

# Human Rights



### Key SDGs



## Why it matters

Hitachi understands that respecting human rights in business activities is not only essential for corporate sustainable development, it is also a responsibility that all companies must fulfill. In 2013, to clarify corporate responsibility with respect to human rights, we established the Hitachi Group Human Rights Policy based on Hitachi's Corporate Credo and Group Vision and designating it one of the highest codes governing our internal regulations.

Under the Hitachi Group Human Rights Policy, we pursue initiatives to ensure

respect for human rights not just within Hitachi itself but for everyone in our supply chain or otherwise involved with our business activities, products, or services. As well as implementing global training and awareness-raising activities and establishing grievance mechanisms to address employee concerns throughout the Hitachi Group, in recent years we have focused on human rights due diligence (HRDD), working to construct frameworks and systems for recognizing and reducing human rights risks.

## What we are doing



Respect for human rights throughout the value chain

### Core initiatives

- Ensure awareness of Hitachi Group Human Rights Policy
- Raise human rights awareness among executives and employees
- Recognize human rights risks and construct frameworks and systems for reducing them through HRDD
- Raise human rights awareness among suppliers, including issues around child labor and forced labor

### Goals and KPIs

- Training program on respect for human rights: Attendance by each employee at least once every three years (equivalent to a yearly participation rate of 33%)

### Achievements in FY 2019

- Consolidated general consultation and reporting systems (contact points) for harassment and human rights issues into Hitachi Global Compliance Hotline
- Distributed human rights message from President and CEO Toshiaki Higashihara on Human Rights Day
- Revised e-learning program on business and human rights
- Conducted human rights training session for executives titled "Current Perspective About AI Ethics"
- Identified human rights risks to be addressed by entire Group
- Conducted CSR procurement seminars for suppliers in Southeast Asia

# Respect for Human Rights Throughout the Value Chain

## Hitachi Group Human Rights Policy

Policy

Hitachi believes that respecting human rights is its responsibility as a global company and indispensable in conducting business. To this end, in May 2013 we formulated the Hitachi Group Human Rights Policy. The Senior Executive Committee reviewed and approved this policy, designating it one of the highest codes governing our internal regulations. During the formulation of the policy, Hitachi held stakeholder dialogues, inviting representatives from the European Commission, the International Labour Organization (ILO), NGOs, and external companies, as well as lawyers specializing in human rights issues, and the opinions and suggestions of these attendees are reflected in the final policy. In the policy, we clarify our understanding of human rights as being, at a minimum, those outlined in the International Bill of Human Rights\*1 and the ILO's Declaration on Fundamental Principles and Rights at Work. This policy shapes Hitachi's approach to meeting the responsibility to respect human rights, including implementing human rights due diligence\*2 in line with the UN Guiding Principles on Business and Human Rights,\*3 providing appropriate education to employees, adhering to laws and regulations in all the regions and countries where we operate, and seeking ways to honor the principles of international human rights when faced with conflicts between internationally recognized human rights standards and national laws. In accordance with the policy, we use opportunities such as our e-learning program on human rights and messages from President and CEO Toshiaki Higashihara on Human Rights Day to continuously raise awareness among all employees. The policy is also included in the Hitachi Group CSR Procurement Guidelines for our suppliers, and we strive, through a range of activities, to promote understanding among suppliers of our approach to human rights and ensure that they act in accordance with it.

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

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

\*3 Guiding Principles on Business and Human Rights: Included in the March 2011 "Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie" (A/HRC/17/31).

## Respect for the Rights of Children

Hitachi respects the rights of children as outlined in the United Nations Convention on the Rights of the Child and the Children's Rights and Business Principles developed by the United Nations Children's Fund (UNICEF). We strive to eliminate child labor in the Group and its supply chains as specified in the Hitachi Group Codes of Conduct. We have also set forth in other relevant internal regulations our policy of respecting human rights, including the rights of children.

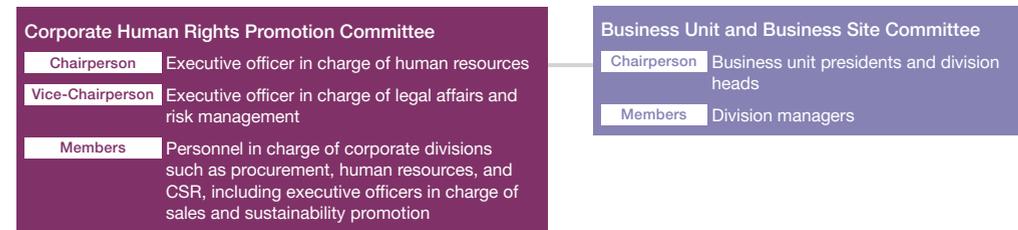
## Framework for Human Rights

Framework

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Hitachi, Ltd. has a Corporate Human Rights Promotion Committee to gauge the impact of business activities on human rights and to deliberate on mechanisms and policies for preventing human rights violations, thereby improving Group-wide human rights awareness. The executive officer in charge of human resources chairs this body, whose members include representatives from corporate divisions. Policies decided through these deliberations are shared with business unit and business site committees, led by business unit presidents and division heads to prevent human rights violations.

### ■ Hitachi, Ltd. Framework for Promoting Respect for Human Rights



## Establishing a Global Grievance Mechanism

System

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In April 2020, we consolidated the Hitachi Group's internal reporting systems into the Hitachi Global Compliance Hotline. We are planning to merge the general consultation and reporting systems (contact points) for harassment and human rights issues at the business sites of each business unit and Group company into this hotline in fiscal 2020. These efforts will clarify who to contact to discuss human rights issues, make it easier for employees and those working with us to access these services, and promote the Group-wide effort globally by establishing an environment, including a grievance mechanism, that helps Hitachi grasp and identify violations of human rights.

Human Rights Awareness Initiatives Targeting Suppliers and Procurement Personnel ▶

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

Hitachi Group Human Rights Policy ▶ [http://www.hitachi.com/sustainability/policy/pdf/human\\_rights\\_policy.pdf](http://www.hitachi.com/sustainability/policy/pdf/human_rights_policy.pdf)

Details of dialogue with stakeholders during formulation of Hitachi Group Human Rights Policy ▶ <https://www.hitachi.com/sustainability/download/pdf/csr2013e.pdf#page=123>

Compliance Reporting System ▶

Hitachi Group Codes of Conduct ▶

Work-Life Management ▶

Advertising Activities ▶

Raising Human Rights Awareness Among Executives and Employees

Employee Engagement

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Hitachi conducts regular group training and seminars and uses videos to educate employees in each business site and Group company. The target is for each employee to attend these sessions at least once every three years (equivalent to a yearly participation rate of 33%). In fiscal 2019, the participation rate came to approximately 65% at Hitachi, Ltd. and around 60% among Group companies in Japan. Through these and other trainings and activities to raise awareness, we are communicating to our employees the importance of respecting human rights in each of their roles.

Achievements in FY 2019

In fiscal 2019, we revised the e-learning program on business and human rights offered to all Hitachi employees around the world. The goal of the program is to deepen understanding of the definition of and international standards for human rights as well as corporate responsibility to respect them. It helps improve understanding and shows how human rights relate to business activities by introducing case studies involving discrimination, forced labor, and human rights issues at suppliers.

Executive officers from Hitachi, Ltd. also participate in annual officer training sessions on human rights. In fiscal 2019, Hiroshi Nakagawa, group director of the RIKEN Center for Advanced Intelligence Project (AIP), gave a presentation on "Current Perspective About AI Ethics." He spoke about the impacts AI development has had on human rights as well as ethical guidelines for AI published by the Institute of Electrical and Electronics Engineers (IEEE), the Organisation for Economic Co-operation and Development (OECD), and the Cabinet Office of Japan.

In Japan, where a revised labor law designed to prevent power harassment took effect in June 2020, we are raising awareness of the issue of harassment through seminars for executives and workplace discussion sessions for all employees as well as trainings for different levels and employees transferred abroad.

Implementation Status of Activities to Raise Awareness of Human Rights

Target	Details	Number of participants
All Hitachi Group executives and employees	Distributed a human rights message by President and CEO Toshiaki Higashihara on Human Rights Day	251,085 executives and employees
All Hitachi Group executives and employees	Implemented an e-learning program on business and human rights (completed by employees roughly once every three years; contents revised in fiscal 2019; provided in 15 languages)	A total of more than 160,000 Group executives and employees globally (as of March 2020)
Executive officers of Hitachi, Ltd.	Attended a presentation on "Current Perspective About AI Ethics" by Hiroshi Nakagawa, group director of the RIKEN Center for Advanced Intelligence Project	34

Human Rights Due Diligence (HRDD) Initiatives

Activities

In our Hitachi Group Human Rights Policy, we pledged to develop mechanisms for and to continue the implementation of human rights due diligence (HRDD). We are working to improve our business processes. For example, our CSR procurement guidelines reflect the results of HRDD risk assessments performed in our procurement divisions.

Achievements in FY 2019

In fiscal 2019, we analyzed and reassessed a wide variety of information, including the results of our HRDD to date; human rights issues specified in Hitachi's codes and guidelines; information, advice, and inquiries from non-governmental organizations, the media, and experts; items on assessments of corporate efforts by international initiatives; and the results of self-checks by suppliers and Group companies. Taking these results into account, we identified forced labor and migrant labor as human rights risks that the Hitachi Group as a whole should work to address. Forced labor and migrant labor are issues of high concern that are increasingly the subject of legislation around the world. From fiscal 2020 onward, we will carry out specific measures globally across the Group and explore the establishment of human rights risks management systems at individual business sites.

Implementation Status of Human Rights Due Diligence

FY	Initiatives
2013	<ul style="list-style-type: none"> <li>Launched HRDD pilot programs in specified business sites</li> <li>Analyzed and evaluated human rights risks in six ASEAN countries</li> </ul>
2014	<ul style="list-style-type: none"> <li>Developed a document with guidelines for implementing HRDD in collaboration with NPO Shift</li> </ul>
2015	<ul style="list-style-type: none"> <li>Initiated HRDD in procurement divisions; assessed and prioritized human rights risks that employees are likely to confront in the supply chain and explored mitigation strategies</li> </ul>
2016	<ul style="list-style-type: none"> <li>Initiated HRDD for human resources divisions at Hitachi; assessed and prioritized human rights risks for employees and explored mitigation strategies</li> </ul>
2017	<ul style="list-style-type: none"> <li>Incorporated results of HRDD in procurement divisions into revision of CSR procurement guidelines for suppliers; revised checklist used in supplier CSR monitoring (self-checks)</li> </ul>
2018	<ul style="list-style-type: none"> <li>Assessed and prioritized human rights risks in some business units and Group companies and discussed mid-term action plan</li> </ul>
2018	<ul style="list-style-type: none"> <li>Implemented self-checks for about 100 Group companies in Southeast Asia using checklists for suppliers</li> </ul>
2019	<ul style="list-style-type: none"> <li>Analyzed and reassessed results of HRDD to date to determine human rights risks that Hitachi Group must address as a whole</li> </ul>

## Addressing the Risks of Child Labor and Forced Labor

Activities

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The Hitachi Group Codes of Conduct clearly express Hitachi's firm stance against the use of child labor or forced labor either in Group companies or along our supply chain. Recognizing the growing risks of forced labor amid the ongoing globalization of business, Hitachi also developed an e-learning program for all Group executives and employees on the subject of human rights. The program draws on specific case studies to convey the importance of preventing forced labor and human trafficking problems before they occur.

Hitachi's CSR procurement guidelines for suppliers also clearly forbid the use of child labor or forced labor. As part of our efforts to raise awareness all along the supply chain, we distributed these guidelines to tier 1 suppliers and conducted CSR procurement seminars in China and Thailand.

### Human Rights Awareness Initiatives Targeting Suppliers and Procurement Personnel

FY	Target	Initiatives
2016	Employees responsible for procurement and human resources in Southeast Asia	Held a four-part webinar*1 series led by speakers from NGOs and businesses implementing advanced countermeasures
2016	Suppliers in China	Held CSR procurement seminars to explain the Hitachi Group's CSR activities and respect for human rights
2017	Suppliers in Malaysia	Conducted on-site visits and interviews regarding the working and living conditions of migrant laborers, who are considered at high risk of bonded labor and other issues
2017	Suppliers in China	Held CSR procurement seminars to explain the SDGs and other recent sustainability trends, as well as how environmental and labor issues, including human rights, are linked to business risks
2018	European Group companies	Procurement personnel from European Group companies formed the Responsible Supply Chain Working Group
2018	Suppliers in China	Held CSR procurement seminars to explain Hitachi Group CSR policies and activities as well as the severity of human rights risks
2019	European Group companies	Created a webinar titled "Implementing the UN Guiding Principles on Business and Human Rights" for procurement personnel in the working group mentioned above
2019	Suppliers in Thailand	Held CSR procurement seminars to explain forced labor by providing case studies

\*1 Webinar: A portmanteau word combining "web" and "seminar," used to refer to an interactive seminar held online.

## Response to Technical Intern Training Program Issues

Activities



In 2018, the Organization for Technical Intern Training, a legal entity whose establishment was approved by competent ministers conducted on-site inspections at Hitachi, Ltd. and 10 Group companies. These inspections identified violations of the Act on Proper Technical Intern Training and Protection of Technical Intern Trainees, and the relevant companies were provided with recommendations for improvement regarding intern training. Additionally, in September 2019, Hitachi, Ltd. received an order for improvement from the Immigration Services Agency of Japan and the Ministry of Health, Labor and Welfare regarding the construction of its systems for carrying out proper technical intern training according to authorized plans. Companies that received such recommendations or orders for improvement have already taken corrective measures. We have taken further strict measures to ensure that no further violation will take place throughout the entire Group, such as constructing Group-wide policies, guidelines, and check systems for technical intern training. We continue to strive to carry out appropriate technical intern training in accordance with relevant laws and the aims of the Technical Intern Training Program and with due consideration for human rights on the basis of the Hitachi Group Human Rights Policy.