

 Responding to COVID-19 [Business Continuation Initiatives] ▶

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

Freedom of Association and Collective Bargaining

Respecting the Rights of Employees

Policy

102-41 | 403-4 | 407-1

The Hitachi Group Codes of Conduct call for the upholding of the fundamental rights of employees in line with the principles of the United Nations Global Compact.

In concrete terms, in Japan, where labor unions are recognized, we espouse the three fundamental rights of labor unions (to organize, to bargain collectively, and to act collectively) as seen in the collective agreement between the CEO of Hitachi, Ltd. and the representative of the Hitachi Workers Union. The union has 23,847 members out of 37,701 employees as of October 31, 2019.

Respecting the Rights of Employees

System

407-1

The relationship between employees and management at Hitachi, Ltd. and Group companies in Japan is stable with healthy ongoing dialogue. At Hitachi, Ltd., the Central Management Council, the Business Units Management Council, and the Business Sites Management Council work to enhance mutual communication between employees and management, contributing to smooth management and business development, and improving working conditions for union members.

We also hold Hitachi Group management meetings to share information and exchange views and opinions on Group business conditions among the Federation of Hitachi Group Workers Unions (FHGWU). Group companies outside Japan also actively pursue dialogue with individual labor unions and their representatives in accordance with the laws and regulations in each country and region to deepen mutual understanding of employee working conditions and treatment as well as business conditions.

Notification of Work-related Transfers and Reassignments

System

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, in cases of large-scale transfers or reassignments, the company will consult with the labor union regarding the basic issues involved.

Cooperating to Improve Health and Safety

System

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

The committee works to ensure a healthy and safe work environment through initiatives that include planning and tracking health and safety activities each year, reviewing measures to prevent industrial accidents, and sharing information on whether employees have received their annual health check-ups.