## Innovation Management

Throughout its history of over 100 years, Hitachi has pursued its Mission “to contribute to society through the development of superior, original technology and products” aiming at creating innovation leading into the future. We view the approach of leveraging data and technology even further to produce strong, robust products, solutions, and business models as essential in realizing a sustainable society and business amid the increasingly diverse and complex social issues we face. Accordingly, we are backcasting from 2050 to bolster research and development aimed at creating radical innovation and working to protect and effectively utilize intellectual property (IP).

### Why

- Why it matters

### What

**Innovation Strategy**
- Expanding Investments in Innovation
- Generating digital service businesses with the Lumada growth model
- Backcasting from 2050 to create radical innovation
- Accelerating outside-in innovation through startup investments

**Research and Development**
- Accelerating value co-creation
- Creating growth drivers
- Evolving Lumada further
- Creating the next pillars of growth
- Bolstering recruitment and development of digital talent
- Observing AI ethics

### How

#### Policy and promotion structure

<table>
<thead>
<tr>
<th>What</th>
<th>How</th>
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</thead>
<tbody>
<tr>
<td>Backcasting from 2050 to create radical innovation</td>
<td>Identified three social issues, “an environmentally-neutral society” “a society which supports an active 100-year lifespan of its citizens” and “the co-evolution of digital technologies, people and society”, that must be resolved by 2050 and strived to create radical innovation to help resolve them</td>
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<tr>
<td>Accelerating outside-in innovation through startup investments</td>
<td>Launched a second fund and invested in a total of 17 startup companies</td>
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#### R&D investment

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<thead>
<tr>
<th>What</th>
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<tr>
<td>Hitachi Group R&amp;D expenditure: 317.3 billion yen (R&amp;D expenditure as a percentage of revenue: 3.1%)</td>
<td>In April 2022, the Global Center for Social Innovation and the Center for Technology Innovation were integrated and reorganized as the Center for Digital Services and the Center for Sustainability. We are working to enhance value creation through DX/GX to promote worldwide business growth.</td>
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#### Intellectual property

<table>
<thead>
<tr>
<th>What</th>
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<tbody>
<tr>
<td></td>
<td>Promoted activities, including holding forums and roundtables with universities in and outside Japan, to identify signs of change in society and customers, formulate visions and design business scenarios.</td>
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#### Human capital

<table>
<thead>
<tr>
<th>What</th>
<th>How</th>
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<tbody>
<tr>
<td></td>
<td>Digital talent: Approx. 67,000 people</td>
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#### Human rights

<table>
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<tr>
<th>What</th>
<th>How</th>
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<tr>
<td></td>
<td>Target</td>
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#### Value chain management

<table>
<thead>
<tr>
<th>What</th>
<th>How</th>
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<tbody>
<tr>
<td></td>
<td>Published a special issue of Hitachi Review, “AI Governance and Ethics in Social Innovation Business”</td>
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### Relevant SDGs

<table>
<thead>
<tr>
<th>SDG Code</th>
<th>SDG Title</th>
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<tbody>
<tr>
<td>3.0</td>
<td>Good Health and Well-being</td>
</tr>
<tr>
<td>3.0</td>
<td>Good Health and Well-being</td>
</tr>
<tr>
<td>8.0</td>
<td>Decent Work and Economic Growth</td>
</tr>
<tr>
<td>9.0</td>
<td>Industry, Innovation and Infrastructure</td>
</tr>
<tr>
<td>9.0</td>
<td>Industry, Innovation and Infrastructure</td>
</tr>
<tr>
<td>11.0</td>
<td>Sustainable Cities and Communities</td>
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<tr>
<td>11.0</td>
<td>Sustainable Cities and Communities</td>
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<tr>
<td>13.0</td>
<td>Climate Action</td>
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<td>13.0</td>
<td>Climate Action</td>
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<tr>
<td>15.0</td>
<td>Life on Land</td>
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<tr>
<td>15.0</td>
<td>Life on Land</td>
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<tr>
<td>17.0</td>
<td>Partnerships for the Goals</td>
</tr>
<tr>
<td>17.0</td>
<td>Partnerships for the Goals</td>
</tr>
</tbody>
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References:

1. Hitachi Sustainability Report 2022

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*Note: The above text is a representation of the information provided in the document.*
<table>
<thead>
<tr>
<th>Social</th>
<th>Intellectual Property</th>
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<tbody>
<tr>
<td></td>
<td>What</td>
</tr>
<tr>
<td></td>
<td>- Deploying IP activities globally based on our IP strategy</td>
</tr>
<tr>
<td></td>
<td>- Engaging in IP activities aimed at creating environmental value</td>
</tr>
<tr>
<td></td>
<td>- Enhancing our reward system for employee inventions</td>
</tr>
<tr>
<td></td>
<td>- Promoting design and brand protection activities</td>
</tr>
<tr>
<td></td>
<td>How</td>
</tr>
<tr>
<td></td>
<td>- Policy and promotion structure</td>
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<tr>
<td></td>
<td>In fiscal 2022, the name of the Intellectual Property Division was changed to the Global Intellectual Property Group with the intention of strengthening collaboration with companies outside of Japan and promoting further global deployment of our IP activities. We also created the position of Chief Intellectual Property Officer (CIPO) to strengthen our global intellectual property management framework.</td>
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<tr>
<td></td>
<td>Achievements in FY 2021</td>
</tr>
<tr>
<td></td>
<td>- Global deployment of IP activities based on our IP strategy</td>
</tr>
<tr>
<td></td>
<td>Globally implemented an intellectual property strategy comprising three pillars: Competition, Collaboration, and IP for society.</td>
</tr>
<tr>
<td></td>
<td>- IP activities aimed at creating environmental value</td>
</tr>
<tr>
<td></td>
<td>Established the new Environmental IP Enhancement Center and began considering measures to contribute to the improvement of environmental value from the perspective of intellectual property.</td>
</tr>
<tr>
<td></td>
<td>- Awards for IP</td>
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<tr>
<td></td>
<td>Selected for inclusion in Clarivate Plc’s Derwent Top 100 Global Innovators (2021) list for the 11th consecutive year</td>
</tr>
</tbody>
</table>
Innovation Strategy

Approach to Generation of Innovation

Over a history of more than a 100 years, Hitachi has pursued the company Mission “to contribute to society through the development of superior, original technology, and products,” and generating innovation for the future by pursuing cutting-edge technologies.

During the Mid-term Management Plan 2021, we opened Kyōsō-no-Mori and expanded co-creation with customers, while reorganizing technology platforms and acquiring business models through startup investment and collaborations. To further accelerate these initiatives, the newly established Innovation Growth Strategy Division in April 2022 will formulate innovation investment strategies that will inspire the next growth for customers, and under this strategy, promote the creation of digital service businesses and radical innovation.

Strategies for Generation of Innovation

Expanding Investments in Innovation

Under the Mid-term Management Plan 2024, we will expand investments in innovation across the entire Hitachi Group for further growth. A cumulative total of 100.0 billion yen will be invested in advanced research during the three-year plan, expanding Group-wide R&D investment to 1.1 trillion yen. We will also invest an additional 50.0 billion yen in corporate venturing (CV). Through these investments, Hitachi aims to create radical innovation to solve future societal issues.

Generating Digital Service Businesses with the Lumada Growth Model

Under the Mid-term Management Plan 2024, we will further develop the Lumada growth model to co-create innovation together with customers, and promote digital services that address our customers’ next management challenges. To ramp up the Lumada growth cycle, we will deepen our understanding of captured signs and changes in society and customers, draft together with our customers visions for new growth, and provide innovations to realize that growth. In the Lumada growth model, we will promote the categorization of business segment characteristics and operations as well as work with the global front teams to strengthen marketing activities, to materialize and scale up through co-creation.

Backcasting from 2050 to Generate Radical Innovation

In formulating the 2024 Mid-term management plan, we explored future social issues through repeated discussions with international organizations, universities, customers, and startups. Based on these discussions, we understood that the societal challenges that need to be addressed as we approach 2050 are: “an environmentally-neutral society,” “a society which supports an active 100-year lifespan of its citizens,” and “the co-evolution of digital technologies, people and society,” and set them as areas of focus. We are addressing these concerns through such initiatives as “energy storage and supply” and “direct air capture” to realize a carbon negative society; “minimally invasive cancer treatment” and “designed cells” to overcome cancer and intractable and infectious diseases; and “Ultra Big Data Management” and “silicon quantum computers” to facilitate a data economy and computing innovation. Hitachi will be taking on the challenge of creating radical innovation to resolve future issues by backcasting from 2050.

Accelerating Outside-in Innovation through Startup Investments

Through investments and collaborations with startup companies, Hitachi will achieve radical innovation and acquire groundbreaking business models contributing to the expansion of the Lumada business. In 2019, we established Hitachi Ventures GmbH (HVG) and launched the first fund. We have now launched a second fund and invested in 17 companies.

Under the Mid-term Management Plan 2024, we will expand innovation ecosystems with customers, startup companies, academia and others. Specifically, we will focus on three areas identified in backcasting from 2050: “achieving a decarbonized and carbon-negative society,” “overcoming cancer and intractable and infectious diseases,” and “promoting the co-evolution of digital technologies, people and society.”

In May 2022, HVG CEO Stefan Gabriel was ranked 19th on the Top 50 Powerlist by Global Corporate Venturing.
Innovation Promotion Structure for DX/GX Global Growth

**Structure**

Fully leveraging the Hitachi Group’s technology platforms, human capital and the customer network, we will create DX/GX innovations under a global structure. The Research & Development Group with a highly diversified workforce of 2,300 people, will be leading the creation of innovation through digitalization and other technologies. Together with Hitachi Ventures GmbH (HVG), we will work to create innovation that will solve issues faced by customers and society through collaborations with leading startups in a wide-range of fields. The Global Intellectual Property Group is promoting the establishment of a new intellectual property platform to provide value to global customers under experienced global leadership. We will accelerate global business growth together with Hitachi Energy, GlobalLogic, and business units in each region.

**Innovation Growth Strategy Division**

Formulate and execute innovation investment strategies that stimulate further customer growth

Keiji Kojima, President & CEO

**Research & Development Group**

2,300 people

Drive innovation with digitalization and technologies to provide value through co-creation

Norihiro Suzuki, CTO and GM of the R&D Group

**Global Intellectual Property Group**

200 people

Establish intellectual property platform to provide value to global customers

Stephen Manetta, CIPO

**Asia**

India: Strengthen digital engineering

APAC: Focus on green buildings and smart cities

DX: Digital Transformation, GX: Green Transformation

**Europe**

Create the environment business in collaboration with Hitachi Energy and Hitachi Rail

Participate in the European Environment ecosystem

Hitachi Energy: Gerhard Salge, CTO

**North America**

Enhance creation of digital service businesses through cooperation with GlobalLogic, Hitachi Vantara and Hitachi Digital

GlobalLogic: Sunil K. Singh, CTO

**China**

Expand Industrial GX/GX business in collaboration with local Group companies

Strengthen decarbonization efforts

Hitachi China: Yasushi Harada, CTO

**Japan**

Promote customer co-creation targeting DX/GX, establish world-leading technology platforms, create radical innovation addressing planetary boundaries and wellbeing
Research and Development

Approach to R&D

Hitachi’s R&D strength is that it has established a value creation cycle based on owning platform technologies for OT x IT x Products, and know-how, and pursuing technology development through co-creation with customers and partners, adding to greater know-how.

Under the Mid-term Management Plan 2024, Research & Development will work closely with Hitachi Digital, the Global Environment Division and the Innovation Growth Strategy Division that are leading the growth strategy across the Hitachi Group. We will accelerate initiative for the co-creation of value to further advance the Social Innovation Business, focusing on “Digital,” “Green” and “Innovation” as the growth drivers. By generating innovation which will drive the Lumada growth model, we will contribute to the growth of our global business as well as create the next pillars of growth through radical innovation backcasted from 2050.

In fiscal 2022, R&D will be conducted under the following policy.

R&D Policy for Fiscal 2022

Basic Policy: "Generate innovation through ‘Digital’ and ‘Green’ solutions for global business growth"

- Accelerate co-creation of value: Create OT x IT x Products value through digital technology
- Create growth drivers: Contribute to global business growth through innovative products × Digital
- Establish the next pillars of growth: Generate radical innovations by backcasting from 2050

Structure to Promote R&D

To execute on the R&D policy, the Research & Development Group was reorganized on April 1, 2022. The Global Center for Social Innovation, which was responsible for generating value-driven innovation, together with front line Business Units (BUs), and the Center for Technology Innovation, which was responsible for development of world-leading technology to support value creation, were integrated and reorganized as the Center for Digital Services and the Center for Sustainability, to enhance value creation through DX/GX. Together with the Center for Exploratory Research, responsible for laying key stones for the future, and research laboratories in North America, Europe, China, India, and Asia-Pacific (APAC), we will work as one global organization to drive innovation.

R&D Investment

Hitachi is actively investing in R&D. We are strengthening our Digital systems & Services, Green energy & Mobility, and Connective industries businesses, and working to reinforce mid-to-long-term initiatives for future growth. With regard to the Research & Development Group, a corporate division, it is expanding digital technology platforms and enhancing research resources outside of Japan to expand the Lumada business, Hitachi’s growth engine and global deployment, as well as investing in co-creation to resolve issues faced by customers and society and the creation of world-leading technology and radical technology. In fiscal 2021, the R&D expenditure of the Hitachi Group was ¥317.3 billion yen, and R&D expenditure as a percentage of revenue was 3.1%.
Accelerating Value Co-creation

Hitachi considers its most important issue to be realizing a sustainable society, while respecting planetary boundaries and human wellbeing. Aiming to realize societal and economic development that protects the Earth, Hitachi will deliver “Green,” “Digital,” and “Innovation” as the solutions for future growth to society and customers to realize a society and economy that protects the Earth, and to achieve happiness in everyday life and workstyles. We will develop Hitachi’s unique co-creation approach, NEXPERIENCE, into a methodology to resolve societal issues and deploy the Lumada growth model. Through activities such as those in our university joint laboratories, we are capturing the kizashi (signs) of change in society and customers, to develop visions and business scenarios.

Achievements in Fiscal 2021

Hitachi participated in the Transition to Zero Pollution panel discussion hosted by Imperial College London in the United Kingdom to promote consensus-building on expectations and issues regarding a decarbonized, recycling-oriented society. Transition to Zero Pollution aims to achieve net zero emissions by 2050 (the state where the amount of CO₂ produced is equivalent to that removed from the atmosphere).

Additionally, forums and roundtables were held at the H-UTokyo Lab. and Tsinghua University in China to discuss the realization of a carbon neutral society in each region.

Creating Growth Drivers

Hitachi is developing data-driven solutions under the Lumada growth model. By implementing the Lumada four-quadrant value co-creation cycle, our goal is to create growth drivers that support customer businesses. In Research & Development, we are furthering our understanding of customers’ next business challenges while promoting the co-creation of innovations and digital services to resolve these issues. The Lumada growth model will be deployed worldwide together with GlobalLogic and others.

Examples of Value Co-creation in Finance and Public Services

- Optimize work processes with design thinking
- Increase work process system efficiency using “AI (RPA, dialogues, automated responses),” awarded first place in an international competition (SemEval2020)
- Launch of Sustainable Finance Platform as inter-industry coordinated services using IoT and blockchain technology, implement an inter-industry coordinated IoT intermodal distribution system
- Increase work process system efficiency using “AI (RPA, dialogues, automated responses),” awarded first place in an international competition (SemEval2020)
- Data analysis with assured security in DFFT and Blockchain/NFT discussed at first GTGS hosted by the World Economic Forum
- Hitachi’s sensitivity analysis service automatically analyzes risk countermeasures, and so on.

Hitachi’s “Explainable AI” analyzes and evaluates operational data, and supports the implementation of AI in work systems, continuous operations and improvements.

About NEXPERIENCE

https://www.hitachi.com/rd/research/design/nexperience/
### Examples of the Value Creation Cycle in the Fields of Energy, Railway and Transport

<table>
<thead>
<tr>
<th>PLAN</th>
<th>Current issues: Innovations in asset management</th>
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<tbody>
<tr>
<td>OPTIMIZE</td>
<td>Optimize facility costs with design thinking</td>
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<table>
<thead>
<tr>
<th>BUILD</th>
<th>Next challenge: Promote user transition to CN</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPLOY</td>
<td>Deploy Hitachi’s digital maintenance platform and digital twin equipment diagnostic and management systems to maintain and improve analysis accuracy in line with changes in equipment status</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATE</th>
<th>Integrate remote and automated equipment inspections using “image diagnostics AI technology” that has achieved the highest level in an international competition (TRECVID2020)</th>
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<table>
<thead>
<tr>
<th>MAINTAIN</th>
<th>Provide condition-based services with Hitachi’s APM which was selected as a Leader in the IDC MarketScape 2020–2021 Vendor Assessment</th>
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<table>
<thead>
<tr>
<th>MAINTAIN</th>
<th>Provide multi-energy optimization service with EaaS and MaaS</th>
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**Hitachi Product Strengths**

Hitachi is promoting the provision of value to customers through OT x IT x Products. In terms of products, during the Mid-term Management Plan 2021, we were able to establish the top global technologies, winning prominent awards for high-speed railways, in-vehicle inverters, particle beam cancer treatment systems, and biochemical immune-assay systems.

In the Automotive System business, we are working on gearless, high-efficiency drive systems and multi-port EVs realizing the industry’s most substantial size and weight reductions. Regarding the drive system (in-wheel motor), we aim to reduce energy loss by 30% compared to previous motors, and have been selected for support by the Japanese government’s Green Innovation (GI) Fund, aiming for even higher efficiency.

In the measurement and analysis systems business (Hitachi High-Technologies), we will enhance the competitiveness of our semiconductor inspection and manufacturing equipment while integrating and analyzing data generated from equipment in processing, inspection, measurement and analysis to provide feedback on manufacturing processes and products to realize customer process innovations. Through co-creation with customers, we will use the data generated from products for predictive diagnostics, analytics visualization and optimizing operating conditions to contribute to reduced development time, improved yields in manufacturing, and increased productivity for customers.

**Further Evolution of Lumada**

In conducting R&D to further evolve Lumada, Hitachi is engaged in the creation of Lumada cyber-physical systems (CPS) that link the digital and physical spaces in real time. We are also focusing on the key technologies of AI, 5G, beyond 5G, security, electrification, metaverse/Web 3.0.

For the area of security, we are developing Public Biometric Infrastructure (PBI) technologies realizing data free flow with trust (DFFT) and promoting enhanced security for crypto assets. Regarding metaverse/Web 3.0 which will support future societal infrastructure, we will accelerate co-creations with startup companies.

**Creating the Next Pillars of Growth**

**Activities**

- **By backcasting from 2050, Hitachi is taking on the challenge to generate radical innovation for the next pillars of growth:** “an environmentally-neutral society,” “a society which supports an active 100-year lifespan of its citizens,” and “the co-evolution of digital technologies, people and society.”

- **Toward the realization of an environmentally-neutral society**
  - To realize a decarbonized and carbon negative society, we are working to realize a large-scale, low-cost hydrogen production system, high-efficiency artificial photosynthesis, and a fuel production cycle fed directly by CO2.

- **Toward the realization of a society which supports an active 100-year lifespan of its citizens**
  - For “overcoming cancer, intractable and infectious diseases,” we are working to develop even more advanced cancer therapy through technology such as automated positioning of particle beam radiotherapies. Furthermore, we are developing designed cells based on genetic modification and cell measurement technologies.
4 Social

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Human Capital

Value Chain Management

Community

Social Data

Toward the realization of the co-evolution of digital technologies, people and society

We will further enhance ultrahigh-speed database engines to realize data extraction performance speeds more than 100-times faster than conventional systems.

We are also accelerating developments for bio transformation (BX) and quantum transformation (QX), which will follow DX and GX.

Digital Human Resource Development

Activities

To respond to the recent progress of digitalization, Hitachi is strengthening our digital human resources, including top-class AI experts. In the Research & Development Group, we are placing particular emphasis on developing top-class AI researchers*1 and established the Lumada Data Science Lab. to bring together digital human resources to foster and develop them. This helped us to realize our target (350 top-class AI researchers by fiscal 2021) ahead of schedule, with currently 399 at the end of fiscal 2021.

*1 Top-class researchers who use AI/analytics, and data scientists who received internal certification.

Achievements in Fiscal 2021

In fiscal 2021, we published a special issue of Hitachi Review, AI Governance and Ethics in Social Innovation Business. It provides an in-depth explanation of Hitachi’s approach to AI ethics and governance for AI implementation in research, PoC, and product development.

Principles guiding the ethical use of AI in Social Innovation Business


AI Ethics

Activities

In February 2021, Hitachi released Principles guiding the ethical use of AI in Social Innovation Business and a white paper on Hitachi’s activities in the area of AI ethics. Its goal is to ensure human-centric AI development and societal implementation.

Since then, we have striven toward the development, societal implementation, and proper utilization of human-centric AI that is safe and secure. And in the AI development stage, we are working to curb the various risks that arise when using AI.

In fiscal 2021, we checked approximately 800 AI projects in the planning phase, identified risks and took measures against them.

Hereafter, we will continue to promote the establishment of AI governance, and help to stimulate discussions throughout society. We are continually working to improve the substance and operation of this effort, while incorporating the opinions of stakeholders and changes in the external environment.

Major External Recognitions in Fiscal 2021

In the environmental sector, we received the 68th Okochi Memorial Prize and the 2021 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology Awards for Science and Technology (Development Category) for the development of a compact and high power density inverter for EVs and PHVs, together with Hitachi Astemo. In the digital sector, together with the National Research Institute for Earth Science and Disaster Resilience, we were awarded the R&D World Magazine’s R&D100 Award for the SIP4D: Shared Information Platform for Disaster Management, together with the National Research Institute for Earth Science and Disaster Resilience, Japan.

With regard to products, Hitachi’s Urban Ace HF standard elevator was recognized in Nikkan Kogyo Shimbun’s 64th (2021) Best Ten Greatest New Products Award, and the EMU3000 rolling stock built for Taiwan Railways Administration, MOTC, was awarded the Good Design Award 2021, Best 100. Recognition was also given by the Japan Association of Technology Executives to Dr. Shizu Takeda, Corporate Chief Scientist, for outstanding achievement in training female engineers and researchers with the 7th Distinguished Service Award for fostering female technologists.

AI Ethics White Paper

4
Social

Intellectual Property

Approach to Intellectual Property

Hitachi has positioned intellectual property (IP) activities as one of its key business strategies, and has established a basic policy for the protection of IP and brand in the Hitachi Group Codes of Conduct. Under the Mid-term Management Plan 2021, in line with the stated vision of becoming a global leader driving enhanced value through the use of intellectual property and the goal of realizing IP-driven social innovations, we engaged in value-based (Environment, Safety & Security, Resilience) intellectual property activities. In the Mid-term Management Plan 2024, we established a new vision to become a global leader that resolves societal issues and grows our DX and GX businesses using intellectual property. We will achieve further advances and growth in the our Social Innovation Business through the protection and use of intellectual property centered on Green, Digital and Innovative initiatives.

Intellectual Property Strategy

Hitachi has formulated and implemented an IP strategy that consists of three pillars: Competition, Collaboration, and IP for society.

IP Strategy for Competition
The IP strategy for Competition is centered on acquiring and utilizing patents and other IP rights. "IP Master Plans" customized for the nature of each business are formulated and implemented to enforce competitiveness.

IP Strategy for Collaboration
As opportunities for co-creation with our customers and partners increase through the use of our IoT platform, Lumada, we are expanding the scope of our IP activities to include not only copyrights, patents, and trade secrets as well as information assets such as data and information, and are using IP to promote partnerships and build ecosystems.

IP for society
Hitachi is strategically engaged in IP activities that contribute to solving social issues. In fiscal 2019, we introduced the “IP for society” concept, in which we promote the use of IP in certain highly public domains to maintain and evolve social norms. We will work in cooperation with external organizations (national governments, municipalities, universities, organizations in the United Nations, international standards organizations, etc.) through the use of IP to make contributions to businesses aimed at achieving SDGs.

The Hitachi Group Codes of Conduct
https://www.hitachi.com/corporate/about/conduct/index.html#ank8071860
Global Deployment of Intellectual Property

Approach

We are contributing to the globalization of Hitachi’s business by strengthening international patent applications (PCT applications) that cover inventions that were developed through open innovation with our customers and partners in addition to inventions from our own R&D activities. We will work to promote further globalization of our IP by working in cooperation with new members of the Hitachi Group, including Hitachi Energy and GlobalLogic.

Framework to Promote Global Deployment

In fiscal 2022, we changed the name of the Intellectual Property Division to the Global Intellectual Property Group. Our intent was to strengthen collaboration with companies outside of Japan and promote further global deployment of our IP activities.

Moreover, we have created the new role of Chief Intellectual Property Officer (CIPO) to serve as the Hitachi Group’s metaphorical control tower with regards to IP. We have also established a new CIPO Office within the Global Intellectual Property Group that will work to support the formulation and execution of CIPO strategy. The highly experienced Stephen Manetta, who comes from outside the company, has been appointed CIPO to hasten the enhancement of our system for global IP management (which promotes the protection and utilization of global IP, including at group companies outside of Japan).

Specifically, we cover our globalized business in collaboration with our IP offices in the United States (Santa Clara and Farmington Hills), China (Beijing), United Kingdom (London), Singapore, Switzerland, and India.

New Initiatives Linked to Innovation

Hitachi is promoting activities that contribute to innovation by analyzing IP information. In the Environment field, for example, we analyze the degree of market maturity for each theme. This involves estimating the market’s scale and growth potential based on the compound annual growth rate of the most recent inventions worldwide. We also use IP information and other data to estimate and analyze the degree of technological superiority Hitachi has for each theme.

We contribute to innovation through these processes by identifying markets with high growth potential, areas where we have the greatest technological advantages, and providing our findings to business divisions.

Intellectual Property Activities Aimed at Creating Environmental Value

Activities

We are working to create solutions that utilize IP to enhance environmental value.

In fiscal 2021, we newly established an Environmental IP Enhancement Center within the Intellectual Property Division. With it, we have begun considering policies (solution creation contributing to environmental value realization, construction of IP libraries, etc.) aimed at improving environmental value from the perspective of IP. In order to maximize Hitachi’s business—especially environmental value—by accumulating and utilizing knowledge of the results of IP activities that contribute to improving environmental value, Hitachi established guidelines and deployed them internally. With regard to IP libraries in particular, our hope is to link the IP we possess internally with the environmental value that the utilization of such IP may bring about, to visualize them and promote their use both within the company and externally.

Achievements in Fiscal 2021

Hitachi has registered our wind-generation technology that contributes to solving issues of climate change with WIPO GREEN a platform for environmental technology operated by the World Intellectual Property Organization (WIPO). We also share our ambition to inspire innovation by accelerating the application of environmental IP through collaboration with WIPO GREEN, and have shared this message in a video.

https://www.youtube.com/watch?v=sk18jbfqqSk
**Social Innovation Management**

Executive Summary

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**System**

We motivate employees in the R&D field with an ample reward system for new inventions. To make this reward system as fair and transparent as possible, we set standards to evaluate inventions and disclose these standards to employees. We also have a mechanism for receiving inquiries about the rewards that was paid to employees, as well as opinions on the reward system.

We have established a special department within the Intellectual Property Division to plan and operate this system, while an internal Invention Management Committee made up of R&D, legal affairs, personnel management, and IP experts ensures that the system operates effectively across the whole Group.

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**Awards for Intellectual Property**

We are proud of Hitachi, Ltd.’s inclusion in Clarivate Plc’s Derwent Top 100 Global Innovators list for the past 11 years consecutively.

<table>
<thead>
<tr>
<th>Organizer</th>
<th>Award</th>
<th>Object of Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarivate Plc</td>
<td>Selected for inclusion in Derwent Top 100 Global Innovators (2021) list (for 11th consecutive year)</td>
<td>The most innovative companies and institutions in the world</td>
</tr>
<tr>
<td>Japan Patent Office, Ministry of Economy, Trade and Industry</td>
<td>Award from Minister of Economy, Trade and Industry at the Intellectual Property Achievement Awards</td>
<td>Excellent company that utilizes the IP rights system</td>
</tr>
<tr>
<td>Japan Institute of Invention and Innovation</td>
<td>Imperial Invention Prize (top prize) at the National Commendation for Invention</td>
<td>Designs concerning UK high-speed rail vehicles</td>
</tr>
<tr>
<td>Japan Institute of Innovation and Technology</td>
<td>The Japan Patent Attorneys Association Chairman Award at the National Commendation for Invention</td>
<td>Inventions concerning x-ray fluoroscopy systems</td>
</tr>
<tr>
<td>Imperial Invention Prize (top prize) at the National Commendation for Invention</td>
<td>Inventions concerning particle beam therapy systems</td>
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</tr>
</tbody>
</table>

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**Rewards System for Employee Inventions**

We propose a system of rewards for employees in the R&D field. The system is based on the following principles:

- **Registration and Evaluation:** Inventions are registered and evaluated by a committee of experts from various departments.

- **Transparency:** The evaluation criteria are made public to promote transparency and fairness.

- **Recognition:** Inventors are recognized publicly through the annual invention awards.

- **Incentives:** Invention activities are incentivized through a combination of financial rewards and personal recognition.

We are committed to providing a rewarding and supportive environment for employees to innovate and contribute to the development of Hitachi’s technologies.

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**Protecting Our Designs and Brand**

To protect Hitachi’s designs and brand, we take robust measures against such infringements as making and selling counterfeit goods, copying our designs or carrying the Hitachi brand, and illegally applying for or registering trademarks of such goods.

In recent years, we have intensified our efforts to identify counterfeiting networks, whose manufacturing methods and sales channels have become more sophisticated and diverse. We are also working with e-commerce site operators on countermeasures against online counterfeit sales.
Hitachi prioritizes human capital. In other words, Hitachi believes that employees are the source of value. As such, we aim to leverage the combined power of our global network of employees to provide value to our customers and society and contribute to achieving a sustainable society. In working toward these goals, we are committed to respecting the fundamental rights of employees, providing equal opportunities, and ensuring occupational safety and health. We will strive to build favorable relationships between employees and the company, including creating work environments conducive to feelings of pride and happiness concerning working at Hitachi, and actively engaging in dialogue regarding the treatment of employees and career advancement opportunities. We will further work to strengthen our recruitment and development of digital human capital, which is vital for implementing our growth strategy, and to promote Diversity, Equity and Inclusion (DEI) throughout our global operations.

**Policy and promotion structure**

We have set the vision of becoming the employer of choice in global markets to attract human capital eager to make social contributions and create an organization where everyone can play an active role. We are working to further enhance our human capital based on the three key pillars of People, Mindset, and Organization, along with their underlying Foundation of the HR strategy.

**What**

- Putting the right person in the right place
- Ensuring fair evaluation and compensation
- Improving employee engagement
- Fostering a global Hitachi culture

**How**

- Introduced formal job descriptions aimed at transitioning to job-based HR management
- Percentage of positive responses to employee engagement questions in global employee survey: 65%
- Target: 68% by fiscal 2024
- Opened a corporate museum, Hitachi Origin Park, to introduce the corporate philosophy and founding spirit that Hitachi has passed down since its founding in 1910

**Achievements in FY 2021**

- Fostering autonomy of the individual
- Developing management-level leadership
- Bolstering recruitment and development of digital talent
- Utilizing a common global learning platform
- Supporting career development

**Policy and promotion structure**

Hitachi aims to develop human capital that can contribute resolve social issues. In addition to on-site work-task instruction, we are expanding training programs globally across the Group to improve individual capabilities, skills, and specialties.

**What**

- Developing management-level leadership
- Bolstering recruitment and development of digital talent
- Utilizing a common global learning platform
- Supporting career development

**How**

- Number of participants in management-level leadership training and management training programs: 3,976
- Brushed up our DX training system consisting of more than 100 courses, and widely expanded the program to Group companies outside Japan
- Cumulative total attendance: Approx. 24,000
- Digital talent: Approx. 67,000 people
- Target: 98,000 people by fiscal 2024
Diversity, Equity and Inclusion

**What we are doing**

- Accelerating the advancement of DEI based on our DEI policy and strategy
- Promoting work-style reforms
- Introducing and expanding support systems for balancing work and child care/nursing care
- Developing support systems and measures that meet diverse employee needs
- Preventing long working hours and overwork
- Promoting diverse work styles in the "new normal"

**How we are doing it**

- Set targets for Business Units (BUs), corporate function, and Group company in line with our three global DEI themes: Gender-balance, Cultural diversity, and Multi-generation, and promoted related efforts
- Promote diversity among executives
  - Ratio of female executive and corporate officers: 12.2%, ratio of non-Japanese executive and corporate officers: 17.6% (as of June 2022)
  - Target: 30% by fiscal 2030 respectively
- Enhance employees’ understanding of DEI

Achievements in FY 2021

- Promoted training, etc. at each Group company worldwide to enhance employees’ understanding of DEI

Work-Life Management

**What we are doing**

- Promoting work-style reforms
- Introducing and expanding support systems for balancing work and child care/nursing care
- Developing support systems and measures that meet diverse employee needs
- Preventing long working hours and overwork
- Promoting diverse work styles in the "new normal"

**How we are doing it**

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  - Ratio of female executive and corporate officers: 12.2%, ratio of non-Japanese executive and corporate officers: 17.6% (as of June 2022)
  - Target: 30% by fiscal 2030 respectively
- Accelerate the advancement of DEI based on our DEI policy and strategy
- Enhance employees’ understanding of DEI

Achievements in FY 2021

- Reviewed the Cafeteria Plan program to be able to provide a fair system not dependent on working location choices in conjunction with the expansion of working from home

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 sustainably. Based on this philosophy, we have established systems to support work-style reforms and a balance between employees’ work and private lives.
Social

Occupational Health and Safety

What

- Establishing occupational health and safety management systems
- Conducting occupational health and safety risk assessments
- Carrying out appropriate occupational health and safety training
- Ensuring the occupational health and safety of contractors
- Implementing initiatives to improve employee health

Policy and promotion structure

The Hitachi Group Health and Safety Policy is shared with Group companies worldwide as part of our efforts to create safe, secure, comfortable and healthy workplaces that are accident-free. We are working to continuously improve Group-wide occupational health and safety management systems under the Health and Safety Management Division, which is responsible for promoting occupational health and safety in the Hitachi Group.

Achievements in FY 2021

<table>
<thead>
<tr>
<th>Policy and promotion structure</th>
<th>How we are doing it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiatives for preventing work-related accidents</td>
<td>Number of fatal accidents (^{1*2}): 2 (Hitachi Group), 0 (Hitachi, Ltd.) Target: 0</td>
</tr>
<tr>
<td></td>
<td>Number of lost-time accidents (^{1}): 434 (Hitachi Group), 3 (Hitachi, Ltd.) Target: 253 which is half the number recorded in 2018 (Hitachi Group), 3 which is half the number recorded in 2018 (Hitachi, Ltd.)</td>
</tr>
<tr>
<td></td>
<td><em>1 Figures are calendar year-based (January–December) (^{1</em>2}) Including contractors</td>
</tr>
<tr>
<td>Occupational health and safety risk assessment</td>
<td>Globally expanded our processes of identifying, assessing and mitigating the risks of high-risk activities and equipment</td>
</tr>
<tr>
<td></td>
<td>Conducted independent outside safety diagnoses when fatal accidents occurred at Group companies outside of Japan, worked to strengthen health and safety systems in the relevant region, reviewed action plans, and strived to improve safety awareness</td>
</tr>
<tr>
<td>Employee health promotion</td>
<td>Percentage of employees with high stress according to the stress-check: 12.8% Target: 10% decrease from fiscal 2020 (less than 10.4%)</td>
</tr>
<tr>
<td></td>
<td>Percentage of employees who have received special health guidance: 40.3% (estimate) Target: 40% of employees</td>
</tr>
</tbody>
</table>

Achievements in FY 2021

<table>
<thead>
<tr>
<th>Policy and promotion structure</th>
<th>How we are doing it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom of Association and Collective Bargaining</td>
<td>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. We 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.</td>
</tr>
<tr>
<td>Deepen mutual understanding through dialogue between employees and management</td>
<td>Japan: Held Hitachi Group management meetings four times a year (once a quarter)</td>
</tr>
<tr>
<td></td>
<td>China (Hitachi China): Held management information round-table meetings with labor unions</td>
</tr>
<tr>
<td></td>
<td>Europe (Hitachi Europe): Held annual labor-management meeting</td>
</tr>
</tbody>
</table>
Global Human Capital Management

Approach to Global Human Capital Management

Hitachi has welcomed around 100,000 new members with diverse backgrounds onboard through a number of major mergers and acquisitions in recent years. Contributing to society through our Social Innovation Business will require building inclusive organizations in which diverse human resources are able to play active roles. We must also encourage a mindset where employees perceive social issues as matters of personal concern and strive to resolve them. We are working to promote a variety of HR-related measures aimed at attracting diverse human resources who aspire to contribute to society, and to creating an organization where everyone participates enthusiastically.

By putting these initiatives into practice, we further aim to become an “Employer of Choice” in the global markets.

Global Human Capital Management Strategy

To advance the Social Innovation Business, Hitachi must explore customer and social issues and engage in co-creation with customers to devise unique new solutions. Human capital is the key to achieving this. In order to create new value worldwide through the Social Innovation Business, over the past 10 years we have focused on securing and developing a diverse range of human resources—the driver of sustainable growth—and on relevant organization-building. Over the next 10 years, we will marshal the strengths of our more than 300,000 employees, including new members we have welcomed onboard through mergers and acquisitions, and work to further enhance our human capital. Through this, we will continuously provide value to our customers and society and accelerate our global growth.

Global Human Resources Strategy

Become the employer of choice with diverse talents, equitable opportunity and an inclusive organization to contribute to growth by Green, Digital and Innovation
Initiatives to Put the Right Person in the Right Place

Hitachi has been building a global human capital management platform to attract, deploy, and develop the best most talented team members on a global basis.

Integrated Platform for Human Capital Management

Through this platform, up-to-date and specific human resource information, such as professional skills and career preferences, is shared via a cloud system. The platform enables centralized management of various processes including searching for talent and accessing human capital from across the Group, utilizing that information for team management, performance management, development planning, and career development. The platform is gradually being expanded throughout the Group globally.

Hitachi Global Grade (HGG)

In order for diverse human capital to advance our business, job and task-oriented HR management is needed. Hitachi Global Grade (HGG) is one way to realize this. This system has been adopted for all positions in all our organizations. The system consists of 11 grades, and each position is evaluated based on the global common standards of the entire Hitachi Group.

Transformation to Job-Based HR Management

Hitachi is accelerating the shift to job-based HR management. This involves clarifying the duties and necessary skills and experience and assigning human resources based on their desires and abilities to perform the required duties.

Through job-based HR management in Hitachi, we can assign the right people to the right jobs according to their personal abilities and motivations, regardless of their attributes such as nationality, gender, or age. The aim of our job-based HR management is to produce organizations and human resources that generate innovations by maximizing individual and organizational performance and by improving engagement. To achieve this, Hitachi, Ltd. has been devising ways to make its jobs and human resources more visible.

Specifically, in fiscal 2020, we adopted a talent review system to investigate placement and training based on each individual’s aptitude and career goals. In fiscal 2021, we introduced formal job descriptions. Through repeated discussions with the labor union, we have also focused on employee communication to encourage understanding of the need for job-based HR management and proactive career building. In the future, we will do more to encourage each employee to change his or her behavior, and we will review our systems, transforming our entire HR management system to a job-based approach.

As part of these efforts, Group companies in Japan are carrying out similar measures. By transforming to job-based HR management, Hitachi aims to enhance employee self-motivation, create a stronger sense of unity between the company and its employees, and promote both personal and organizational growth.

Promoting People Analytics

Hitachi’s People Analytics initiative involves gathering and analyzing data about regular 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 of the evaluator. With the introduction of People Analytics, however, it is now possible to implement more effective and precise human resources initiatives based on objective indicators and analysis. This includes those that encourage a change in behavior by providing insights while following the development of each and every individual employee.

Utilizing Survey Analysis Results for Human Capital Management
We conducted a survey based on a unique psychological analysis developed under the academic guidance of the University of Tsukuba. The results are analyzed using IT, including AI and data analysis. The awareness of individuals as well as data on job assignments and behavior arising from the survey’s results are used to assign and develop employees and to maintain and improve organizational health and productivity. This strengthens our human capital by energizing talent and organizations.

Global Performance Management (GPM)
Global Performance Management (GPM) forms the foundation for business management and performance enhancement with the aim of promoting the sustainable growth of organizations and individuals. There are five items including the perspective of corporate ethics and compliance that are particularly important for Hitachi to become a global leader in the Social Innovation Business. They have been set as common competencies (behaviors) for the Hitachi Group and are applied to all employees. Supervisors provide coaching and feedback to their staff to help them achieve their targets. They encourage continuous performance improvements which lead to the medium- and long-term development of employees. By clarifying the skills and behaviors that individuals need to demonstrate, while explaining how their actions contribute to the success of the business, we cultivate employee fulfillment at work and encourage employees to take ownership over their work and self-development.

Improving Employee Engagement
Employee wellbeing is critical to Hitachi’s sustainable growth. Accordingly, as part of our human capital management, we have set improvement in employee engagement as a KPI. We monitor employee engagement annually through Hitachi Insights, a global employee survey, and work to plan and promote human capital management measures aimed at making relevant improvements.

Specifically, senior management and managers share the survey results for their own organizations with workplace
4 Social

Social Innovation Management

Human Capital

Executive Summary
– Global Human Capital Management
  Talent Development
  Diversity, Equity and Inclusion
  Work-Life Management
  Occupational Health and Safety
  Freedom of Association and Collective Bargaining

Human Rights

Value Chain Management

Community

Social Data

members to identify organizational issues. Actions are then planned and implemented as countermeasures through the PDCA cycle, leading to improvements.

Also, with regard to the content of the fiscal 2022 survey, questions related to wellbeing, such as those concerning psychological safety and feeling connected to others, and questions related to environmental and sustainability awareness and behavior have been expanded based on the 2024 HR Strategy. In addition, the number of languages available has been expanded from 14 to 20, and improvements have been made to its usability. We will continue to enhance our use of the employee survey to provide more appropriate management of employees worldwide.

*1 Employee engagement: 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.

Employee engagement (positive response rate)

<table>
<thead>
<tr>
<th></th>
<th>FY2021 result</th>
<th>2024 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>58.2%</td>
<td>68.0%</td>
</tr>
<tr>
<td>Overseas</td>
<td>65.0%</td>
<td>82.0%</td>
</tr>
<tr>
<td>Total</td>
<td>60.0%</td>
<td>80.0%</td>
</tr>
</tbody>
</table>

Fostering a Global Hitachi Culture

Hitachi has welcomed approximately 100,000 new employees through several large-scale M&As in recent years. We share Hitachi’s Mission and Values (Founding Spirit) with these new colleagues, and are working to foster a global Hitachi culture that achieves growth and innovation by combining the strengths and advantages of employees.

Communication to Fuse Corporate Cultures with New Colleagues in the Hitachi Group

In July 2021, a town hall meeting was held at GlobalLogic, a new member of the Hitachi Group, with approximately 6,000 participants. Participants were extremely positive as the Executive Chairman, President & CEO, and other executives shared their thoughts on creating future synergies and answered questions from employees.

“Make a Difference!” New Business Proposal and Job Improvement Idea Contest

Since fiscal 2015, Hitachi has been running the “Make a Difference!” employee idea contest to create a stronger culture based on an “I will” mindset. The number of entrants has expanded across the Group globally, and members of Hitachi Energy and GlobalLogic, who are new to the Group, are participating actively.

Establishment of Hitachi Origin Park

In November 2021, Hitachi opened a corporate museum, Hitachi Origin Park, in Hitachi City, Ibaraki Prefecture, where the company was founded. Hitachi Origin Park introduces the corporate philosophy and founding spirit that Hitachi has passed down since its founding in 1910, along with examples of how the company has solved social issues. It is a place where Hitachi Group employees can learn about Hitachi’s origins and deepen their understanding of our corporate philosophy and founding spirit. It is also a place to create new dialogues with local communities and our business partners around the world.

Hitachi Origin Park

https://origin.hitachi.co.jp/en/
Talent Development

Approach to Talent Development

Hitachi has traditionally placed great emphasis on developing human resources, including the establishment of the Apprenticeship Training School, a predecessor of today’s Hitachi Industrial Skills Academy, in 1910, the year of Hitachi’s own founding. The pedagogical principles established in 1959 as our Educational Guidelines emphasized the spirit of yūki (guidance through assistance) and jikyo (endeavor through one’s own efforts).

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

Fostering Autonomy of the Individual

Hitachi recognizes the diversity and independence of individual employees. We work to create an organizational culture that makes the most of individuality, thereby fostering autonomy and support individuals who demonstrate career ownership.

Since fiscal 2015, we have implemented the “Make a Difference!” employee idea contest on the theme of “I will” mindset transformation. Employee support is being expanded for personal development, including subsidies under the Cafeteria Plan and recommendations relating to materials for self-development. We are also continuing to provide regular education so that each employee can acquire the skills they need.

In fiscal 2021, out of 457 applications received from around the world, five teams made it to the final round of judging and gave presentations to a panel of executive judges. Two teams received the Gold Ticket, awarded to the best and most feasible ideas, and three teams received the Outstanding Spirit Award, recognizing their endeavors taken with an “I will” mindset. One new business idea that won the Gold Ticket was praised for its focus on people, especially women and diversity, and its initiative to provide useful information combining career development, health information, and life events.

The other Gold Ticket award was for a job improvement idea submitted by a team from GlobalLogic, which participated in the contest for the first time this year. The team’s unique idea to focus on the engagement of Hitachi employees and use an app to reach out to employees not only in terms of their individual careers, but also with respect to social aspects (hobbies, volunteer work, self-development activities, etc.) led to them being successful in their proposal. Since both ideas are aimed at employee retention, which is a top priority for the company, the two teams will collaborate to implement and realize these projects.
Management-Level Leadership Development

Hitachi takes a medium- to long-term approach to developing management-level leadership that will drive transformation with top management and the Nominating Committee playing a central role. When developing candidates for appointment in the next and subsequent term to executive positions including CEO, CXO, and division heads several hundred candidates are selected from the Hitachi Group's human capital around the world and given both on-the-job training (OJT), including tough assignments, *1 and off-the-job training (Off-JT) such as external training and coaching. We also select around 50 outstanding emerging employees as candidates for management-level leadership as members of the “Future 50” program. By giving this Future 50 members tough assignments opportunities for direct discussions with independent directors and so on, we perform their development with focused educational activities.

*1 Assigning highly demanding tasks.

<table>
<thead>
<tr>
<th>Training</th>
<th>Overview</th>
<th>FY 2021 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Leadership Acceleration Program for Key Positions (GAP-K)</td>
<td>Selective training held for five months to accelerate the development of future management-level leaders</td>
<td>33 participants from 12 countries</td>
</tr>
<tr>
<td>Global Advanced Program for Leadership Development (GAP-L)</td>
<td>Training held twice a year for local leaders expected to perform well in subsidiaries outside Japan with the aim of developing the superior leadership, mindset, and skills necessary to drive Hitachi's global growth business</td>
<td>43 participants from 13 countries</td>
</tr>
<tr>
<td>Global Group Executive Development Course (Global GEC)</td>
<td>E-learning course to give leaders of Hitachi subsidiaries outside Japan a basic understanding of Hitachi's management and provide the latest information to lead Social Innovation Business</td>
<td>49 participants from five regions</td>
</tr>
<tr>
<td>Global Leadership Acceleration Program for Managers (GAP-M, Ready to Lead)</td>
<td>Leadership training with global common content for senior managers and new managers</td>
<td>2,921 participants, classes in eight regions</td>
</tr>
</tbody>
</table>
Bolstering Recruitment and Development of Digital Talent

To accelerate our Social Innovation Business using digital technologies and realize Hitachi's growth strategy, we are working to secure and develop human capital (digital talent) that can lead a digital transformation (DX).

In fiscal 2021, we increased our digital talent to approximately 67,000 people. This was achieved with the addition of GlobalLogic, a leading digital engineering services company, to the Hitachi Group, as well as the hiring of outside talent that can contribute immediately and the development of internal talent through DX training and other programs. We also increased our data scientists with specialist knowledge of data analysis including AI, IoT, and the utilization of big data to approximately 10,000, up from around 2,000 at the end of April 2020.

We have set a target of increasing our digital talent to approximately 98,000 people, mainly outside Japan, by fiscal 2024. We will accelerate our efforts to bolster our digital talent needed for business growth by acquiring talent globally through GlobalLogic and other means, and by developing internal talent through expansion of training programs and other measures.

Aiming to further develop and strengthen our digital talent, we consolidated our various training institutes into the Hitachi Academy in April 2019. We also have constructed a DX training system that organizes, categorizes, and systematizes the processes and tasks needed for digital transformation.

Every year, we brush up our DX training system consisting of more than 100 courses, which were taken by a cumulative total of approximately 24,000 employees in fiscal 2021. In addition, we are enhancing the development of individuals who can apply DX to their own work by developing training courses for each skill required of digital talent. Furthermore, in fiscal 2020, we began an e-learning basic training program to improve DX literacy among all Group employees in Japan. In fiscal 2021, we widely expanded the program to Group companies outside Japan to foster a common understanding of digital business promotion throughout the Group worldwide.

At the same time, we are training the people in the leadership class who are in charge of DX projects by providing them with on-the-job training in actual projects and other practical experience.

We will continue to strengthen our digital talent development with broader fundamental training aimed at acquiring basic knowledge and skills by participating in training, and specialized education to develop the leader class and specialists.

Achievements in Fiscal 2021

Aiming to further develop and strengthen our digital talent, we consolidated our various training institutes into the Hitachi Academy in April 2019. We also have constructed a DX training system that organizes, categorizes, and systematizes the processes and tasks needed for digital transformation.

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We will continue to strengthen our digital talent development with broader fundamental training aimed at acquiring basic knowledge and skills by participating in training, and specialized education to develop the leader class and specialists.
Utilizing a Common Global Learning Platform

At Hitachi, all employees can use Hitachi University, a common global learning platform, to check their past learning progress and take necessary training in a timely manner to achieve their business goals and develop their future careers in consultation with their managers. This promotes autonomous, workplace-based talent development. In addition, the HR department utilizes training transcripts to implement effective talent development measures.

Career Development Support

Hitachi, Ltd. has developed a broad range of career development support that focuses on “internal careers,” namely, employees’ individual values and rewarding activities, as well as their views on the meaning of their work. In a career development program to provide direct support for individual career development, we hold 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 15,300 people have participated in the program so far (as of March 31, 2022) with a focus on assistant manager-rank personnel working as technicians, researchers, and administrative office workers in their thirties.

In addition to those programs, Hitachi also offers programs targeting specific age groups such as career education for young groups and training for middle-aged or older groups to help them prepare for the changes ahead in their careers.

We also operate a Career Consultation Room so that employees can speak with professional counselors about any challenges they have regarding their work, their career, or interpersonal relationships in order to help them find a solution.

We will continue to promote self-understanding while respecting each employee’s individually and personal aspirations. By doing so, we will develop individuals with autonomy to think and act for themselves, promote mutual understanding as a way of fostering a sense of unity and teamwork while capitalizing on individuals’ engagement and motivation within the organization. We provide support and create mechanisms to link individual abilities and creativity to the enhancement of organizational strength and performance.
Hitachi Sustainability Report 2022

Social

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.**

For employees in the Americas aspiring to become global leaders, in addition to a global management training program, the company provides a variety of learning and individual training options utilizing the Hitachi University. Specifically, the company encourages employees to take e-learning courses on topics such as DX and AI/data science. To develop leadership, it also actively encourages employees to participate in training programs for management-level leaders.

**Hitachi Asia Ltd.**

Once a year, key business leaders meet to formulate a plan for training tailored to the skills required and business trends, thereby strengthening the alignment of talent development policy and business. The company provides global management training courses and an environment where employees can independently learn needed skills online, making full use of an e-learning platform for employees.

**Hitachi (China) Ltd.**

The growth of all employees is promoted through a training system catering to different levels of development which enables workers to develop the specialized and comprehensive skills they need to perform their jobs. In addition to global common training through Hitachi University and an e-learning platform for employees, the company provides specific content to allow employees to acquire the skills and knowledge required for business activities in China. It also supports the development of Hitachi's Social Innovation Business by strengthening training for talent development related to digital business.

**Hitachi Europe Ltd.**

Employees in Europe can develop their skills through classroom lectures and online classes enabling them to acquire professional qualifications in cultural awareness, presentation skills, and IT skills. Global management training and other programs bring together Hitachi leaders in Europe which helps to build an important network in support of "One Hitachi." In addition, the company also provides education and training to transform employees into smart workers who can make choices and deliver results in a limited amount of time.

**Hitachi India Pvt. Ltd.**

The Learning and Development Committee consists of senior executives and meets twice a year to discuss training programs. Another mission is to promote building skill sets by making full use of global management training courses and the e-learning platform for employees. In addition, to enable an effective learning and development, the company provides annual development roadmap and educational programs to Group companies located in India.
4

Social

Diversity, Equity and Inclusion

Committed to Diversity, Equity and Inclusion (DEI)

Diversity:
Diversity refers to the various differences that exist within individuals and groups.

In Hitachi, Diversity means that there is a place for everyone, regardless of background, age, gender, sexuality, family status, disability, race, nationality, ethnicity, religion and many other characteristics.

Equity:
Equity means fairness of treatment, making adjustments to account for imbalances.

In Hitachi, Equity means we treat everyone fairly. Treating people “fairly” is not the same as treating them the same. We recognise that each of us is different, and each of us needs different conditions to thrive. We put in place policies, tools and adaptations to allow everyone to access the same opportunities.

Inclusion:
Inclusion is a state in which the uniqueness of each person is recognized and enabled to contribute to the organization at their best.

In Hitachi, Inclusion means that everyone feels respected, heard, and involved.

For colleagues to feel included means being accepted and valued, able to speak up and to contribute. It implies an open, empathetic culture and attitude. Including the different voices and varied perspectives that diversity brings enables us to reach better decisions and unlock innovative ideas.

In line with this commitment, all of our initiatives to enhance Diversity, Equity and Inclusion (DEI) share these basic goals:

- Make Hitachi a truly global company, with talent from all over the world
- Enable Hitachi to better serve global customers, improve our footprint and open new markets
- Drive innovation and creativity
- Support attraction and retention of talent
- Allow employees to feel more engaged and connected, to be a part of Group strategy and actively contribute to it

Hitachi Group Diversity, Equity and Inclusion Policy
Social

Innovation Management

> Human Capital

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Global Human Capital Management

Talent Development

– Diversity, Equity and Inclusion

Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

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Community

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Global DEI Strategy

**Strategy**

Under the leadership of the Chief Sustainability Officer and Chief Diversity & Inclusion Officer (CDOI), Lorena Delligiovanna, in fiscal 2020 we conducted a gap data analysis, looking at external assessments and working with the Business Units (BUs), corporate functions, and Group companies to review their current status and business strategies. Based on this analysis, we formulated our global DEI strategy for the medium to long term.

Diversity refers to all the different characteristics that distinguish people one from another. Some of these differences are immediately visible, but many more are intrapersonal—for instance thinking styles, personality type, and background experiences—at least until people really get to know each other.

Hitachi commits to tackle all dimensions of diversity, however we identified three themes that are common in every region and business.

**Our global DEI themes:**

1. Gender-balance: More women across the business, especially within leadership roles
2. Cultural diversity: A team which reflects the global nature of our company
3. Multi-generation: Colleagues are recognized based on competence, not on age

In line with the above three global DEI themes, we set targets for BUs, corporate functions, and Group companies. The procedure to define the targets included individual meetings, where discussions focused on how DEI efforts can help to address issues in the business, since Hitachi operates in a variety of industries and markets.

These targets are promoted through the “five pillars of implementation”:

To achieve our aspirations, Hitachi has created a structure to lead its global and local initiatives.

At a global level, DEI themes are discussed both at the executive level and the implementation level, in order to promote the Group’s policies and initiatives.

The Global DEI Council is aligned with the global DEI strategy and conducts discussions on specific actions in partnership with the HR departments of Group companies around the world. Material matters are reported and deliberated on in the Senior Executive Committee, and are reported to the Board of Directors when necessary.

Regional DEI lead positions have been created to drive initiatives aligned to local needs and business strategies.

The Global DEI team supports the implementation of global and regional initiatives, promoting the DEI strategy to foster an inclusive culture. The team implements a thorough set of DEI performance indicators.

To promote communication among all functions, BUs and Group companies, the Global DEI team facilitates working group sessions. These sessions involve all key internal stakeholders, and participants discuss specific DEI topics, seeking to share best practices, identify common issues, and find practical solutions.

### Global DEI Management Structure

**Structure**

- Board of Directors
- Senior Executive Committee
- Sustainability Promotion Meeting
- Global DEI Council

**Pillars**

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<th>Description</th>
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<td>Culture</td>
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<td>Recruitment</td>
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<tr>
<td>Retention</td>
</tr>
<tr>
<td>Advancement</td>
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</table>

**Pillars Description**

- **Leadership Commitment**
  - President & CEO and other senior stakeholders show their clear commitment to the DEI vision
  - Leaders are accountable for DEI progress

- **Culture**
  - Improving workplace culture and cultural focus on inclusion are a business mandate
  - We attract and hire diverse people
  - We conduct diagnostic analysis and review our recruiting channels and practice, monitoring the recruiting funnel

- **Recruitment**
  - We provide different benefits and support robust Employee Resource Groups (ERGs), driving cultural relevant programming

- **Retention**
  - We provide diverse leaders
  - We promote diverse individuals based on competency
We have set the strengthening of diversity in management as a global DEI target, with a KPI of the ratio of executive and corporate positions held by women and non-Japanese persons.

As of June 2022, 12.2% of executives and corporate officers were women, compared to 10.1% as of June 2021. Furthermore, 17.6% of executives and corporate officers were non-Japanese persons, compared to 11.6% as of that same date. By 2030, our target is for 30% of our executives and corporate officers to be women and 30% to be non-Japanese persons.

Global DEI Theme 1: Gender-balance
Improving our gender balance means empowering women across the business. Starting with giving broader access to all roles through recruitment, we are offering opportunities for their progression into leadership positions and providing support to ensure a workplace where women can thrive.

Our goal is that all women at Hitachi feel that they have a place, have a clear and distinctive voice, and enjoy the freedom to contribute to our innovation. Furthermore, in regards to employee compensation, it is set according to each individual’s role and achievements, with no divisions or differences based on gender or age.

Initiatives of Hitachi, Ltd.
Hitachi, Ltd. supports women in thinking about their own career paths. The seminar is aimed at women with 3-4 years’ experience at Hitachi and gives them the opportunity to better understand their career and consider their future. The seminar includes lectures on the environment surrounding working women, panel discussions by women in senior roles, and discussions among participants. The seminar was held online 2 times in FY 2021.

Initiatives of Hitachi Energy
Within Hitachi Energy’s diversity strategy, one opportunity focus area is “women’s acceleration,” with a management commitment to increase women’s representation at three levels of the organization to achieve 25% women in management by 2025.

Hitachi Energy’s Female Talent Development Program is an acceleration program including mentoring for middle managers, and to date 60 female leaders have graduated. Hitachi Energy incorporates DEI into all policies related to the employee life cycle such as equal pay, flexible working, and Employee Resource Groups (ERGs) global and locally.
Initiatives of Hitachi Vantara

Hitachi Vantara is committed to providing opportunities for the advancement of women in the technology sector and providing career development opportunities for existing employees and future candidates. The company also offers a "returners" program with the Mom Project to support women returning to work after a career break. The business is working in partnership to place returners in the US, into key roles to support them continuing their career path and are looking to expand the program if this initiative is successful.

The business has also seen its Women of Hitachi ERG grow and expand globally. The Group’s mission is to help advance the development and advancement of women across all sectors. Members of this ERG are actively engaged in mentoring one another and hosting panel discussions with guest speakers to inspire and motivate all employees who identify as women and their allies.

Global DEI Theme 2: Cultural Diversity

Being culturally diverse is about creating a team which reflects the global nature of our company. Hitachi has grown into a global innovation business from its Japanese roots, and our aspiration is to see the global and diverse nature of our business portfolio reflected in our people, particularly at the decision-making levels, and supported by an inclusive culture.

By providing the opportunity for more individuals from different nationalities to progress into leadership, we create opportunities for Hitachi to access new markets and sustain our global growth.

Initiatives of GlobalLogic

GlobalLogic offers opportunity through its Women Influencers Program. High-potential women in senior management positions participate in a multi-month career development program. This rigorous program employs training, mentoring, and coaching to support senior managers’ advancement into the decision-making tier. The first “proof of concept” cohort earned 60% advancements and 40% role enhancements to date. The program will be expanding globally from 2022.

Global DEI Theme 2: Multi-generation

Technology and society change quickly, and the voice of younger colleagues is essential in Hitachi’s approach to innovation. We seek to attract young people to our workplaces and ensure they contribute to our thinking, while also being sure to foster positive collaboration and dialogue among different generations. We recognize the value that all individuals can bring, and so we strive to recognize colleagues based on competence, rather than age.

Initiatives of Hitachi Energy

To attract and retain future talent, Hitachi Energy has set targets in the early career space to see 40% of early career positions filled by women and 20% of external hires be early career by 2025, partnering with university relations and our Power+ trainee program (a program to build solid foundation for fulltime position).

Hitachi Energy also works to ensure that its recruiting policy contributes to an inclusive workplace by examining areas such as the office infrastructure and embedding flexible working practices.

The company has also trained more than 3,500 leaders in a leadership model designed by employees to strengthen leadership capabilities of tomorrow.
Initiatives of Hitachi High-Tech
To support its talent, Hitachi High-Tech America has an Employee Mentorship Program (EMPower). This aligns with the company’s goal to develop individuals within the organization with the skills and knowledge to achieve personal and professional growth. The company’s diverse professional mentor/mentee relationships strengthen its ability to provide global customers with the solutions they need. This, in turn, helps ensure client satisfaction and strengthens long-term relationships.

Disability Inclusion
Activities
Hitachi Group joined The Valuable 500, a global CEO community launched at the World Economic Forum to promote the inclusion of people with disabilities by providing business leadership and other opportunities. By joining this worldwide movement, Hitachi seeks to accelerate the inclusion of people with disabilities internally and externally.

Initiatives of Hitachi, Ltd.
Hitachi, Ltd. and its Group companies in Japan are actively recruiting people with disabilities via online recruiting fairs and by partnering with special subsidiaries. As of June 2022, the employment ratio of people with disabilities was 2.43% at Hitachi, Ltd. and 2.51% for the entire Group in Japan. These figures exceed Japan’s legally required employment ratio of 2.3%.

Initiatives of Hitachi Energy
Hitachi Energy has ensured disability inclusion in the HR processes and policies within the Group. This includes equal employment opportunity policies, induction programs for onboarding, and buddy programs as part of retention and support. The business is also currently making its website more accessible and will continue to improve the application process for people with disabilities.

Initiatives of GlobalLogic
The vision for the diversity and inclusion program at GlobalLogic is to contribute to society and create equal opportunities for all. The business has been recognized as an “Emerging Employer” by ASSOCHAM and Sarthak NAAI (National Ability Association of India) for empowering the lives of persons with disabilities.

Hitachi, Ltd. has also implemented “Working Together with People with Disabilities,” an e-learning course introducing non-discriminative policies and accommodations designed for people with disabilities. Some 168,000 employees have attended the course across the Japan-based Group companies (95% attendance rate).

In addition, “Hitachi You and I,” a special subsidiary established in fiscal 2020, created the Recruitment Retention Support Division. The division supports the long-term employment of people with disabilities and seeks to create a work environment where employees enjoy high job satisfaction.
Enhancing Employee Understanding of DEI

Hitachi Group is working on initiatives to enhance employee understanding of DEI.

Initiatives of Hitachi Astemo
To make managers the best possible ambassadors of DEI, Hitachi Astemo is rolling out an e-learning program covering the topic of unconscious biases. Addressing managers in its first phase, the material will be translated in 2022 and be offered to all indirect employees in a second step. Among other topics, this online course tackles the importance of diversity in the business, and equips managers to better support DEI. A toolbox was distributed to managers in March 2022 to raise awareness about unconscious biases that may be at work during employee performance reviews.

Initiatives of GlobalLogic
GlobalLogic is now designing its own unconscious bias training, based on storytelling (“Let me explain what it means to be the only woman in the room”). These are customized by region in terms of the content and format.

Initiatives of Hitachi High-Tech
Hitachi Hi-Tech hosts the “Hitachi High-Tech WAY” a series of inclusive gatherings consisting of 25 town hall meetings per year with a total of 4,000 people. These meetings provide an opportunity for all employees to speak up about any work or nonwork matters in an environment with guaranteed psychological safety.

The business recognizes the links between DEI and innovation and works to address “Workstyle Improvement,” “Diversity & Inclusion Acceleration,” “People Development,” “Women at Hitachi,” and “Employee Mentorship” at a global level.
Work-Life Management

Approach to Work-Life Management

Hitachi goes beyond “work-life balance,” in which employees are simply balancing work and private life, to promote “work-life management” which encourages employees to proactively take charge of improving the quality of both their work and private lives. We 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 sustainably. Based on this philosophy, we have established systems to support work-style reforms and a balance between employees’ work and private lives.

Promoting Work-style Reform

Hitachi, Ltd. promotes the companywide work-style reform initiative, Hitachi Work-style Innovation, to develop workstyles allowing talent from diverse backgrounds to work with enthusiasm and demonstrate strong performance.

Today, approximately 95% of all regular employees may take advantage of our programs to work from home or satellite offices, including managerial-level employees, discretionary labor system workers, and regular employees who need to balance work with child care, nursing care, or medical treatment. This provides regular employees with flexibility concerning where and when they work. 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, which allows regular 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, which allows them to perform their duties from anywhere when approved by the company.

Coverage of working from home and satellite office programs

Approx. 95%

<table>
<thead>
<tr>
<th>Activity</th>
<th>Key components</th>
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<tbody>
<tr>
<td>Top commitment</td>
<td>Send message within company</td>
</tr>
<tr>
<td>Review of operations and processes</td>
<td>Streamline administrative operations at headquarters, clarify rules for outgoing email, use support tool designed to optimize meeting durations and participant numbers and improve meeting efficiency</td>
</tr>
<tr>
<td>Strengthening workplace management</td>
<td>Increase operational transparency using in-house consultants, improve attendance management system for firm compliance, offer training to learn effective organizational management in remote workplace (Target: 8,000 managers at Hitachi, Ltd.)</td>
</tr>
<tr>
<td>Promotion of time- and location-independent work practices</td>
<td>Expand working from home program, create environments where internal networks can be accessed safely, distribute around 30,000 IT tools to support paperless and online meetings, roll out location-free work for managerial-level employees, expand satellite office network (232 sites as of March 2022), platform administration by promoting electronic signatures and paperless systems</td>
</tr>
<tr>
<td>Companywide promotional tactics</td>
<td>Share on Hitachi’s intranet site, raise employee ideas about work-style reforms and share them</td>
</tr>
</tbody>
</table>
Introducing and Expanding Support Systems for Balancing Work and Child Care/Nursing Care

Support Systems for Balancing Work and Child Care
Hitachi, Ltd. and certain Group companies in Japan are working to introduce and expand various programs to help employees balance work and child care, and to create even more supportive workplaces. Specifically, we have provided an allowance to support child care and work; launched Hokatsu Concierge child-care matching service, an information-providing service for finding nurseries; and provided a child-care matching service in collaboration with company-led nurseries. To create an environment in which both men and women can balance work and child care, from fiscal 2022 we offer “e-learning for managers” to help managers understand management and other issues related to the revised Child Care and Family Care Leave Act. We also offer “expectant-father and expectant-mother seminars” to promote understanding of child care and child-care leave systems among employees who themselves or their spouses are expecting a baby.

To help employees balance work and child care, Hitachi, Ltd. has established an in-house child-care facility with a capacity of approximately 70 children at its Yokohama Office in cooperation with the labor union and 17 Group companies.

Support System for Balancing Work and Nursing Care
As Japan’s population ages, the number of employees facing the challenge of providing nursing care for elderly family members is growing. Consequently, Hitachi, Ltd. regularly conducts employee awareness and internal fact-finding surveys concerning nursing care. Based on the results of these surveys, the company is working to continually enhance measures to help employees balance their work and home nursing care responsibilities.

Specifically, Hitachi, Ltd. has been offering financial support for these employees by establishing programs such as work-caregiving balance support points under the Cafeteria Plan. Through seminars for all employees 40 years of age and older on how to balance work and nursing care responsibilities, the company provides useful information that raises their awareness of the work-life balance. This includes learning about the significance of continuing to work while fulfilling nursing care responsibilities along with expert information on how to achieve this balance.

Hitachi, Ltd. and certain Group companies have introduced a service that warmly supports employees dealing with nursing care concerns. In addition to helping employees apply for public programs and find care-giving facilities, it established services that arrange counseling to help employees cope with the emotional challenges. The understanding and cooperation of others, including superiors and workplace colleagues, is essential for balancing work and nursing care. Accordingly, we are making efforts to reform our organizational culture, including by holding management e-learning for all managers and seminars by experts in fiscal 2021.

New Measures in Fiscal 2021

<table>
<thead>
<tr>
<th>Measures</th>
<th>Main Details and Purpose</th>
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<tbody>
<tr>
<td>Expectant father and expectant-mother seminars (pilot conducted in March 2022, and started full-scale in FY 2022)</td>
<td>Conducted for regular employees who are expecting a baby or whose spouse is expecting a baby to promote understanding of child care and child-care leave systems and to encourage regular employees to use the necessary leave and work systems.</td>
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<tr>
<td>E-learning for managers on balancing work and child care (April 2022)</td>
<td>Conducted to help managers understand basic knowledge for management and promotion of male employees to take child-care leave in accordance with the revised Child Care and Family Care Leave Act.</td>
</tr>
<tr>
<td>E-learning for managers on balancing work and nursing care (September 2021)</td>
<td>Conducted to help managers understand the knowledge necessary to manage subordinates with nursing care situations and to be able to respond appropriately.</td>
</tr>
<tr>
<td>Seminar by an expert on the state of nursing care in Japan (February 2022)</td>
<td>Provided various perspectives on the nursing care situation in Japan, with the aim of fostering awareness and an organizational culture that considers nursing care issues from viewpoints of both the company and individuals.</td>
</tr>
</tbody>
</table>
Support Systems and Measures that Meet Diverse Employee Needs

Hitachi, Ltd. and the Hitachi Group companies in Japan are working to meet the needs of employees as their lifestyles become more diverse. Through domestic Group-wide lifestyle support programs and measures, we have implemented systems that provide the necessary level of support based on the business environment of each company and the needs of employees. These measures include the following: a Cafeteria Plan program, housing support such as dormitory and family housing and a housing allowance system, systems for balancing work with child and nursing care, retirement and pension plans, a consolation payment system, an employee stock ownership program, Hitachi Group insurance, a property accumulation promotion system, internal sales, and a Health Insurance Society.

In the past, these lifestyle support programs and measures were only available in principle to regular employees. Based on Japanese laws with bearing on equal pay for equal work that came into effect in 2020, some systems have been updated so that they also cover limited-term contract employees. In addition, for those measures that are unsuitable for limited-term contract employees due to the purpose and nature of the program concerned, we provide support to employees regardless of their employment type. This includes the provision of welfare allowances as an alternative measure.

With regard to retirement benefit programs, Hitachi Group companies in Japan have partially or fully implemented defined benefit pension plans, defined contribution pension plans, and lump-sum retirement allowance plans. These plans respond to the diverse needs of people in old age by providing supplementary benefits in addition to public pensions and play an important role in allowing retired people to live more affluenty.

Achievements in Fiscal 2021

With the expansion of working from home, Hitachi, Ltd. has restructured its lunch allowance, which was previously provided on the premise that employees come into an office to work, to make it fair regardless of where they choose to work. The company decided to grant an additional 60,000 yen worth of points per person per year through the Cafeteria Plan starting in January 2022, in part to subsidize the cost of working from home. Equivalent support is provided to limited-term contract employees who are not eligible for the Cafeteria Plan. Through such efforts, we will promote more flexible work styles and encourage the active participation of diverse talent.
Social

Prevention of Long Working Hours and Overwork

Hitachi complies with the laws and regulations of each country and region concerning long working hours and overwork.

With a view to maintaining employee health and improving productivity through a balanced work schedule, Hitachi, Ltd. sets company-wide KPIs for work-style reform in Japan each fiscal year, and works to strengthen workplace management and review business processes. The company provides e-learning programs to ensure compliance with laws and regulations related to working hours and the taking of annual paid leave. Projects with issues that lead to long working hours are managed individually. In addition, for working-hour management, we have introduced a system that links PC on/off times to an attendance management system to check actual operating hours. We also provide a labor management dashboard*¹ and send out alerts to help supervisors monitor the working conditions of their subordinates in a timely manner, thereby supporting appropriate management in the workplace.

We communicate with employees by sending out messages that promote positive working habits and inform them of their actual total monthly hours worked. Through this communication, we encourage individuals to reflect on their workstyle and autonomously increase productivity. In this way, we are trying to change work culture to that of working efficiently (producing results in less time) and taking breaks after working (maintain high performance by recharging and preparing for the next workday).

Approach Activities

<table>
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<th>Support for flexible workstyles</th>
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<tr>
<td>Flexible working hours</td>
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<tr>
<td>Flexible work locations</td>
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<tr>
<th>Main policies for supporting working from home medium- to long-term</th>
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<tr>
<td>Appropriate health support for long-term workers from home</td>
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<tr>
<th>Provision of communication activation tools</th>
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<tbody>
<tr>
<td>Remote counseling by occupational physicians and other medical staff, provision via intranet of information for staying mentally and physically healthy, etc.</td>
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</table>

Support for flexible workstyles

Flexible working hours

Promote and realize autonomous and flexible workstyles by eliminating the minimum daily work hours for discretionary work and flextime work by choosing their own start and finish times, and allowing employees to set “non-working days”

Flexible work locations

Give employees greater flexibility to choose time- and location-free work by allowing work at locations such as travel destinations or parents’ homes, to realize autonomous workstyles and further improve productivity

Appropriate health support for long-term workers from home

Remote counseling by occupational physicians and other medical staff, provision via intranet of information for staying mentally and physically healthy, etc.

Provision of communication activation tools

Using Hitachi’s unique indicator “Happiness Level,” which measures people’s feelings of contentment, to stimulate communication

*¹ Labor management dashboard: A business tool that integrates and visualizes information and data related to labor management

Working in the New Normal in the Pandemic

In the new normal following the spread of COVID-19, we are accelerating the shift to working from home as the standard way of working in a wide range of positions, further evolving the diversification of employee workstyles with working from home as a driver of change.

Hitachi strives to prevent the spread of the virus, placing the safety and health of all employees first and foremost. As well as promoting working from home for, in principle, all positions except those requiring a physical presence for society to function, we are undertaking initiatives to protect employees from infections and support working from home. With the evolving diversity of our employees’ work styles, we are further promoting the creation of a rewarding workplace where each employee can play an active role.

COVID-19’s impact is global, and our countermeasures in each region are informed by the conditions at regional headquarters. Hitachi Europe asked employees working from home 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.

Hitachi Ltd.’s Main Measures Supporting New Workstyles for the New Normal

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<tr>
<th>Measures to Prevent Infectious Disease</th>
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Initiatives at Regional Headquarters to Create a Good Working Environment

Hitachi supports workstyles that are conducive to each employee achieving their full potential. Region-specific policies are also implemented by our regional headquarters.

**Hitachi America, Ltd.**

Various systems and measures are in place to improve employee wellbeing. There is a monthly No Meeting Day for individuals to focus on their work. There is a hybrid and flexible work hour system, and a system for individuals to switch to permanent working from home at their discretion, creating a more comfortable work environment for employees.

**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. The company provides opportunities for recreation in order to further enhance communication among employees and boost engagement. It has also introduced staggered work hours and provides more flexible ways of working to create new workstyles and enhance employees’ work-life balance.

**Hitachi (China) Ltd.**

In order to improve productivity and support diverse workstyles, work-style reform is promoted, and working from home has been introduced in addition to flexible work hours. Emphasizing work-life balance, average overtime hours are well below the legally mandated maximum, and employees are encouraged to take annual leave. Town hall meetings are held with executives, and interdepartmental business exchange meetings are held to continuously enhance vertical and horizontal communication within the workplace. The network built through these activities contributes to a sense of unity in the company, a comfortable work environment, and smoother business operations.

**Hitachi Europe Ltd.**

Hybrid working arrangements have been instituted to protect the health and safety of employees and to support diverse workstyles. In addition, staggered work hours and other systems are used to encourage a better work-life balance and help employees balance their work and private lives.

**Hitachi India Pvt. Ltd.**

For every employee to work in a style they are most comfortable with, Hitachi India introduced a hybrid style of working. Employees can come to the office whenever required and utilize to the utmost working from home for a suitable work-life balance.
Occupational Health and Safety

The Basic Principle for Occupational Health and Safety

<table>
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<th>Approach</th>
<th>Policy</th>
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<tr>
<td>GRI 403-1</td>
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"Health and Safety Always Comes First," 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 with all related companies, including contractors and procurement partners, to develop a safe, secure, comfortable and healthy workplace for everyone involved in our business activities.

Moreover, we communicate our belief to everyone who works at the Hitachi Group that occupational injuries and illnesses can be prevented and that each of us is responsible for our own safety and health. We also strive to actively adopt practices to protect our own health and safety and foster a culture of raising mutual awareness.

Hitachi Group Health and Safety Policy

"Health and Safety Always Comes First"

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. Continuously be involved in taking health and safety activities in order to prevent occupational injuries and illnesses through designating the health and safety of employees as management's top priority
2. Comply with 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 principles and the promotion of health and safety awareness from all the business partners of the Hitachi Group (contractors, cooperating companies, procurement partners, etc. involved in the Hitachi Group’s business activities)
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

Establishing Occupational Health and Safety Management System

<table>
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<tr>
<th>Structure</th>
<th>System</th>
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<tbody>
<tr>
<td>GRI 403-1/403-2/403-3/403-4/403-8</td>
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</table>

In April 2021, the Hitachi Group established the Safety and Health Management Division to promote occupational health and safety, and oversee our global occupational health and safety management system.

Every other month, the Safety and Health Management Division holds a Health and Safety Leaders Meeting attended by the officers in charge of health and safety at each Group company, and those responsible for health and safety in each division. The meeting checks the progress of each division’s efforts toward targets and sets Group-wide KPIs. Participants also work to continually improve our occupational health and safety management system by analyzing the factors behind accidents and implementing thorough measures to prevent recurrence, sharing best practices, and promoting training. The number of accidents and responses to occupational health and safety risks are reported and deliberated on in the Senior Executive Committee, and are reported to the Board of Directors.

In Japan, each business site (BU) or other location convenes a monthly health and safety commission, which is attended by the business operators, labor union, and employees. Participants analyze the factors leading to accidents and develop countermeasures, share information, and discuss health and safety activities considering the situation regarding employees who have taken sick leave. If serious injuries or fatal accidents occur at worksites outside of Japan, depending on the circumstances, the Safety and Health Management Division gets directly involved in supporting improvement activities.

The Hitachi Group has also obtained international certifications such as ISO 45001 at multiple sites.
Safety Targets and Progress Achieved in 2021

Unfortunately, we were not able to meet our safety targets for 2021. We deeply regret that two fatal accident occurred within the Hitachi Group (including contractors) in 2021, and there were 434 lost-time accidents Group-wide. While the occurrence rate decreased from the previous year, there is still room for improvement.

In 2019 and 2020, there have been multiple cases of employees and contractors being fatally electrocuted in work conducted outside of our sites during business hours. So, we recognize the need to strengthen integrated safety management systems in order to identify risks and implement countermeasures for employees and contractors working on tasks and equipment that pose a high risk of electric shock.

Occupational Health and Safety Management Structure

Under the leadership of top executives, target companies and BUs take on management-driven initiatives to formulate specific plans, and the progress of these plans is monitored by the Occupational Health and Safety Officer, who also lead initiatives to prevent recurrences.

Initiatives to Prevent Occupational Accidents

- Under the leadership of top executives, target companies and BUs take on management-driven initiatives to formulate specific plans.
- The progress of these plans is monitored by the Occupational Health and Safety Officer, who also lead initiatives to prevent recurrences.

Global Occupational Health and Safety Targets

Hitachi aims to create a safe workplace, free of accidents, and has set a global goal of zero fatal accidents. To achieve this target, we have set up and deployed an occupational health and safety management system tailored to each company’s business, conduct periodic risk assessments and audits, and are working to expand training related to occupational health and safety globally.

Target | Activities
---|---
Fatal accidents | Under the leadership of top executives, target companies and BUs take on management-driven initiatives to formulate specific plans.
Lost-time accidents | The progress of these plans is monitored by the Occupational Health and Safety Officer, who also lead initiatives to prevent recurrences.

Safety Targets and Achievements in 2021, and Targets for 2024

<table>
<thead>
<tr>
<th>Scope</th>
<th>2021 targets</th>
<th>2021 achievements</th>
<th>2024 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Group</td>
<td>0</td>
<td>2 (Target not achieved)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>434 (Target not achieved)</td>
<td>Halved compared to 2021 (20% annual reduction)</td>
<td></td>
</tr>
<tr>
<td>Hitachi, Ltd.</td>
<td>0</td>
<td>3 (Target achieved)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>434 (Target not achieved)</td>
<td>Halved compared to 2021 (20% annual reduction)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Since safety-related targets are generally based on calendar year statistics, numerical targets are established and managed on a calendar year basis, instead of on a fiscal year basis.

*1 Including contractors
We carried out the following action plans in fiscal 2021. Based on our awareness of these issues, we continue striving to enhance occupational health and safety.

**Fiscal 2021 Action Plan**

1. Effectively utilize risk assessment
   - Build a framework for identifying and mitigating risks
   - Clarify rules and processes
2. Build and operate an global occupational health and safety management system
3. Education and training
   - Transform ways of thinking to encourage voluntary occupational health and safety behaviors
4. Utilize IT and digital tools
   - Measures to digitize and improve data reports

**Occupational Health and Safety Risk Assessment**

Hitachi sets and operates its own standards for high-risk activities and equipment as a common global measure. We also promote occupational health and safety activities that fit each company’s business. We have also built a system for globally monitoring risk identification, evaluation, and countermeasure implementation. We conduct internal audits into the status of risk assessment for locations that are determined to have significant risks through this monitoring. And we are working to improve safety measures in both hard and soft aspects using IT and digital technologies for accident prevention. Moreover, since July 2020, we have increased the frequency of global accident statistic reporting from twice a year to once a month. This acts as a mechanism for getting an accurate handle on information such as accident statistics.

**Risk Assessment for High-risk Activities and Equipment**

Since 2021, we have been advancing efforts to identify and evaluate the hazards in high-risk activities and equipment, and implementing measures to reduce risk, on a global scale.

We also have been working to modify high-risk activities and equipment, including strengthening the response to risks of electric shock in all our BUs globally. Thus, we have formulated measures to prevent accidents which clearly designate the accountable person in charge of safety at each BU, and we are carrying out physical measures and investment to this end.

**Occupational Accident Frequency Rate**

Note: Occupational accidents are defined as those involving safety or work-time loss of one day or more.

*¹  Hitachi Group figures for Japan including Hitachi, Ltd., are: for 201 Group companies in 2017; for 188 Group companies in 2018; for 169 Group companies in 2019; for 136 Group companies in 2020; and for 131 Group companies in 2021.

*²  Occurrence rate is the rate of workplace accidents per 1,000 directly contracted employees (including cases without lost workdays).
Internal Audits
The Audit Committee holds annual deliberations on the policies, plans, and results of our occupational health and safety activities. It also reports at least once a year to the Senior Executive Committee, meetings of Group company presidents, and other bodies, about important issues such as fatal accidents and potentially serious events. For measures and activities that require particular improvement, the results of monitoring are reported at the above relevant meetings.

External Audits
In fiscal 2018, the Hitachi Group commissioned independent external audits on safety diagnostics at four of our BUs in Japan. The auditors identified issues that we needed to address in order to implement out Hitachi Group Health and Safety Policy; we are making improvements in response to each of these issues (See the table below).

During fiscal 2019 and 2020, we focused on activities that built a foundation for understanding the current situation and solving problems. In fiscal 2021, we performed independent outside safety diagnoses when fatal accidents occurred at Group companies outside of Japan and are strengthening the health and safety systems in the relevant region, reconsidering our action plans, and working to improve safety awareness.

<table>
<thead>
<tr>
<th>Issues Identified</th>
<th>Items to deal with</th>
<th>Concrete actions taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment of Group-wide safety management systems</td>
<td>Build and operate an occupational health and safety management system, Clarify rules and processes</td>
<td>Ascertain capacity for global safety governance, Conduct survey and interviews with business entities involved in building occupational health and safety management systems, Create rules, documents, and regarding occupational health and safety management systems (in Japan), Publish occupational health and safety management system guidelines, Formulate common standards for Hitachi Group occupational health and safety management systems (Begin implementation in Japan in 2022, and outside of Japan from 2023)</td>
</tr>
<tr>
<td>Raising safety awareness of employees by strengthening leadership at the organization’s top management</td>
<td>Transform ways of thinking to encourage voluntary health and safety behaviors through training</td>
<td>Begin specialized safety training by grade (Japan), (By grade: Executives, line managers, the person in charge of safety), For executives, the total of 13 times, with 240 people participating (Heads of BUs, presidents of Group companies, etc.), Established training management methods (Japan), Introduced awards system (Safety Spot Award), Held senior management discussion between the General Manager and Deputy General Manager of the Safety and Health Management Division, and heads of BUs</td>
</tr>
<tr>
<td>Clarifying the accountability for implementing safety activities and expanding basic countmeasures in the event of an accident</td>
<td>Effectively utilize risk assessment, Build a framework for identifying and mitigating risks, Digitalize and improve data reports using IT/digital technology</td>
<td>Shared report on risk assessment for high-risk activities and equipment, and progress made in various meetings, Conducted audit of measures for handling high voltage, Conducted audits and reviews to reduce the risks of important work, Began monthly reports of global accident statistics, Set global KPIs for occurrence rate, near-misses, etc. (Starting from 2022), Considered use of security camera systems, and expanded use of vehicle dash cams to prevent accidents, Promoted proper use of accident investigation system/accident investigation database</td>
</tr>
</tbody>
</table>

Carry out Appropriate Health and Safety Training
To prevent occupational accidents, Hitachi aims to rebuild its safety culture by implementing appropriate occupational health and safety training for all executive officers and employees. Each Hitachi Group company distributes work guidelines and procedures relating to their own business and industry. We also conduct safety-focused training to each organizational level, as well as education and drills tailored to each organization and business type, for line managers and safety staff, and workers engaged in specific hazardous activities in the field. We provide individual guidance to new hires and temporary workers in particular, as they are at a higher risk of injury. This is accomplished through on-the-job training to increase awareness and understanding of work procedures and dangers before engaging in work.

Since fiscal 2020, we have carried out safety-focused leadership training for managerial staff, with the goal of strengthening awareness of, and building commitment to, their roles and responsibilities concerning safety. Following training, we also evaluate their changes in awareness and behavior through one-on-one interviews with external consultants. As of fiscal 2021, we had held 13 training sessions attended by 240 people.

Ensuring the Occupational Health and Safety of Contractors
Hitachi conducts gap analysis for its safety management systems, rules, and operations both within inside and outside its factories. This is based on the occurrence of accidents in which contractors were injured during construction, installation, service, and maintenance work outside of our
Social

4

Initiatives to Improve Employee Health

Hitachi believes that the wellbeing of its employees are essential for its sustainable growth. So, we are working to create a workplace in which all Group employees can work safely and be healthy in both mental and physical health.

In fiscal 2020, we added questions relating to wellbeing to our annual Global Employee Survey, and we expanded these questions from fiscal 2021 onward. Going forward, we will evaluate the effectiveness of measures related to employee wellbeing.

In Japan, we will steadily implement health management measures, strengthen mental health support in accordance with new workstyles, and work to thoroughly prevent lifestyle-related diseases. Over the medium and long term, we will implement measures based on a Group-wide Health and Hygiene Policy after ascertaining the actual conditions of occupational health measures globally and identifying issues.

Fiscal 2021 Targets and Results for Health Management and Fiscal 2022 Targets

<table>
<thead>
<tr>
<th>Activities</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Employee Survey</td>
<td>[P.155 Social Data](P.155 Social Data)</td>
</tr>
</tbody>
</table>

Absences Rate Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Mental</th>
<th>Physical</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.60</td>
<td>0.26</td>
</tr>
<tr>
<td>2018</td>
<td>0.64</td>
<td>0.24</td>
</tr>
<tr>
<td>2019</td>
<td>0.65</td>
<td>0.25</td>
</tr>
<tr>
<td>2020</td>
<td>0.62</td>
<td>0.22</td>
</tr>
<tr>
<td>2021</td>
<td>0.66</td>
<td>0.21</td>
</tr>
</tbody>
</table>

Note: Percentage of employees taking sick leave for seven or more consecutive days and formally taking leaving system (Number of employees taking sick leave per month/ Number of employees per month × 100)

Health Support Initiatives in Japan

- Occupational healthcare provided by occupational physicians, nurses, and other occupational healthcare personnel located both on-site and at 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
- Qualitative improvement of occupational healthcare activities and the human capital development of occupational healthcare workers through regular meetings, study groups, and training sessions attended by both occupational healthcare workers and human resources staff
- Prevent mental health problems by promoting consultations and interviews with internal and external consultation services (in addition to the interviews with doctors required by law), as a proactive approach to employees who have been identified through the stress check system as having high stress
- Provide opportunities to help employees quickly resolve a wide range of concerns by creating an environment in which employees can consult internal and external EAP*¹ consultation service

*¹ Employee Assistance Program
Addressing Mental Health

Hitachi has established measures addressing mental health to be taken by employees, workplace managers, occupational healthcare workers, and human resources divisions. We are working to spread basic mental health knowledge and understanding of ways to deal with stress as well as reinforcing the ability of those in positions of authority to respond to these issues. The mental illness incidence rate among employees in fiscal 2021 was higher than in the previous year, therefore we have continued to take a proactive approach to increases in mental strain such as that caused by the prolongation of the pandemic.

(1) Regular one-on-one interviews
(2) Expansion of a system for remote consultations with occupational physicians
(3) Introduction of an external EAP consultation service in addition to our internal one
(4) Individual interviews with employees who are stationed at customer company
(5) Tips for working from home posted on the intranet
(6) Identification of health issues using a survey of employees working from home
(7) Sending emails promoting non-statutory interviews (consultations) to employees identified through a stress check as highly stressed
(8) Providing a handbook for care by line managers when working from home

We will also clarify which target levels require special attention based on our survey of employees working from home, a global employee survey, and the opinions of occupational physicians. And we will promote taking an effective and active approach.

Activities

GRI 403-6

Hitachi Sustainability Report 2022

Contents  Introduction  Management  Environmental  Social  Governance  Assurance

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Talent Development

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Work-Life Management

Occupational Health and Safety

Freedom of Association and Collective Bargaining

Human Rights

Value Chain Management

Community

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Initiatives Addressing Mental Health at Hitachi

<table>
<thead>
<tr>
<th>Activities</th>
<th>GRI 403-6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Preventive management (while healthy)

- Stress-check system specified in law
- Mental health education
- Working environment improvement workshops, etc.
- EAP corporate diagnosis
- Line care training
- 360FBP*¹
- e-learning: "Thinking about mental and physical health" versions 1–3

Health improvement activities (Seminars and health guidance from occupational physicians)

- Stress coping seminars
- External and internal EAP consultations and other consulting services
- Stress-check approach for highly stressed employees

Health consultation during medical exams

- Health consultations
- Health exams of various types

Promotion of various types of health exams

- Workplace management

- Condition management (at beginning of and during absences and leave)
- Regular consultations Support for returning to work
- Leave system
- Regular consultations

- Management to prevent recurrence from decision to return to work after returning to work
- Programs supporting return to work
- Trial return system
- Consideration of tasks upon return
- Regular consultations

- Repetition management (during repetition after return to work)
- Regular consultations
- Programs supporting return to work
- Regular consultations

- Collaboration to support return to work
- Guidance to external facilities supporting return to work

Occupational physicians and occupational healthcare workers

Self-care (individual)

Line care (superior)

Human resources division

Handbooks for managers
e-learning for managers

*¹ 360FBP: 360-degree Feedback Program.
Promoting Collabo-Health*¹

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 Hitachi Health Insurance Society.*² Hitachi is also working to ensure that all Group companies are certified under the Health and Productivity Management Organization Recognition Program by Ministry of Economy, Trade and Industry. Health promotion initiatives are also evaluated on an annual basis with recognition of the most accomplished companies and BUs within the Group highlighting 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 preventive strategies.

*² Hitachi Health Insurance Society: Hitachi Group employees and their families are members of this organization which is one of Japan’s largest health insurance associations. As of the end of March 2022, there were 197 participating corporations and 409,943 insured persons (206,301 members and 203,642 dependents).

Number of Hitachi Health Insurance Society Member Corporations Certified Under the Health and Productivity Management Organization Recognition Program

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large companies</td>
<td>58</td>
<td>75</td>
</tr>
<tr>
<td>Small-and medium-sized companies</td>
<td>41</td>
<td>66</td>
</tr>
</tbody>
</table>

Encouraging Employees to Receive Medical Exams and Quit Smoking

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, to receive the general physical and other exams specified in law as well as targeted screening based on age, in order to promote early diagnosis and treatment such as for lifestyle related diseases and cancers.

Furthermore, as a response to the rise in metabolic syndrome, and in addition to special health guidance made compulsory for the Health Insurance Society, we actively promote policies to prevent and control conditions such as diabetes, cerebral strokes, and myocardial infarctions.

Hitachi has also continued its online quit smoking program so that employees do not need to visit a clinic during the pandemic. This helps employees to stop smoking while working from home. Of the approximately 360 employees who signed up, more than 70% have succeeded in stopping smoking.

Medical Exam and Screening Attendance Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>General physical exam</th>
<th>Breast cancer screening</th>
<th>Uterine cancer screening</th>
<th>Stomach cancer screening</th>
<th>Intestinal cancer screening</th>
<th>Lung cancer screening</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>92.9%</td>
<td>80.7%</td>
<td>81.3%</td>
<td>80.6%</td>
<td>83.0%</td>
<td>84.7%</td>
</tr>
<tr>
<td>2018</td>
<td>93.2%</td>
<td>81.3%</td>
<td>81.0%</td>
<td>83.2%</td>
<td>81.0%</td>
<td>81.1%</td>
</tr>
<tr>
<td>2019</td>
<td>95.8%</td>
<td>82.7%</td>
<td>82.0%</td>
<td>82.2%</td>
<td>85.5%</td>
<td>80.6%</td>
</tr>
<tr>
<td>2020</td>
<td>96.8%</td>
<td>87.2%</td>
<td>87.2%</td>
<td>85.5%</td>
<td>84.7%</td>
<td>80.6%</td>
</tr>
<tr>
<td>2021</td>
<td>98.0%</td>
<td>81.1%</td>
<td>81.1%</td>
<td>85.5%</td>
<td>84.7%</td>
<td>80.6%</td>
</tr>
</tbody>
</table>

Smoking Rate Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>31.5%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>30.9%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>29.8%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>28.4%</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>27.6%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Employees aged 35 and over (results of specific medical examinations)
In addition to measures to prevent the spread of COVID-19, we have been vaccinating employees against hepatitis A, tetanus, and cholera to prevent them from contracting infectious diseases during business travel outside Japan.

In Japan, the Health Insurance Society has established an incentive point system to reward influenza vaccine recipients, including employee family members, with the aim of preventing influenza outbreaks in the workplace. As an initiative to prevent catching influenza, we recommend employees get vaccinated before the flu season gets underway. The program is used by about 120,000 employees and their families every year.

From fiscal 2019 to fiscal 2021, we introduced an incentive point system in cooperation with the Health Insurance Society to encourage applicable employees to receive an antibody test for and vaccination against measles and rubella—both of which are now free of charge. This is part of our efforts in Japan to target male employees of the generation not covered by the national MR vaccination program as children.

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.

In fiscal 2021, we completely overhauled MY HEALTH WEB and increased the employee utilization rate to 80% through various promotional activities.
4 Social

Social Innovation Management

Human Capital

Executive Summary
Global Human Capital Management
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Freedom of Association and Collective Bargaining

Human Rights
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Helping Employees in Japan Stay Healthy and Promote Further

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remote counseling by occupational physicians</td>
<td>Established remote counseling by occupational physicians and nurses as an early-response measure to address the mental and physical health concerns of employees working long-term from home</td>
</tr>
<tr>
<td>Tips on staying healthy while working from home</td>
<td>The website provides advice for maintaining physical and mental health as well as contact information for health consultation providers. It provides 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</td>
</tr>
<tr>
<td>Inbound Medical Assistance Services</td>
<td>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, and other services</td>
</tr>
</tbody>
</table>

Supporting the Mental Health of Employees Outside Japan

<table>
<thead>
<tr>
<th>Region</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>Establishment of a mental health consultation service, EAP consultation services, mental health workshops for managers and employees, health resilience training, providing information on mental health measures through in-house newsletters, virtual sessions on topics such as team leadership while working from home as well as workstyles and work lifestyles to improve productivity, etc.</td>
</tr>
<tr>
<td>United States</td>
<td>EAP consultation services, wellness programs (virtual yoga and wellness workshops), setting recommended dates for taking leave</td>
</tr>
<tr>
<td>Asia</td>
<td>Virtual engagement activities (dialog between top management and employees, reunion, etc.), wellbeing programs (build mental resilience), structured 1-on-1 communications, daily team communication and health status management by managers</td>
</tr>
</tbody>
</table>

Health and Safety Considerations for Nuclear Businesses

Since 2008, Hitachi has been working with the world’s leading nuclear power plant vendors to develop voluntary, private principles of conduct covering the export of nuclear power plants and reactors. The Nuclear Power Plant and Reactor Exporters’ Principles of Conduct were formally revealed on September 15, 2011. They were adopted by all involved in their 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 have performed thorough exposure management based on our internal management systems and performed 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, Labour and Welfare. We monitor physical and mental health along with exposure doses even for employees of partner companies, and an occupational physician from Hitachi visits sites to perform examinations and offer health advice.

Nuclear Power Plant and Reactor Exporters’ Principles of Conduct

GRI 403-7

P118 Measures to Prevent Infectious Disease
Freedom of Association and Collective Bargaining

Respecting the Rights of Employees

**Approach**

Hitachi respects and supports human rights as recorded in the ILO Declaration on Fundamental Principles and Rights at Work. And the Hitachi Group Codes of Conduct call for the upholding of the fundamental rights of employees in line with international standards and in accordance with the laws of each country and region. In addition, we have signed the United Nations Global Compact, which states that, "businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining" of employees.

**Mutual Communication Between Employees and Management**

The relationship between employees and management at Hitachi, Ltd. and Group companies in Japan is stable with healthy ongoing dialogue.

In Japan, the Group companies espouse the three fundamental rights of labor unions (to organize, to bargain collectively, and to act collectively), and we are working to promote mutual understanding through Dialogue between employees and management throughout the entire Group. Plus, the Central Management Council, the Business Units Management Council, and the Business Sites Management Council work to enhance mutual communication between employees and management. This contributes to smooth management and business development and helps improve working conditions for union members. We usually negotiate with the Hitachi Workers Union, from February to March each year, to determine wages, bonuses, and collective agreements for the next fiscal year. We have also established 13 committees, advisory panels, and round-table conferences, including the Next 100 Labor and Management Committee, the Central Wages Committee, and the Employment and Work Style Advisory Panel. These committees each meet one to four times a year to share information, exchange opinions, and hold discussions.

At Hitachi, Ltd., all employees, with the exception of management, can join the Workers Union, and the membership rate is approximately 96%, as of March 31, 2022.

At Hitachi, Ltd., we also hold quarterly Hitachi Group management meetings with the labor unions of group companies in Japan that belong to the Federation of Hitachi Group Workers Unions (FHGWU), to share information and exchange views and opinions on Group business conditions. In addition, we have established five round-table conferences and committees, such as the Hitachi Group Health and Safety Round-table Conference, which each meet once or twice a year to share information and exchange opinions.

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

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, reassignments, or moving the company will consult with the labor union regarding the basic issues involved.

Labor-Management Cooperation toward Improving Occupational Health and Safety Levels

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

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

Why

Hitachi understands that respecting human rights in business activities is not only essential for corporate sustainable development but 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 Mission and Group Vision and designated 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 including human rights due diligence (HRDD) to mitigate human rights risks, not just within Hitachi itself, but for everyone in our supply chain or otherwise involved with our business activities, products, or services.

What

- Group structure for promoting human rights
- HRDD initiatives
- Working with procurement partners
- Human rights education and awareness raising for employees and executive officers

Policy and promotion structure

Hitachi is working to strengthen human rights risk management worldwide with efforts that include tasking the Chief Sustainability Officer with Group-wide human rights promotion and determining policies based on a grasp of the status of HRDD progress throughout the Hitachi Group. Also, HRDD Execution Managers Meetings are held once or twice a year as occasions for Group-wide information sharing and deliberation.

How

Achievements in FY 2021

| HRDD initiatives               | Investigated the actual situation concerning potential forced labor and violations of migrant workers’ rights, which were identified as common priority risks for the Hitachi Group.
|                               | Provided guidance to operational sites where there were issues to be improved based on the results of investigation of the actual situation and implemented appropriate measures there.
| Working with procurement partners | Conducted investigations of the actual situation concerning potential forced labor and violations of migrant workers’ rights for procurement partners as well.
| Raise human rights awareness among executives and employees and education | Continuously worked to raise human rights awareness among all Hitachi Group employees through opportunities such as trainings, and message from the President & CEO on Human Rights Day.
| Global Group grievance mechanisms | Carried out executive human rights training taught by an external lecturer.

Achievements in FY 2021

Note: Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing.
Respect for Human Rights Throughout the Value Chain

Respecting the Human Rights of All People

Approach

At Hitachi, we believe that respecting human rights is our duty as a global company, and essential to conducting business.

We are making continuous efforts not to engage in any acts that may impair individual dignity or discriminate on bases such as sex, sexual orientation, age, nationality, race, ethnicity, ideology, belief, religion, social status, family origin, disease, or disability.

Engagement with stakeholders is vital to understanding and managing our impact on human rights.

Hitachi Group Human Rights Policy

Policy

In May 2013, we formulated the Hitachi Group Human Rights Policy and positioned it as one of our highest internal standards. This policy declares our respect for human rights as recorded in the International Bill of Human Rights*1 and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The declaration stipulates the basic rights at work, including freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation. This policy shapes Hitachi’s approach to meeting the responsibility to respect human rights throughout the value chain.

Hitachi comprises diverse business entities and must manage human rights risks that take into consideration the individual characteristics of each of their businesses and value chains. Accordingly, we are advancing the construction and maintenance of a promotion framework with the aim of responding to global human rights risks by making the heads of BUs and presidents of key Group companies responsible for HRDD promotion, appointing managers to take charge of HRDD promotion activities based on inter-divisional cooperation that include investigating HRDD promotion measures for the Hitachi Group and its procurement partners, preparing implementation plans, and managing human rights risks that take into consideration the individual characteristics of each of their businesses and value chains.


*2 Human rights due diligence (HRDD): 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 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.

To formulate this policy, we invited representatives of the European Commission, ILO, NGOs, corporations, and lawyers specialized in human rights issues to take part in stakeholder dialogues. We then incorporated their opinions and suggestions into the policy that was discussed and approved by the Senior Executive Committee.

Hitachi has been a member of the United Nations Global Compact since 2009. We have declared our support for the UN Global Compact, which outlines a set of universal principles that companies should adhere to in the four areas of human rights, labor, the environment, and anti-corruption. Accordingly, we are promoting efforts in each area.

With respect to the human rights of children, we are striving to ensure there is no child labor nor forced labor in our company or supply chain. The Hitachi Group Codes of Conduct stipulates that consideration be given to human rights, including those of children.

Hitachi comprises diverse business entities and must manage human rights risks that take into consideration the individual characteristics of each of their businesses and value chains. Accordingly, we are advancing the construction and maintenance of a promotion framework with the aim of responding to global human rights risks by making the heads of BUs and presidents of key Group companies responsible for HRDD promotion, appointing managers to take charge of HRDD
Social

Executives Summary
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HRDD Initiatives

Activities

Assess: Assessing actual and potential human rights impacts

In line with the UN Guiding Principles on Business and Human Rights, Hitachi manages human rights risks in accordance with the following HRDD processes.

- Understanding the Situation

To understand the actual situation surrounding these priority risks, we created a priority risk questionnaire to assess the situation within the Hitachi Group and procurement partners. This questionnaire has been reviewed by the ASSC (The Global Alliance for Sustainable Supply Chain), an NGO with experience and expertise in supporting companies from the perspective of sustainability, including human rights and environmental issues. They provided advice regarding questions to include, and consistency with industry and international standards such as those of the ILO. This questionnaire goes beyond simply understanding the level of our efforts, and aims to lead to continuous improvement through consideration and implementation of remedies and countermeasures based on the evaluation results for each BU or Group company.

We investigated the actual situations of manufacturing workers (including temporary workers, technical interns) working at operational sites with 300 or more employees for a total of 15 major BUs and Group companies. In Southeast Asian countries, which are said to have challenges on forced labor and violations of migrant workers’ rights, as NGOs and the media have indicated as well, we surveyed all manufacturing workers at manufacturing sites regardless of the site’s size. The questionnaire was composed of about 30 questions relating to labor, occupational health and safety, and mechanisms for responding to grievances, with each offering four choices to evaluate the level of efforts implemented. Each choice clearly specified the target conduct in objective terms so that each operational site surveyed was able to understand what needs to be done to improve the current level of their own business site.

Note: Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing.
Social

Executive Summary

- Respect for Human Rights Throughout the Value Chain

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Hitachi Sustainability Report 2022

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Introduction Management Environmental Social Governance Assurance

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Introduction Management Environmental Social Governance Assurance

Breakdown of Responses by Country/Region

(205 Operational Sites Total)

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>64</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>35</td>
</tr>
<tr>
<td>Europe</td>
<td>26</td>
</tr>
<tr>
<td>China</td>
<td>24</td>
</tr>
<tr>
<td>India</td>
<td>20</td>
</tr>
<tr>
<td>North America</td>
<td>18</td>
</tr>
<tr>
<td>Central, and South America</td>
<td>10</td>
</tr>
<tr>
<td>Oceania</td>
<td>2</td>
</tr>
<tr>
<td>Middle East</td>
<td>2</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2</td>
</tr>
<tr>
<td>South Korea</td>
<td>1</td>
</tr>
<tr>
<td>Russia</td>
<td>1</td>
</tr>
</tbody>
</table>

Survey Results

- General: 19.2%, 25.8%, 12.5%
- Labor: 83.2%
- Occupational health and safety: 2.0%, 0.2%, 1.7%, 2.0%
- Grievances mechanism: 95.1%

Breakdown of responses from operational site

Answer Choice Levels for the Questionnaire

<table>
<thead>
<tr>
<th>Choice</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Efforts in accordance with international standards (best case)</td>
</tr>
<tr>
<td>B</td>
<td>Borderline acceptable for Hitachi efforts</td>
</tr>
<tr>
<td>C</td>
<td>Below the borderlines required by Hitachi</td>
</tr>
<tr>
<td>D</td>
<td>No efforts made on this matter</td>
</tr>
</tbody>
</table>

Labor

We were able to confirm that most operational sites were taking appropriate measures for areas such as proper conclusion of employment contracts, proper payment of wages, provision of holidays, and compliance with local labor laws. However, we discovered that there were several operational sites that did not know if there were recruitment fees to be paid by workers.

Occupational Health and Safety

We were able to confirm that most operational sites were carrying out occupational health and safety efforts in accordance with standards. However, we discovered that several operational sites did not provide multilingual safety education for migrant workers.

Grievances Mechanism

Many operational sites had put in place policies and procedures for handling reporting and maintaining confidentiality. On the other hand, there were several operational sites that answered that there was no reporting mechanism in place, or that there was one, but it was not available in a language that the workers could understand. We realized that we needed to further publicize the existence of the Hitachi Global Compliance Hotline established in fiscal 2020 as a unified contact point for consultation and reporting.

In July 2021, ASSC, which was commissioned to review the priority risk questionnaire, facilitated a workshop for BUs and Group companies that were involved in the survey to analyze the response results and consider countermeasures. We also published the A Guide for Considering Measures to Address Hitachi Group Priority Risks (Forced labor and violations of the rights of migrant workers). This guide is useful for making corrections and improvements at each operational site.

Integrate and Act: integrating and acting upon the findings

In response to the results of this survey, each BU and Group company is working to make improvements and provide guidance for issues to operational sites where there were issues to be improved. Examples of the primary measures taken by operational sites are listed below:

Key Countermeasures Implemented by Operational Sites

<table>
<thead>
<tr>
<th>Item</th>
<th>Example Countermeasure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control of identification documents, etc.</td>
<td>• Because some sites were keeping IDs, the sites changed the rules to ensure the documents be retained by workers.</td>
</tr>
<tr>
<td>Recruitment fees borne by directly employed workers</td>
<td>• Changed the rules so that recruitment expenses borne by workers will be instead borne by the company.</td>
</tr>
<tr>
<td>Recruitment fees paid by temporary workers</td>
<td>• Requested that staffing agencies refund workers.</td>
</tr>
<tr>
<td>Collective bargaining</td>
<td>• Developed guidelines that stipulate that if an employee requests to negotiate, the company will accept the request, and ensure that site managers are aware of these guidelines.</td>
</tr>
<tr>
<td>Entering provided housing</td>
<td>• Directed operational sites to install locks on rooms for the sake of employees.</td>
</tr>
<tr>
<td>Health &amp; Safety Training</td>
<td>• For foreign workers (temporary workers), provide work standards and safety training materials in their native languages with the cooperation of temporary staffing agencies.</td>
</tr>
<tr>
<td>Fire and emergency response</td>
<td>• Employed diagrams and other tools so that all workers could understand.</td>
</tr>
<tr>
<td>Grievance mechanisms</td>
<td>• Developed guidelines that stipulate that if an employee requests to negotiate, the company will accept the request, and ensure that site managers are aware of these guidelines. (Malaysia)</td>
</tr>
</tbody>
</table>

Notifying the existence of the Hitachi Global Compliance Hotline available through the Hitachi Global Hotline.
Hitachi has engaged in HRDD since 2013, with the initiatives specific to each business and value chain. In fiscal 2020, we evaluated the human rights risks for each BU and Group company, based on the fiscal 2020 survey, to address the Group’s common priority risks that are grounds for considering future countermeasures. In fiscal 2021, we took measures to address priority risks common to the entire Group. From fiscal 2022, we will apply the knowledge gained through our efforts in fiscal 2021 to evaluate the human rights risks for each BU and Group company, with consideration for the characteristics specific to each business and value chain.

Our HRDD Initiatives to Date
Hitachi has engaged in HRDD since 2013, with the cooperation of NGOs, NPOs, and outside experts.

FY 2013
Implemented HRDD pilot program at specific Group companies with the support of the NPOs Shift and Business for Social Responsibility (BSR). Also analyzed and evaluated human rights risks in six ASEAN countries.

FY 2014
Created guidance documents for implementing HRDD in collaboration with Shift.

FY 2015
Initiated HRDD in procurement divisions under the guidance of Shift. Headquarters, BUs and Group companies assessed and prioritized human rights risks that employees are likely to confront in the supply chain and explored mitigation strategies. Identified priority items and high-risk countries based on information concerning countries’ corruption-related situations published by NGOs and others, publicly available information such as human rights-related reports, trading conditions, results of procurement partners’ sustainability audits, externally indicated matters, and so on. Based on this, received feedback from Human Rights NGOs regarding priority issue identification methods and future measures, led to revision of CSR Procurement Guidelines for procurement partners and checklists for sustainability monitoring, expansion of the countries subject to audits, and holding of information sessions for procurement partners.

FY 2016
Initiated HRDD in human resources divisions under the guidance of Shift. Assessed and prioritized human rights risks for employees through interviews held with the human resources personnel of BUs and Group companies in Japan and subsidiaries outside Japan and explored mitigation strategies. In HRDD efforts in human resources divisions in fiscal 2016, country-specific assessments of risks for employees were performed. Although situations vary among countries, we identified the top risks as those concerning working hours, workplace health and safety, harassment/discrimination, and freedom of association. Many of those items were already being addressed as human resources measures, so we decided to continue them. Improving grievance mechanisms was another matter that came up and led to measures including the improvement of Intranet-based guidance and integration with the Hitachi Global Compliance Hotline.

FY 2017
Incorporated results of HRDD in procurement divisions into the revision of CSR procurement guidelines for suppliers, revised the checklist used in procurement partners sustainability monitoring.

FY 2018
Assessed and prioritized human rights risks and considered medium-term action plans for several BUs and Group companies under the guidance of Shift. Also held workshops for the human resources division at headquarters, verified the results of HRDD in fiscal 2016, and considered countermeasures.

FY 2019
Established the HRDD Promotion Project Team. Prepared and deployed a survey concerning priority risks common to the Hitachi Group (forced labor and violations of the rights of migrant workers) within the Group with the support of the NGO The Global Alliance for Sustainable Supply Chain (ASSIC). Created our Human Rights Risk Management Implementation Manual. This manual, incorporated Shift’s advice on (forced labor and violations of the rights of migrant workers) within the Group with the support of The Global Alliance for Sustainable Supply Chain (ASSIC). It included a best practice from the many lessons learned in the shift our Human Rights Risk Management Implementation Manual. This manual, incorporated Shift’s advice on (forced labor and violations of the rights of migrant workers) within the Group with the support of The Global Alliance for Sustainable Supply Chain (ASSIC). It included a best practice from the many lessons learned in the shift our Human Rights Risk Management Implementation Manual. This manual, incorporated Shift’s advice on human rights, including HRDD, through our Sustainability Report, websites, and other means. We also strive to deepen understanding of Hitachi’s initiatives through appropriate communication concerning questions, observations, and the like from investors, ESG evaluation organizations, NGOs, and media outlets, and incorporate opinions from inside and outside the company when considering future countermeasures.

FY 2020
Implemented countermeasures (provided corrective guidance, held workshops, published countermeasure consideration guide, etc.) at each BU and Group company, based on the fiscal 2020 survey, to address the Group’s common priority risks that are grounds for concern.
Working with Procurement Partners

Activities

To ensure respect for human rights throughout our entire supply chain, Hitachi is promoting understanding of Hitachi’s policy with respect for human rights among procurement partners by including the Hitachi Group Human Rights Policy in our Hitachi Group Sustainable Procurement Guidelines. And we are working to ensure they are put into practice.

Moreover, these guidelines make it clear that child labor and forced labor should be eliminated. We are working to ensure complete awareness throughout our supply chain through efforts such as distributing them to our procurement partners, and holding sustainable procurement seminars.

<table>
<thead>
<tr>
<th>Target</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Group companies</td>
<td>Procurement personnel from European Group companies formed the Responsible Supply Chain Working Group.</td>
</tr>
<tr>
<td>Procurement partners in China</td>
<td>Created a webinar titled “Implementing the UN Guiding Principles on Business and Human Rights” for procurement personnel in the working group mentioned above.</td>
</tr>
<tr>
<td>Procurement partners in Thailand</td>
<td>Held CSR procurement seminars to explain forced labor by providing case studies.</td>
</tr>
<tr>
<td>European Group companies</td>
<td>Introduced human rights risk analysis into the selection of procurement partners which should be included in sustainability monitoring. The above-mentioned working group discussed the self-check results under the guidance of Shift and explained the situation regarding the development of due diligence legislation in Europe.</td>
</tr>
<tr>
<td>Procurement partners in China, Thailand, and other Asian countries</td>
<td>Used e-learning to explain CSR measures to procurement partners. In China during the COVID-19 pandemic, for procurement partners in other parts of Asia, sustainability briefing webinars were held. By sharing the results of procurement partners’ sustainability monitoring in the region, we raised procurement partners’ awareness thereby helping each company to enhance its sustainability activities.</td>
</tr>
</tbody>
</table>
| European Group companies | Held a responsible supply chain working group. Together with the NPO, Shift, we investigated disparities between European legislative trends and the laws of some member states, and the UN Guiding Principles on Business and Human Rights. Conducted webinars targeted specifically at human resources and legal divisions. Began to consider establishing an HRDD Secretariat including sustainability, procurement, human resources, and legal divisions.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Procurement partners in China and other Asian countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>Held CSR procurement seminars to explain force labor by providing case studies.</td>
</tr>
<tr>
<td>FY 2019</td>
<td>Held CSR procurement seminars to explain forced labor by providing case studies.</td>
</tr>
<tr>
<td>FY 2020</td>
<td>Held a responsible supply chain working group. Together with the NPO, Shift, we investigated disparities between European legislative trends and the laws of some member states, and the UN Guiding Principles on Business and Human Rights. Conducted webinars targeted specifically at human resources and legal divisions. Began to consider establishing an HRDD Secretariat including sustainability, procurement, human resources, and legal divisions.</td>
</tr>
</tbody>
</table>

In fiscal 2021, we ascertained actual conditions at our procurement partners using a survey similar to the survey on forced labor and violations of the rights of migrant workers that we used within the Hitachi Group.

Human Rights Education and Awareness Raising for Employees and Executive Officers

In accordance with the Hitachi Group Human Rights Policy, Hitachi continually strives to familiarize all Hitachi Group employees with human rights by conducting human rights e-learning, distributing human rights messages on the importance of respect for human rights from the President & CEO on Human Rights Day, and other efforts.

Annually in Japan, we aim for every employee to attend group training, lectures, or video-based educational activities held at each business site or Group company. Also, in an effort to prevent harassment, we held video-based training on the theme of harassment (in the workplace). The objective was to increase the skills of those responsible for handling harassment issues (counselors), including managerial personnel. The training was attended by 1,200 employees across the Hitachi Group. In addition to this, we use various training and educational activities, such as onboarding training directed at new hires, training for job positions, and training for employees transferred abroad, to convey the significance of respecting human rights in their own work to every employee.

For Group companies outside of Japan, the regional headquarters plays the role of promoting and supporting collaboration. To this end, we invited lecturers from NPO Shift to conduct implementation training for promotion representatives.

<table>
<thead>
<tr>
<th>Target</th>
<th>Details</th>
<th>Number of participants in FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Group executives and employees</td>
<td>Distributed a human rights message by President &amp; CEO on Human Rights Day (every year)</td>
<td>Distributed to approx. 238,000 messages</td>
</tr>
<tr>
<td>Hitachi, Ltd.</td>
<td>E-learning course on business and human rights (provided in 15 languages, taken about once every three years)</td>
<td>Not implemented in FY2021 (A total of more than 160,000 people took it in FY2019)</td>
</tr>
<tr>
<td>Hitachi, Ltd.</td>
<td>Lecture on human rights by an outside expert (held annually)</td>
<td>Attended by 27 people</td>
</tr>
</tbody>
</table>

Note: Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing.
Achievements in Fiscal 2021

Every year, we provide human rights training to executives of Hitachi, Ltd. In fiscal 2021, this training was conducted by an external lecturer. He gave lectures on changes in the social context that have made human rights issues closely related to business, how to enhance human rights risk management while conducting business globally, and how it is essential to always be aware of human rights risks when making management decisions.

Global Group Grievance Mechanisms

Hitachi has established a Group-wide internal reporting system called the Hitachi Global Compliance Hotline. We investigate all reports, including those concerning human rights and harassment, and following verification of the relevant facts, inform those who submitted reports of the investigation results. We make every effort to deal with situations as appropriate, including taking remedial action when necessary.

Handling Various Human Rights Issues

We are working to appropriately handle various human rights issues, including problems concerning the work environment of foreign technical interns in Japan, and global supply chain issues related to Uighurs.

<table>
<thead>
<tr>
<th>Human Rights Issue</th>
<th>Timeline</th>
<th>Event/Handling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems concerning foreign technical interns</td>
<td>September 2019</td>
<td>Hitachi, Ltd. received improvement orders from the Immigration Services Agency of Japan and the Ministry of Health, Labour and Welfare regarding establishment of its system for carrying out proper technical intern training according to authorized plans.</td>
</tr>
<tr>
<td></td>
<td>October 2019</td>
<td>Each company that was subject to a recommendation for improvement or improvement order submitted a report to the Organization for Technical Intern Training that it had completed improvements according to the content of the improvement order, and all of them were accepted.</td>
</tr>
<tr>
<td></td>
<td>March 2020</td>
<td>Established Group-wide policies, guidelines, and check systems for conducting technical intern training.</td>
</tr>
<tr>
<td></td>
<td>November 2020</td>
<td>The entire Group is thoroughly committed to preventing recurrence through internal audits and the like. In accordance with the intent of relevant laws and regulations on the Technical Training Program as well as the Hitachi Group Human Rights Policy, we continue striving to implement appropriate technical training from the viewpoint of respect for human rights.</td>
</tr>
<tr>
<td>Response to Issues Concerning Uighurs</td>
<td>March 2020</td>
<td>A report by the Australian Strategic Policy Institute pointed out that one of our procurement partners may be involved in forced labor of Uighur people.</td>
</tr>
<tr>
<td></td>
<td>December 2020</td>
<td>Hitachi, Ltd. conducted an audit through a third party based on international standards of the management system of the procurement partner identified, particularly with respect to personnel management. As a result, we found no issues related to forced labor. Hitachi will continue to strive, through various forms of engagement, to ensure respect for the human rights of not only those within our Group, but of our procurement partners as well.</td>
</tr>
</tbody>
</table>

Note: Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing.
Initiatives to Promote Broad-Based Black Economic Empowerment (B-BBEE) in South Africa

As Hitachi conducts business in South Africa, it pursues activities aligned with the country’s Broad-Based Black Economic Empowerment (B-BBEE)*1 policy to create employment and economic development. As of August 31, 2022, Hitachi Energy in Southern Africa has achieved level 1 on B-BBEE.

Hitachi Energy South Africa is obliged to meet the Employment Equity Act (EEA)*2 targets and plans, which are reviewed every 3–5 years with annual progress reporting. Its ultimate aim is to ensure that it maintains diversity in the workforce, including gender diversity.

The company’s training strategy is aligned with the Skills Development targets as linked to B-BBEE and the company also invests in its current employees, in line with diversity and equity, to enhance the performance and promotability of internal talent. Hitachi Energy South Africa hires graduates and trainees with Historically Disadvantaged South Africans (HDSA) backgrounds annually.

Currently, employees with HDSA backgrounds comprise 26.4% of those in management/supervisory positions at Hitachi Energy South Africa.

*1 B-BBEE: Companies and organizations in South Africa are scored on their B-BBEE approaches and contributions, and are rated on a scale from level 1 (the highest) to 8, and “non-compliant.”
*2 Employment Equity Act (EEA): A South African law that promotes fairness and equal opportunities in the workplace for all employees.
Value Chain Management

With the globalization of the Hitachi Group’s businesses, procurement risks are also increasing in supply chains. That is why we are going beyond merely understanding and mitigating supply chain risks to pursue sustainable procurement instead. We recognize that we must actively work with our procurement partners to improve social, environmental, and economic value for our customers, and we are working with procurement partners to achieve carbon neutrality throughout our value chain as well. Hitachi was founded on the principles of “Harmony, Sincerity, and Pioneering Spirit.” We ensure product quality and safety by adhering to these principles, along with the basics and ethics, and by putting right and wrong before profit and loss. All employees embrace our policy of making quality and reliability a top priority, and this strengthens our quality assurance activities. By continuing to provide high-quality, thoroughly safe products, Hitachi will maintain the trust of customers and society.

Why: Why it matters
Hitachi promotes sustainable procurement based on the Hitachi Group Sustainable Procurement Guidelines and other accompanying guidelines. Also, our Value Integration Division, which reports directly to the President & CEO, discusses sustainable procurement policies and initiatives, and the actions they decide on are thoroughly disseminated throughout the Hitachi Group by the Sustainable Procurement Conference, which includes the heads of procurement divisions at Business Units (BUs) and major Group companies. In fiscal 2021, we established the new Sustainable Procurement Office to strengthen sustainability activities pursued in cooperation with our procurement partners.

What: What we are doing
- Implementing sustainable procurement
- Encouraging procurement partners to reduce their environmental load
- Implementing procurement BCP initiatives
- Responding to the conflict minerals issue

Why it matters
Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing.

How: How we are doing it
- Policy and promotion structure
- Positioning the Hitachi Group Global Procurement Code as the highest code.
- Revised the Hitachi Group Sustainable Procurement Guidelines and distributed them to procurement partners to raise awareness of them as a code of conduct for procurement partners.

Quality and Product Safety Management
Customer Satisfaction
Community
Social Data
## Quality and Product Safety Management

**What**
- Engaging in quality assurance activities
- Commissioning external audits concerning product quality assurance
- Acquiring international standards certification for our quality management system
- Providing quality and reliability education
- Acting to provide product safety
- Responding when incidents occur

**How**

<table>
<thead>
<tr>
<th>Policy and promotion structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Achievements in FY 2021</strong></td>
</tr>
<tr>
<td>Ensured technical law compliance</td>
</tr>
<tr>
<td>Pursued thorough safety design and safety monitoring for products and services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality assurance activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveyed the number of certified business sites</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External audits concerning product quality assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioned regular external audits concerning product safety</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>International standards certification for our quality management system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provided various forms of training and education in accordance with the target recipients</td>
</tr>
</tbody>
</table>

## Customer Satisfaction

**What**
- Implementing initiatives to improve communication with customers
- Conducting digital marketing
- Engaging in advertising activities
- Providing comprehensive customer support online
- Engaging in activities to improve customer satisfaction (CS) regarding home appliances

**How**

<table>
<thead>
<tr>
<th>Policy and promotion structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Achievements in FY 2021</strong></td>
</tr>
<tr>
<td>Held seminars and forums to improve CS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiatives to improve communication with customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoted communication activities based on our Advertisement Guidelines and Social Media Policy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advertising activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted a CS survey using the evaluation survey for customer repair services (Satisfaction rate: 95.4%)</td>
</tr>
</tbody>
</table>
Social

Responsibility Procurement

Basic Procurement Guidelines

We believe that putting sustainability at the core of our business throughout our value chain will lead to mutual prosperity for procurement partners and the Hitachi Group. We are also working to proactively identify and mitigate procurement risks.

Hitachi instituted the Hitachi Group Global Procurement Code. This is our highest code for procurement activities. It calls on Group companies and procurement partners to give due consideration to human rights, labor practices, safety, ethics, quality, and security in the supply chain. Procurement partners are also selected strictly in accordance with the code's provisions.

We also established the Hitachi Group Sustainable Procurement Guidelines, which are a code of conduct for procurement partners. We aim to develop sustainable business and society together with procurement partners by promoting procurement activities that adhere to this code.

Sustainable Procurement Management Framework

Policies and initiatives related to sustainability are discussed within Hitachi's Value Integration Division, which reports directly to the President & CEO of Hitachi, Ltd. Policies and initiatives adopted after this discussion are thoroughly disseminated throughout the Hitachi Group through the Sustainable Procurement Conference, which includes the heads of the procurement divisions at Business Units (BUs) and major Group companies. We established the Sustainable Procurement Office in fiscal 2021 to strengthen our sustainability activities in coordination with procurement partners. This division takes the lead in planning and formulating sustainable procurement measures in close cooperation with stakeholders both inside and outside of the company. It also promotes these activities by cooperating with Hitachi Group procurement divisions both inside and outside of Japan.

Note: Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing.
Implementing Sustainable Procurement

Hitachi is implementing the following wide variety of initiatives to promote and ensure sustainable procurement. And, when we start to do business with new procurement partners, we work to enhance risk management by making careful selections based on the Hitachi Group Global Procurement Guidelines, and distributing the Hitachi Group Sustainable Procurement Guidelines to each partner.

Making the Hitachi Group Sustainable Procurement Guidelines Known to All

The Hitachi Group Sustainable Procurement Guidelines, revised in July 2021, informs procurement partners what we want them to comply with. The contents fall into seven major categories: labor, health and safety, environment, business ethics, management system, product quality and safety, and prevention of personal and confidential information leakage. It is also positioned as a communication tool to inform procurement partners about Hitachi Group initiatives, and describes our policies and initiatives related to sustainability.

We make these guidelines available in four languages (Japanese, English, Chinese, and Thai), and distribute them to approximately 30,000 procurement partners. We also ask procurement partners about Hitachi Group initiatives, and describes our policies and initiatives related to sustainability.

Sustainability Monitoring of Procurement Partners

With the purpose of risk management and engagement with procurement partners, the Hitachi Group evaluates and analyzes the state of sustainability initiatives by procurement partners through surveys. In fiscal 2021, we focused on human rights and environmental risk assessment.

Details of Feedback

(1) Introduction to Hitachi Group initiatives and approach to human rights (Familiarization with Hitachi Group Human Rights Policy)
(2) Survey results and analysis
(3) Approach to measures addressing key points
(4) Request for efforts toward remedy and improvement

Environmental Initiatives Survey

In fiscal 2021, we selected approximately 1,000 procurement partners which accounts for 70% of our procurement spending (excluding publicly listed subsidiaries), to be environmental focus partners, then carried out a survey of environment-related initiatives. We received replies from 708 companies about the status of: (1) establishment of a policy on climate change, (2) efforts to reduce greenhouse gas emissions, and (3) measurement of energy consumption.

Based on the information we obtained through this survey, we intend to move forward with sharing issues and pursuing concrete CO2 reduction measures through dialogue with a number of procurement partners who are implementing advanced initiatives, and encouraging lessons and successful practices developed through this initiative to be adopted and applied by our environmental focus partners.

Starting in fiscal 2022, we have adopted the EcoVadis™ third-party evaluation platform for monitoring and evaluating the sustainability performance of our procurement partners. We are working towards further strengthening engagement with our procurement partners.

Conducting Sustainability Audits

Hitachi, Ltd. has been auditing the manufacturing bases of its and Group companies’ procurement partners in China and other Asian countries. For these audits, we engaged external evaluators such as auditing company Intertek Certification.¹ Our audits are based on the international SA8000 certification standard developed by Social Accountability International (SAI). These audits investigate our workplace practices, and a Responsible Business Alliance (RBA)-recognized auditor checks procurement partners’ sustainability initiatives from the perspectives of labor and human rights, health and safety, the environment, and ethics. Procurement partners needing improvement were requested to submit improvement action plans, and Hitachi, Ltd., together with Group companies, will work with and advise the procurement partners until they complete the planned improvements.

¹ Intertek Certification: With a presence in over 100 countries across the globe, the Intertek Group provides a wide array of certification services in every industrial field.
In fiscal 2021, audits were conducted of 25 procurement partners in China and other Asian countries. Though there were no significant violations, minor problems with the following issues were identified for some procurement partners, which they were asked to remedy accordingly.

- Provision of emergency exits
- Management of overtime hours
- Construction of frameworks for initiatives that promote human rights
- Identification of physically demanding tasks such as work that requires standing for long hours

### Holding Sustainable Procurement Seminars for Procurement Partners

We held sustainable procurement seminars in an effort to deepen procurement partner understanding of Hitachi policies and the importance of sustainability.

<table>
<thead>
<tr>
<th>Human rights initiatives survey</th>
<th>Environmental initiatives survey</th>
<th>Sustainability audits</th>
<th>Sustainable procurement seminars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,524 companies</td>
<td>708 companies</td>
<td>25 companies</td>
<td>359 companies</td>
</tr>
</tbody>
</table>

#### Activities in 2021

To prevent the spread of COVID-19, in fiscal 2021 we held these seminars online for partners in China and other Asian countries just as we did in fiscal 2020. Our seminars in China were attended by approximately 200 people from 133 companies. We explained policies and measures for sustainable procurement activities, including carbon neutrality and HRDD. We also asked partners to comply with the Hitachi Group Sustainable Procurement Guidelines.

Our seminars in other Asian countries were attended by approximately 300 people from 226 companies. We shared the details of our Group-wide sustainable procurement activities, and invited two experts in human rights and environmental issues as guest lecturers to conduct training on the importance of sustainability (latest trends, specific approaches to human rights and environmental initiatives, etc.). We also shared the results (average score) of the sustainability monitoring for each item, and worked to raise awareness to strengthen the sustainability activities at each company.

#### Strengthening Global Partnerships

With the worldwide expansion of Hitachi’s business, our procurement partners have become increasingly globalized as well, and we now have dealings with around 30,000 procurement partners in over 60 countries. Accordingly, we have appointed procurement officers to oversee procurement activities locally in China, other Asian countries, Europe, and the Americas in order to encourage procurement from locally based partners in line with the principle of promoting local production for local consumption. These officers carry out activities such as sustainability monitoring, sustainability audits, and sustainable procurement seminars for procurement partners in their respective regions to strengthen sustainable procurement.

Local procurement officers in China are also responsible for addressing environmental risks in China. Through the Institute of Public and Environmental Affairs, an environmental NGO, the officers obtain information about polluting enterprises made public by China’s central and regional government bodies. They use this information not only for screening businesses which have transactions with these enterprises but also for urging the enterprises themselves to make improvements.

#### Rate of Local Procurement of Materials for Main Regions (Fiscal 2021)

- China: 95%
- Other Asian countries: 87%
- Europe: 83%
- Americas: 83%
Encouraging Procurement partners to Reduce their Environmental Load

Sharing Our Green Procurement Guidelines and Related Initiatives
We distribute the Green Procurement Guidelines that define our basic position on procuring environmentally friendly parts and products as well as our requirements of procurement partners. The guidelines set out requirements, such as establishing environmental management and recommend obtaining environmental certificates. They also include environmental conservation—reducing the impact of products supplied to Hitachi, such as conserving resources and energy, recycling, managing chemical substances in products, and fully disclosing related information.

To address the issue of chemical substances in products, we recommend using chemSHERPA\(^1\) CI/AI, a standardized format for communicating information on chemical substances in products throughout the supply chain.

*1 chemSHERPA: Developed by the Japanese Ministry of Economy, Trade and Industry to facilitate the management of chemical substances in products by creating a standardized format throughout the supply chain. The chemSHERPA-CI standard is applicable to chemical substances contained in chemical products and chemSHERPA-AI to those contained in molded products.

Expanding Our Green Purchasing Rate for Office Supplies
We are working to expand the green purchasing rate\(^1\) for office supplies Group-wide. We are striving to increase the number of items eligible for green purchasing, and encouraging our employees to purchase them.

\(^1\) Green purchasing rate: The percentage, by monetary value, of products with the Eco Mark among all products purchased subject to the Act on Promoting Green Procurement.

Received the Highest Rating for CDP Supplier Engagement
Hitachi, Ltd. was recognized for its efforts to realize a net-zero society, including the reduction of CO\(_2\) emissions throughout its supply chain. The CDP, an international NGO working in the environmental sector, selected the company as a Supplier Engagement Leader, which is their highest rating for supplier engagement.\(^1\)

\(^1\) Supplier Engagement Rating: Used to evaluate corporate supply chain engagement on climate issues, and select companies with particularly outstanding initiatives as Supplier Engagement Leaders.

Procurement BCP Initiatives
We are working to enhance procurement-related business continuity plans (BCPs) across Group companies worldwide to ensure that significant incidents\(^1\) do not disrupt our business and seriously impact society.

\(^1\) Events such as natural disasters (including major earthquakes) serious enough to disrupt business

Note: Hitachi normally refers to its suppliers (including vendors or providers) as “procurement partners” who build business together on an equal footing.
Response to the Conflict Mineral Issue

Policy

In fiscal 2013, Hitachi formulated its Conflict Minerals Procurement Policy, declaring its stance and commitments regarding conflict minerals. The policy was revised in fiscal 2016 to explicitly lay out measures to be implemented to ensure responsible procurement. Expanding the scope of corporate responsibilities for the procurement of minerals is a global trend, with companies increasingly expected to address broader overall risks to human rights not limited to the risk of being complicit in conflicts, and recognize responsibilities that extend beyond the countries adjoining the Democratic Republic of the Congo to a wider area where the risks are high. In consideration of this, in fiscal 2021 we revised this policy to formulate the Hitachi Group’s policy for Responsible Supply Chain of Minerals.

Hitachi Group’s Policy for Responsible Supply Chain of Minerals

*1 3TG: Collective term for four commonly used conflict minerals: tin, tantalum, tungsten, and gold.

*2 May differ depending on BU or Group company.

System and Initiatives

Sales divisions, business groups, manufacturing sites, procurement divisions, and other divisions within individual BUs and Group companies work together to respond to investigation requests and inquiries relating to conflict minerals. We also strive to grasp developments in conflict minerals-related laws and regulations in each country and region and what global society demands of enterprises, and work to share information within the Group.

Each BU and Group company investigates its use of conflict minerals and reports the results to customers when requested. Supply chain investigations are carried out with the cooperation of the relevant BUs’ and Group companies’ sales, procurement, and Sustainability divisions. In addition, Hitachi, Ltd. is a member of the Japan Electronics and Information Technology Industries Association (JEITA)’s Responsible Minerals Trade Working Group. This working group has been addressing the issues of conflict minerals with other members of the association. In June 2021, the working group held an online information session targeted at personnel in-charge of investigation of conflict minerals at companies and organizations that face common issues related to Responsible Minerals. The working group explained the background behind responsible minerals to 1,700 people.

Hitachi’s Conflict Minerals Response Framework

Employee Education

In 2021, about 270 employees participated in the Hitachi Group Conflict Minerals Seminar, which was held for the sales, procurement, and Sustainability divisions of our BUs and Group companies, with the aim of enhancing our Group response to conflict minerals issues. A visiting lecturer gave talks to deepen understanding of human rights violations in mineral producing countries (which are the root cause of the conflict minerals problem), risk of corporate complicity, regulatory trends relating to conflict minerals, the Conflict Minerals Reporting Template (CMRT), and the Hitachi Group’s Policy the Responsibility Supply Chain of Minerals.

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Quality and Product Safety Management

Approach to Quality Assurance Activities

**Approach**

Hitachi was founded on the principles of “Harmony, Sincerity, and Pioneering Spirit.” We ensure product quality and safety by adhering to these principles, along with the basics and ethics, and by putting right and wrong before profit and loss. We engage in quality assurance activities through our unique practice of OCHIBO-HIROI, which means “gleaning” in English and involves analyzing and learning from failure to further develop our technologies.

As stipulated in the Hitachi Group Codes of Conduct, we aim to provide products and services that meet the needs and requirements of our customers, complying with relevant laws and standards and ensuring quality and safety by setting additional standards of our own where necessary. We strive to ensure quality and safety by setting independent standards as necessary, in addition to complying with all relevant laws and standards. The Quality Assurance Standards in our corporate regulations also set out our basic principles for quality assurance and aim to promote employees’ awareness of them.

**Framework for Quality Assurance**

To ensure full control over quality governance, Hitachi has made quality assurance divisions within business divisions independent from product design divisions and manufacturing divisions, creating a framework for activity in which the safety and trust of customers are the top priorities. In order to strengthen this framework further, we have made quality assurance divisions independent of business divisions and reinforced the report line of the quality assurance divisions of Business Units (BUs) and Group companies to the Corporate Quality Assurance Group at Hitachi, Ltd., and established systems for close information sharing between the two sides. We are also strengthening governance by giving greater authority to the Corporate Quality Assurance Group.

When a production incident occurs in the Hitachi Group, the quality assurance division in the BU or Group company that manages the company that caused the accident reports it to the Corporate Quality Assurance Group. Then, weekly reports are provided to management executives, including the Executive Chairman, and the President & CEO at Hitachi, Ltd. Also, for a serious incident, the quality assurance division in the BU or Group company reports the incident to management executives, including the Executive Chairman, and the President & CEO at Hitachi, Ltd. as soon as it is known.

**Global Quality Assurance Framework**

Against a backdrop of the increased number of mergers and acquisitions outside Japan, in recent years, we have been working to strengthen our global quality assurance framework as a high-priority initiative. Specifically, we are promoting awareness of Hitachi’s basic principles of quality assurance globally, receiving incident reports from Group companies outside Japan, and, as in Japan, we are also establishing international quality assurance reporting lines that are independent of the business divisions, as well as practicing OCHIBO-HIROI.

**Quality Assurance Activities**

We are strengthening the organization and management, technology, and human capital aspects of our quality assurance activities in every process—from planning and development to design, manufacturing, testing, delivery, and maintenance. Furthermore, under our approach of “making prevention the duty of quality assurance,” we are going beyond the strengthening of reoccurrence prevention and striving to prevent incidents from occurring in the first place.

**Technical Law Compliance Activities**

Hitachi promotes internal awareness of product regulations, amendment trends, and enforcement dates in each country and region. We also work to clarify product-specific laws (with our product-specific laws map) as well as promoting regulatory compliance and implementing continuous process improvements with our product compliance management system.
**Social**

**Thorough Safety Design and Safety Monitoring for Products and Services**

When developing products, Hitachi makes the safety of our customers’ lives, health, and property the top priority in product design and works to ensure safety at every step, from development and production to sales and maintenance. We strive to ensure safety through risk reduction according to the following order of priority: design (fundamental safety design), protective measures (safeguards), and usage information such as user instruction manuals. Also, we conduct risk assessments from a wide perspective in collaboration with related BUs and research laboratories.

**Service, Software, and Security Quality Enhancement Activities**

For our services business, which continues to grow in scale, we have established a Service and Software Quality Enhancement Division and are sharing quality activities and current challenges. We are also applying our solutions division’s software development capabilities and reliability enhancement expertise to assist our product divisions (embedded software development divisions) in enhancing the reliability of embedded software as the field becomes more advanced and complex.

**External Audits of Product Quality Assurance**

For certified products and other products, Hitachi has been commissioning regular external audits of product safety. Relevant marks indicate products that have received certification. Periodic external audits are conducted following certification, as well, to confirm the validity of their quality maintenance.

The S-Mark: Indicates third-party certification for electronics based on a certification system administered by the Steering Council of Safety Certification for Electrical and Electronic Appliances and Parts of Japan (SCEA).

The UL Mark: Indicates compliance with safety standards established by UL Solutions, a safety certification company.

**International Standards Certification for Our Quality Management System**

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**Product Safety Response when Incidents Occur**

When an incident occurs, the division responsible acts swiftly to resolve the problem. We not only investigate the technical causes, but also thoroughly discuss the process, framework, and motivating factors leading up to the occurrence, along with ways to prevent reoccurrences, in order to ensure product safety.

In the case of a severe incident, we work to provide a prompt status report to top management, reports to government agencies in line with legal requirements, and relevant information disclosure to customers on our website and through other communication channels. At the same time, we have a framework in place to ensure that fast and appropriate action is implemented at all companies across the Group.

In the case we determine that retroactive action is necessary, we notify customers via newspaper advertising and websites in order to carry out the necessary repair or replacement program.

<table>
<thead>
<tr>
<th>Category</th>
<th>Name of standard</th>
<th>Number of certified sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall quality</td>
<td>ISO 9001</td>
<td>319 sites</td>
</tr>
<tr>
<td>Railway business</td>
<td>ISO/TS 22163</td>
<td>7 sites</td>
</tr>
<tr>
<td>Medical devices</td>
<td>ISO 13485</td>
<td>13 sites</td>
</tr>
</tbody>
</table>

(Survey results as of the end of June 2022)
Reoccurrence Prevention Measures in Response to Inappropriate Conduct Discovered by Hitachi Astemo

Hitachi Astemo, discovered inappropriate conduct, such as issues involving periodic testing of some of the brake components manufactured at its Yamanashi Plant (Minami-Alps City, Yamanashi Prefecture) and suspension components manufactured at its Fukushima Plant (Koori Town, Date District, Fukushima Prefecture), based on information that was shared by an employee.

We sincerely apologize for the significant inconvenience we may have caused our customers and concerned parties. At Hitachi Astemo, to ensure such incidents do not occur again, in April 2021, we established a new governance office to function as a headquarters and strengthen risk management in addition to a dedicated auditing organization in the Quality Management Division, and in December 2021, we established a special investigation committee through external legal counsel to investigate the facts and root causes of the issue independently and objectively. We are working to enact sweeping measures to prevent reoccurrences. Going forward, we are fully committed to strengthening compliance even further to regain the trust of our partners and customers.

Notice of Inappropriate Conduct for Certain Products, Including Unperformed Periodic Tests
Customer Satisfaction (CS)  

Initiatives to Improve Communication with Customers

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive seminars</td>
<td>Strengthen ties with customers through customer-oriented seminars and use these opportunities to develop sales activity proposals that reflect customer needs.</td>
</tr>
<tr>
<td>Hitachi Social Innovation Forum</td>
<td>Encourage co-creation with customers and business partners worldwide with these events, which consist of seminars and exhibits, with the aim of realizing a sustainable society through our Social Innovation Business.</td>
</tr>
<tr>
<td>Technology Community program</td>
<td>Facilitate direct dialogue between researchers and customers regarding Hitachi’s diverse range of advanced technologies and contribute to co-creation through new businesses matching Hitachi technology with customer needs.</td>
</tr>
</tbody>
</table>

Digital Marketing

Based on strict personal information-protection rules, Hitachi collects and analyzes customer information acquired from participants in various online seminars and events, and from website browsing-history data. Our digital marketing activities are used for product development, improvement of customer service, and sales promotion activities linked with a sales support system (SFA).

Advertising Activities

Because Hitachi, Ltd. believes that advertising activities must show proper consideration for society as a whole as well as comply with laws and regulations, it has established a set of Advertisement Guidelines.

To ensure that these guidelines are strictly followed at all business locations globally, even where languages and customs may vary, an Advertising Material Checklist is included. All items on the checklist are confirmed in multiple languages when creating advertisements.

When conducting communications and promotional activities on social media channels, we abide by the Hitachi Social Media Policy, which consists of the Communication Guidelines and the Guidelines for Employees, to not only protect our brand, but also to avoid violating the rights of others. It stipulates our policies for social media use and specific promotional methods.

To raise awareness of this policy among members of the company, we carry out e-learning activities in Japanese, English, and Chinese about the use of social media and addressing associated risks.

Social Media Communication Guidelines  
https://www.hitachi.com/utility/socialmedia/index.html
Comprehensive Customer Support Online

**Activities**

Hitachi offers comprehensive global customer support on its website to respond to customer inquiries, opinions, requests, and complaints. Since fiscal 2009, we have also conducted training courses, including our Web Inquiry Responsiveness Improvement Course, to improve our handling of these inquiries. Going forward, the Hitachi Group will continue to work to strengthen and improve cooperation among Group companies in order to respond more quickly and accurately to customer feedback.

**Customer Support Activities in Fiscal 2021**

- **Web Inquiry Responsiveness Improvement Course attendees**
  - Not held in fiscal 2021 due to the pandemic (858 attendees in total since fiscal 2009)

**Activities to Improve Customer Satisfaction Regarding Home Appliances**

The Home Appliances Customer Satisfaction Division provides services and solutions to improve the quality of life for people of all ages and regions. In Japan, these initiatives are carried out under the slogan, “360° Happiness: More smiles to life for one and all.”

- **Call centers and websites for the Customer Support Center (no repair) and Repair Contact Center**
  - About 2.09 million customer inquiries, repair requests, and complaints about washing machines, refrigerators, and other appliances per year.
  - We have undertaken a number of initiatives to better respond to inquiries and to reflect customer feedback in our MONOZUKURI (Manufacturing), including improving the call center call completion rate by using outsourcing; creating a database of customer feedback, including consultations, inquiries, and complaints; and enhancing our website’s FAQ section.

- **Semiannual customer service evaluation surveys at approximately 90 service centers in Japan**
  - Based on the answers, we improve after-sales services through CS training courses and other programs. In fiscal 2021, more than 20,000 customers responded to the questionnaire, and 95.4% of them expressed satisfaction with our customer service.

**Results of Evaluation Survey for Customer Repair Services (CS)**

- **Customer Contact Cases, Call Completion Rate** at Customer Support Center (12-Month Average)
  - Customer Contact Cases: 60,000
  - Call Completion Rate:
    - 97.3% (2017)
    - 97.3% (2018)
    - 96.5% (2019)
    - 94.6% (2020)
    - 95.4% (2021)

**Flow of Customer Service**

- **Response**
  - Inquiry
  - Repair
  - Repair request

**Individual business division**

- Quality assurance division
- Design division
- Manufacturing division

**Input in database**

- Feedback
  - Information on repair service
  - Feedback on improvements

**Response activity**

- Flow of information
Hitachi considers social contribution activities to be of importance in contributing to the sustainable development of both society and business. We believe that Hitachi, as a company seeking to resolve social issues through innovation, has an important mission to foster not only its own human capital but also the talent that will contribute to society in the field of science and technology more broadly. We are focusing our efforts on activities related to science, technology, engineering, arts, and mathematics (STEAM*) education, which has gained attention as a tool for fostering human capital capable of using cutting-edge technologies to enhance their creativity, expressivity, and problem-solving skills. As a global company, we also support charitable and volunteer activities among employees, because it is essential for employees to actively volunteer their time and to participate in charitable work to address local issues and needs if we are to build trust with local communities and grow together with them as a good corporate citizen.

*1 STEAM: Acronym for Science, Technology, Engineering, Arts and Mathematics

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**Social Contribution Activities**

**What**

- Promoting social contribution activities in three areas of STEAM, the environment, and community support
- Social contribution scheme enabling Hitachi and its employees to make donations together (matching funds)
- Providing donations for humanitarian aid to Ukraine
- Contributing to society through The Hitachi Global Foundation
- Promoting COVID-19-related support efforts

**How**

We adopt the social contribution statement, “Nurturing People, Connecting to the Future,” and are engaged in various activities in three areas: STEAM, the environment, and community support.

**Policy and promotion structure**

Achievements in FY 2021

- Social contribution activity funding and number of participating employees
- Social contribution scheme enabling Hitachi and its employees to make donations together (matching funds)
- Donations for humanitarian aid to Ukraine
- Contributing to society through The Hitachi Global Foundation

We provided 1,869.4 million yen in funding toward social contribution activities worldwide. Additionally, a total of 33,585 Hitachi Group employees (around 9.6% of the total) participated in social contribution activities.

- Introduced a social contribution scheme (matching funds) through which donations made by employees will be matched by the Group.
- A total of approximately 77.2 million yen in matching fund donations.

- Donated 360 million yen to the Japanese Red Cross Society and the Japan Committee for UNICEF.

- Developed activities centered on the three areas of “promotion of academic research, science and technology,” “human development,” and “realization of an inclusive society.”
Social

Social Contribution Activities

**Approach to Social Contribution Activities**

Hitachi regards social contribution as an important activity that contributes to the sustainable development of both society and business, and actively promotes social contribution activities in regions where it operates. It is people themselves who create innovation to solve social issues and bring about social impact and social good. Based on this belief, we have adopted the social contribution statement, “Nurturing People, Connecting to the Future,” and are engaged in various activities in three areas: STEAM (Science, Technology, Engineering, Arts, and Mathematics), the environment, and community support.

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**Funding for Social Contribution Activities and Number of Participating Employees**

Hitachi and The Hitachi Global Foundation provided 1.8 billion yen funding toward social contribution activities worldwide, including initiatives to cultivate a talented younger generation and financial donations and other support for disaster-struck areas. A total of 33,585 Hitachi Group employees (around 9.6% of total employees) participated in social contribution activities. Due to the impact of the continuous spread of COVID-19, we are shifting to online events.

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**Breakdown of Funding for Social Contribution Activities in Fiscal 2021**

- **54.9%** Other (including 7.7% for disaster relief)
- **27.4%** Human development (including 10.6% for STEAM)
- **15.8%** Community support
- **1.9%** Environment

**Funding for Social Contribution Activities**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Fund (million yen)</th>
<th>Community support (people)</th>
<th>Human development (million yen)</th>
<th>Other (including disaster relief)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,195</td>
<td>33,769</td>
<td>54,629</td>
<td>54,629</td>
</tr>
<tr>
<td>2018</td>
<td>1,888</td>
<td>35,982</td>
<td>54,629</td>
<td>54,629</td>
</tr>
<tr>
<td>2019</td>
<td>1,833</td>
<td>35,982</td>
<td>54,629</td>
<td>54,629</td>
</tr>
<tr>
<td>2020</td>
<td>1,910</td>
<td>35,982</td>
<td>54,629</td>
<td>54,629</td>
</tr>
<tr>
<td>2021</td>
<td>1,888</td>
<td>35,982</td>
<td>54,629</td>
<td>54,629</td>
</tr>
</tbody>
</table>


(2) Funding includes monetary and in-kind donations, independently organized programs, participation or dispatch of employees, community use of facilities, and employee donations; excludes personnel costs incurred from the participation or dispatch of employees.

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**Policy on Social Contribution Activities**

https://www.hitachi.com/sustainability/sc/vision/index.html
Hitachi promotes human development activities centered on fostering the next-generation of human capital. We are actively working on a wide range of issues at global and local community levels and implementing programs to support development of next-generation leaders and science and engineering human capital.

The cultivation of talented IT professionals in particular is a global challenge, especially with the rapid development of information technology, such as AI and big data. In recent years, we have therefore been focusing on educational activities related to STEAM, which has gained attention as a tool for fostering human capital capable of utilizing cutting-edge technologies to enhance their creativity, expressivity, and problem-solving skills.

Fostering next-generation leaders in Asia through the Hitachi Young Leaders Initiative
Hitachi Ltd. and Hitachi Asia have been supporting the "Hitachi Young Leaders Initiative" since 1996 with the aim of developing young leaders who will lead the next generation in Asia. A four-day program consisting of forums, workshops, and fieldwork are usually prepared for university and graduate students from seven ASEAN countries and Japan. Participants are to discuss and exchange opinions on social issues facing ASEAN and on the final day of the program, they make specific proposals for solving such social issues. As of the end of July 2022, a total of 405 program participants are each playing an active part in various fields such as international organizations, government, companies, and NPOs.
Contributing to Society Through The Hitachi Global Foundation
The Hitachi Global Foundation was established in 2015 through the merger of five existing foundations, including one for supporting scientists and another for supporting the development of university lecturers in Southeast Asia. The Hitachi Global Foundation conducts social contribution activities centered on the three areas of "promotion of academic research, science, and technology," "human development," and "realization of an inclusive society" in accordance with the intention of Namihei Odaira, the founder of Hitachi, to contribute to society through business activities.

Achievements in Fiscal 2021
In fiscal 2020, in the area of promotion of academic research, science, and technology, Hitachi responded to the issues created by the COVID-19 pandemic by establishing the Hitachi Fund Support for Research Related to Infectious Diseases with donations from Hitachi, Ltd., its executives and employees, and Group company executives. Five research projects have been selected for funding from the Fund, which has been providing research grants since fiscal 2021.

The Hitachi Global Foundation's second Asia Innovation Award was also held in fiscal 2021, and the research findings of the award winners have been shared publicly.

In the area of human development, the Hitachi Future Innovator Program at elementary schools was conducted fully online. With the aim of realizing an inclusive society, Hitachi held workshops and forums, and many people from all over Japan participated.
## Social

**Social Innovation Management**
- Human Capital
- Human Rights
- Value Chain Management

### Community
- Executive Summary
  - Social Contribution Activities
- Social Data

---

**Area**
- Realization of an Inclusive Society

**Activity**
- Symposium on Realization of an Inclusive Society

**Details**
- A program urging a new understanding among citizens for the purpose of realizing an inclusive society where people can accept various positions and values.
  - In fiscal 2021, a workshop to enhance understanding toward LGBTQ+ was held, and an online forum was held on the theme of developing the ability to participate actively among Japanese high school students with foreign connections.

**Initiative Details**
- **Support for business owners**
  - Provided US$ one million to support business owners impacted by COVID-19 through loans by the nonprofit organization Kiva.

- **Support for research**
  - The Hitachi Fund Support for Research Related to Infectious Diseases was established with a fund of 150 million yen from donations of Hitachi, Ltd., its executives and employees, and Group company executives.

- **Donations for medical professionals (funds and supplies)**
  - Medical supplies and equipment were provided free of charge, including medical masks, face shields, and computed tomography (CT) equipment, along with financial donations.

- **Support for India**
  - About 50 million yen was donated to the Japan Committee for UNICEF, charitable organizations in India, and others. Also 500 oxygen concentrators (worth about 30 million yen) were provided to Hitachi Group companies in India, and employee-oriented support measures related to medical treatments and so on were implemented.

**Note:** Initiatives in and after fiscal 2020

**How Hitachi is responding to the Novel Coronavirus (COVID-19)**
- [https://www.hitachi.com/information/ImportantNotices/index.html](https://www.hitachi.com/information/ImportantNotices/index.html)

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**The Hitachi Global Foundation**
## Social Data  GRI 201-1

### Innovation Management

#### Research & Development

<table>
<thead>
<tr>
<th>R&amp;D Expenditure</th>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D expenditure</td>
<td>Hitachi Group</td>
<td>Brlls of yen</td>
<td>332.9</td>
<td>323.1</td>
<td>293.7</td>
<td>293.5</td>
<td>317.3</td>
</tr>
<tr>
<td>Ratio of R&amp;D expenditure to revenue</td>
<td>Hitachi Group</td>
<td>%</td>
<td>3.6</td>
<td>3.4</td>
<td>3.4</td>
<td>3.4</td>
<td>3.1</td>
</tr>
</tbody>
</table>

*The total number of published patent applications within Hitachi Group-wide in one year.*

#### Intellectual Property

<table>
<thead>
<tr>
<th>Number of Patent Applications</th>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of published patent applications</td>
<td>Hitachi Group</td>
<td>Cases</td>
<td>–</td>
<td>–</td>
<td>Approx. 12,000</td>
<td>Approx. 10,000</td>
<td>Approx. 11,000</td>
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</table>
## Employee Data

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of employees</strong></td>
<td>Hitachi Group</td>
<td>People</td>
<td>307,275</td>
<td>299,941</td>
<td>301,056</td>
<td>350,864</td>
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<tr>
<td><strong>By region</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>People</td>
<td>168,086</td>
<td>162,082</td>
<td>162,100</td>
<td>158,194</td>
<td>166,768</td>
</tr>
<tr>
<td>China</td>
<td>People</td>
<td>44,080</td>
<td>40,784</td>
<td>41,674</td>
<td>53,907</td>
<td>56,705</td>
</tr>
<tr>
<td>ASEAN, India, and the rest of Asia</td>
<td>People</td>
<td>45,386</td>
<td>42,223</td>
<td>45,114</td>
<td>61,411</td>
<td>69,876</td>
</tr>
<tr>
<td>North America</td>
<td>People</td>
<td>21,884</td>
<td>20,986</td>
<td>22,034</td>
<td>27,122</td>
<td>27,916</td>
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<td>Europe</td>
<td>People</td>
<td>16,617</td>
<td>17,274</td>
<td>17,896</td>
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<td>42,319</td>
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<td>Other areas</td>
<td>People</td>
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<td>10,786</td>
<td>12,285</td>
<td>19,785</td>
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<td><strong>Total</strong></td>
<td>People</td>
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<td>239,802</td>
<td>244,962</td>
<td>279,659</td>
<td>283,020</td>
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<tr>
<td><strong>By gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>People</td>
<td>199,193</td>
<td>196,221</td>
<td>199,603</td>
<td>228,278</td>
<td>227,652</td>
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<tr>
<td>Female</td>
<td>People</td>
<td>41,870</td>
<td>43,581</td>
<td>45,359</td>
<td>51,381</td>
<td>55,368</td>
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<tr>
<td><strong>By age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>15-19 years old</strong></td>
<td>%</td>
<td>0.4</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Japan</td>
<td>%</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Outside Japan</td>
<td>%</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>20-29 years old</strong></td>
<td>%</td>
<td>15.6</td>
<td>15.4</td>
<td>15.7</td>
<td>14.9</td>
<td>15.2</td>
</tr>
<tr>
<td>Japan</td>
<td>%</td>
<td>10.6</td>
<td>10.0</td>
<td>9.8</td>
<td>8.6</td>
<td>8.2</td>
</tr>
<tr>
<td>Outside Japan</td>
<td>%</td>
<td>5.0</td>
<td>5.4</td>
<td>5.9</td>
<td>6.3</td>
<td>7.0</td>
</tr>
<tr>
<td><strong>30-39 years old</strong></td>
<td>%</td>
<td>26.9</td>
<td>27.5</td>
<td>26.7</td>
<td>27.5</td>
<td>27.8</td>
</tr>
<tr>
<td>Japan</td>
<td>%</td>
<td>18.7</td>
<td>17.8</td>
<td>16.5</td>
<td>13.9</td>
<td>12.7</td>
</tr>
<tr>
<td>Outside Japan</td>
<td>%</td>
<td>8.2</td>
<td>9.7</td>
<td>10.1</td>
<td>13.6</td>
<td>15.1</td>
</tr>
<tr>
<td><strong>40-49 years old</strong></td>
<td>%</td>
<td>32.1</td>
<td>30.8</td>
<td>30.4</td>
<td>29.1</td>
<td>28.6</td>
</tr>
<tr>
<td>Japan</td>
<td>%</td>
<td>26.9</td>
<td>25.1</td>
<td>23.8</td>
<td>19.4</td>
<td>17.5</td>
</tr>
<tr>
<td>Outside Japan</td>
<td>%</td>
<td>5.2</td>
<td>5.7</td>
<td>6.6</td>
<td>9.7</td>
<td>11.0</td>
</tr>
<tr>
<td><strong>50-59 years old</strong></td>
<td>%</td>
<td>23.6</td>
<td>24.3</td>
<td>25.1</td>
<td>25.6</td>
<td>26.6</td>
</tr>
<tr>
<td>Japan</td>
<td>%</td>
<td>20.9</td>
<td>21.3</td>
<td>21.5</td>
<td>19.6</td>
<td>19.1</td>
</tr>
<tr>
<td>Outside Japan</td>
<td>%</td>
<td>2.7</td>
<td>3.0</td>
<td>3.6</td>
<td>6.5</td>
<td>6.5</td>
</tr>
</tbody>
</table>

*1 Regional classifications were changed from fiscal 2020. *2 Approximately 50,000 manufacturing workers not registered in the employee database and approximately 35,000 employees of some newly consolidated companies are not included. *3 Hitachi does not employ 0-14 years old children.
### Social Data

#### Reporting Boundary

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of employees</strong></td>
<td>Hitachi Group</td>
<td>By age*1, 2, 3</td>
<td>%</td>
<td>60-69 years old</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Japan</td>
<td>%</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outside Japan</td>
<td>%</td>
<td>0.9</td>
<td>0.9</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Over 70 years old</td>
<td>%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Hitachi, Ltd.</td>
<td>Total</td>
<td>%</td>
<td>34,925</td>
<td>33,490</td>
<td>31,442</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By gender</td>
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<td>29,220</td>
<td>27,828</td>
<td>25,628</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>6,705</td>
<td>6,662</td>
<td>6,814</td>
<td>5,750</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>22,515</td>
<td>21,166</td>
<td>18,814</td>
<td>18,350</td>
</tr>
<tr>
<td><strong>Average age</strong></td>
<td>Hitachi Group*1</td>
<td>Total</td>
<td>Age</td>
<td>41.4</td>
<td>41.3</td>
<td>41.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By gender</td>
<td>Male</td>
<td>41.8</td>
<td>41.9</td>
<td>41.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>39.3</td>
<td>39.0</td>
<td>39.4</td>
<td>40.1</td>
</tr>
<tr>
<td></td>
<td>Hitachi, Ltd.</td>
<td>Total</td>
<td>Age</td>
<td>41.8</td>
<td>42.1</td>
<td>42.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By gender</td>
<td>Male</td>
<td>42.3</td>
<td>42.6</td>
<td>43.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>39.2</td>
<td>39.5</td>
<td>40.1</td>
<td>40.8</td>
</tr>
<tr>
<td><strong>Average service (years)</strong></td>
<td>Hitachi Group*1</td>
<td>Total</td>
<td>Years</td>
<td>14.9</td>
<td>15.1</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By region*2</td>
<td>Japan</td>
<td>18.0</td>
<td>18.8</td>
<td>18.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>China</td>
<td>8.5</td>
<td>8.8</td>
<td>8.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ASEAN, India, and the rest of Asia</td>
<td>7.5</td>
<td>7.4</td>
<td>7.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>North America</td>
<td>8.7</td>
<td>7.1</td>
<td>7.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Europe</td>
<td>8.4</td>
<td>7.9</td>
<td>8.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other areas</td>
<td>7.3</td>
<td>6.4</td>
<td>7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By gender</td>
<td>Male</td>
<td>15.4</td>
<td>15.8</td>
<td>15.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>12.6</td>
<td>11.9</td>
<td>11.8</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td>Hitachi, Ltd.</td>
<td>Total</td>
<td>Years</td>
<td>17.8</td>
<td>18.0</td>
<td>17.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By gender</td>
<td>Male</td>
<td>18.3</td>
<td>18.5</td>
<td>18.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>15.2</td>
<td>15.6</td>
<td>15.6</td>
<td>16.0</td>
</tr>
<tr>
<td><strong>Turnover rate</strong></td>
<td>Hitachi Group*1</td>
<td>Total</td>
<td>%</td>
<td>5.5</td>
<td>6.3</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>By region*2</td>
<td>Japan</td>
<td>2.1</td>
<td>2.2</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outside Japan</td>
<td>%</td>
<td>13.4</td>
<td>15.4</td>
<td>10.9</td>
</tr>
</tbody>
</table>

*1 Regional classifications were changed from fiscal 2020.  
*2 Approximately 50,000 manufacturing workers not registered in the employee database and approximately 35,000 employees of some newly consolidated companies are not included.  
*3 Hitachi does not employ 0-14 years old children.  
*4 The figures are based on enrolled employees with employment contract including those seconded from Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to Hitachi Group (as of March 31).  
*5 Figures include only voluntary resignations.
### Diversity, Equity and Inclusion

#### Reporting Boundary

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Group**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(By gender) Male</td>
<td>%</td>
<td>5.0</td>
<td>5.8</td>
<td>4.8</td>
<td>4.1</td>
<td>7.1</td>
</tr>
<tr>
<td>(By gender) Female</td>
<td>%</td>
<td>7.8</td>
<td>8.4</td>
<td>7.2</td>
<td>8.8</td>
<td>8.9</td>
</tr>
<tr>
<td>Hitachi, Ltd.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>%</td>
<td>1.5</td>
<td>1.6</td>
<td>1.7</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>(By gender) Male</td>
<td>%</td>
<td>1.3</td>
<td>1.4</td>
<td>1.5</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>(By gender) Female</td>
<td>%</td>
<td>2.9</td>
<td>3.0</td>
<td>2.8</td>
<td>2.1</td>
<td>2.2</td>
</tr>
</tbody>
</table>

---

**Notes:**
- *1 The figures are based on enrolled employees with employment contract including those seconded from Hitachi Group to other companies and those taking leave, and excluding those seconded from other companies to Hitachi Group (as of March 31).
- *2 Approximately 50,000 manufacturing workers not registered in the employee database and approximately 35,000 employees of some newly consolidated companies are not included.
- *3 The figures include only voluntary resignations.
- *4 Benefits for men and women are identical. Differences between male and female salaries and compensation are due to age distribution, grade distribution, etc.
### Social

#### Reporting Boundary

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Hitachi Group*2</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and Ratio of new employees hired</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>People</td>
<td>14,257</td>
<td>17,120</td>
<td>14,997</td>
<td>17,963</td>
<td>29,539</td>
<td></td>
</tr>
<tr>
<td>Number and Ratio of new female employees hired</td>
<td>People(%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>3,105 (22.1)</td>
<td>4,574 (26.7)</td>
<td>3,943 (26.3)</td>
<td>4,269 (23.8)</td>
<td>6,489 (22.0)</td>
<td></td>
</tr>
<tr>
<td>By region</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>1,987 (19.4)</td>
<td>1,438 (22.1)</td>
<td>1,372 (22.3)</td>
<td>1,329 (23.9)</td>
<td>2,051 (15.7)</td>
<td></td>
</tr>
<tr>
<td>ASEAN, India, and the rest of Asia</td>
<td></td>
<td>711 (19.4)</td>
<td>793 (26.3)</td>
<td>1,002 (27.7)</td>
<td>596 (22.2)</td>
<td>1,402 (22.0)</td>
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</tr>
<tr>
<td>North America</td>
<td></td>
<td>446 (26.2)</td>
<td>1,002 (32.8)</td>
<td>635 (29.7)</td>
<td>574 (23.2)</td>
<td>927 (27.9)</td>
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</tr>
<tr>
<td>Europe</td>
<td></td>
<td>230 (19.0)</td>
<td>313 (23.8)</td>
<td>147 (22.9)</td>
<td>970 (26.5)</td>
<td>971 (27.9)</td>
<td></td>
</tr>
<tr>
<td>Other areas</td>
<td></td>
<td>146 (22.8)</td>
<td>596 (27.3)</td>
<td>387 (28.9)</td>
<td>430 (17.8)</td>
<td>669 (27.4)</td>
<td></td>
</tr>
</tbody>
</table>

*2 Approximately 50,000 manufacturing workers not registered in the employee database and approximately 35,000 employees of some newly consolidated companies are not included.

#### Reporting Boundary

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Hitachi, Ltd.</th>
<th>Unit</th>
<th>June 2018</th>
<th>June 2019</th>
<th>July 2020</th>
<th>June 2021</th>
<th>June 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and Ratio of female and non-Japanese executive and corporate officers</td>
<td>People</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Ratio of female executive and corporate officers</td>
<td>%</td>
<td>2.6</td>
<td>5.0</td>
<td>7.1</td>
<td>10.1</td>
<td>12.2</td>
<td></td>
</tr>
<tr>
<td>Number of non-Japanese executive and corporate officers</td>
<td>People</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Ratio of non-Japanese executive and corporate officers</td>
<td>%</td>
<td>6.4</td>
<td>8.8</td>
<td>8.6</td>
<td>11.6</td>
<td>17.6</td>
<td></td>
</tr>
</tbody>
</table>

#### Reporting Boundary

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Hitachi, Ltd.</th>
<th>Unit</th>
<th>June 2018</th>
<th>June 2019</th>
<th>July 2020</th>
<th>June 2021</th>
<th>June 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and Ratio of female and non-Japanese Directors</td>
<td>People</td>
<td>12</td>
<td>11</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td>10</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Outside Japan</td>
<td></td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

*2 Approximately 50,000 manufacturing workers not registered in the employee database and approximately 35,000 employees of some newly consolidated companies are not included.
### Maternity/partner's leave

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi, Ltd.</td>
<td>Male</td>
<td>32.7</td>
<td>37.8</td>
<td>38.1</td>
<td>33.8</td>
<td>32.9</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Return rate for recipients</td>
<td>Male</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>99.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Retention rate for recipients</td>
<td>Male</td>
<td>98.4</td>
<td>99.7</td>
<td>96.9</td>
<td>97.7</td>
<td>97.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>99.2</td>
<td>100.0</td>
<td>100.0</td>
<td>99.7</td>
<td>99.5</td>
</tr>
</tbody>
</table>

*5 Total number of employees who took maternity leave or partner’s maternity leaves/Total number of employees with newborn children

*6 Total number of employees not resigning on the day after completing maternity leave or partner’s maternity leaves/Total number of employees who took maternity leave or partner’s maternity leave

*7 Total number of employees who did not resign within one year after maternity leave or partner’s maternity leave/Total number of employees who took maternity leave or partner’s maternity leave

*8 Total number of employees who took child-care leave/Total number of employees with newborn children

*9 Total number of employees returning from child-care leave/Total number of employees who planned to return from child-care leave. Number of employees returning excludes those who planned to return and resigned voluntary without returning

*10 Total number of employees continuously working one year after returning from child-care leave/Total number of employees returning from child-care leave

### Childcare leave

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi, Ltd.</td>
<td>Male</td>
<td>2.2</td>
<td>2.7</td>
<td>4.0</td>
<td>7.3</td>
<td>9.3</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>99.7</td>
<td>100.0</td>
<td>99.6</td>
<td>99.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Return rate for recipients</td>
<td>Male</td>
<td>100.0</td>
<td>94.3</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>98.6</td>
<td>97.4</td>
<td>97.4</td>
<td>98.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Retention rate for recipients</td>
<td>Male</td>
<td>96.6</td>
<td>90.9</td>
<td>84.8</td>
<td>71.4</td>
<td>94.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>96.0</td>
<td>99.4</td>
<td>95.5</td>
<td>98.0</td>
<td>96.6</td>
</tr>
</tbody>
</table>

### Employment of people with disabilities

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>June 2018</th>
<th>June 2019</th>
<th>June 2020</th>
<th>June 2021</th>
<th>June 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Group companies in Japan</td>
<td>People</td>
<td>1,848</td>
<td>1,890</td>
<td>2,403</td>
<td>2,575</td>
<td>2,767</td>
</tr>
<tr>
<td>Employment rate of people with disabilities</td>
<td>%</td>
<td>2.34</td>
<td>2.48</td>
<td>2.33</td>
<td>2.37</td>
<td>2.43</td>
</tr>
</tbody>
</table>

*11 It includes special subsidiaries and related Group companies. (There were 1 special subsidiaries and 23 related Group companies in June 2022.)
Global Human Capital Management

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of positive responses to employees' engagement questions</td>
<td>Hitachi Group</td>
<td>Global average</td>
<td>%</td>
<td>58</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>(By region)</td>
<td>Japan</td>
<td>%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Outside Japan</td>
<td>%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Notes: 1. Questions change slightly each year. Above figures are not adjusted for changes in questions.
2. In fiscal 2021, the composition of questions measuring employee engagement was revised. The percentage was calculated from the average of the percentage of positive responses to the following four questions: pride in working for Hitachi; whether it is a great place to work that one would recommend to others; job satisfaction and sense of accomplishment; and desires to continue working for Hitachi for the foreseeable future.

Talent Development

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participants of training programs</td>
<td>Hitachi Group</td>
<td>For management-level leadership</td>
<td>People</td>
<td>3,921</td>
<td>3,844</td>
<td>4,063</td>
</tr>
<tr>
<td>Training hours per employee</td>
<td>Hitachi Group</td>
<td>Hours</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Average amount invested in education per employee*1</td>
<td>Hitachi Group</td>
<td>Yen</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Hitachi Group companies in Japan</td>
<td>Yen</td>
<td>118,500*4</td>
<td>127,800*5</td>
<td>128,000*6</td>
<td>—</td>
</tr>
</tbody>
</table>

Notes: 1. The scope of data was changed from the Hitachi Group in Japan to the Hitachi Group from fiscal 2020.
2. Hitachi, Ltd., 45 Group companies in Japan, and 76 Group companies outside Japan, total 121.
3. Hitachi, Ltd., 44 Group companies in Japan, and 63 Group companies outside Japan, total 107.
4. Hitachi, Ltd. and 12 major Group companies in Japan
5. Hitachi, Ltd. and 13 major Group companies in Japan
6. Hitachi, Ltd. and 12 major Group companies in Japan
7. Disclosures began in fiscal 2019. "Digital talent" is defined as those who possess any of the 12 capabilities required for digital business, such as data science and security. The digital talent accumulation is the total number of capabilities possessed by employees.
## Occupational Health and Safety

### Reporting Boundary and Unit

<table>
<thead>
<tr>
<th></th>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of fatal accidents</strong></td>
<td>Hitachi Group (including contractors)</td>
<td>Cases</td>
<td>4</td>
<td>0</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Number of deaths</strong></td>
<td>Hitachi Group</td>
<td>Employees</td>
<td>5</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Hitachi, Ltd.</td>
<td>Employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Contractors</td>
<td>People</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Lost-time accidents</strong></td>
<td>Hitachi Group</td>
<td>Cases</td>
<td>485</td>
<td>506</td>
<td>396</td>
<td>314</td>
<td>434</td>
</tr>
<tr>
<td></td>
<td>Hitachi Group companies in Japan</td>
<td>Cases</td>
<td>92</td>
<td>64</td>
<td>57</td>
<td>52</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>Hitachi, Ltd.</td>
<td>Cases</td>
<td>11</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td><strong>Occupational accident severity rate</strong></td>
<td>Hitachi Group companies in Japan</td>
<td>—</td>
<td>0.17</td>
<td>0.11</td>
<td>0.03</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Occupational accident frequency rate</strong></td>
<td>Hitachi Group companies in Japan</td>
<td>—</td>
<td>0.25</td>
<td>0.2</td>
<td>0.17</td>
<td>0.17</td>
<td>0.17</td>
</tr>
<tr>
<td><strong>Hitachi Group’s Global Safety Figures (Occurrence Rate)</strong></td>
<td>Hitachi Group</td>
<td>—</td>
<td>4.22</td>
<td>4.20</td>
<td>3.45</td>
<td>2.89</td>
<td>2.69</td>
</tr>
<tr>
<td></td>
<td>North America</td>
<td>Global total</td>
<td>24.39</td>
<td>27.96</td>
<td>20.76</td>
<td>18.98</td>
<td>18.46</td>
</tr>
<tr>
<td></td>
<td>Central and South America</td>
<td>—</td>
<td>1.62</td>
<td>0.44</td>
<td>0.57</td>
<td>2.12</td>
<td>1.69</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>—</td>
<td>10.82</td>
<td>8.08</td>
<td>4.78</td>
<td>3.09</td>
<td>3.71</td>
</tr>
<tr>
<td></td>
<td>India</td>
<td>—</td>
<td>1.44</td>
<td>1.44</td>
<td>1.63</td>
<td>1.07</td>
<td>0.53</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>—</td>
<td>1.53</td>
<td>1.46</td>
<td>1.17</td>
<td>1.12</td>
<td>1.06</td>
</tr>
<tr>
<td></td>
<td>Asia (excluding India and China)</td>
<td>—</td>
<td>4.41</td>
<td>3.34</td>
<td>2.63</td>
<td>1.55</td>
<td>1.39</td>
</tr>
<tr>
<td></td>
<td>Oceania</td>
<td>—</td>
<td>24.41</td>
<td>21.94</td>
<td>20.07</td>
<td>12.95</td>
<td>5.32</td>
</tr>
<tr>
<td></td>
<td>Africa</td>
<td>—</td>
<td>9.93</td>
<td>11.78</td>
<td>9.72</td>
<td>25.37</td>
<td>1.43</td>
</tr>
</tbody>
</table>

Notes:
- The period for each year is from January to December.
- Occupational accidents are defined as those involving fatality or work-time loss of one day or more.
- The occurrence rate is the rate of workplace accidents per 1,000 directly contracted employees resulting in injuries without lost workday or more.
### Absence Rate

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Group companies in Japan</td>
<td>%</td>
<td>0.60</td>
<td>0.64</td>
<td>0.65</td>
<td>0.62</td>
<td>0.66</td>
</tr>
<tr>
<td>By health type</td>
<td>Physical</td>
<td>0.26</td>
<td>0.24</td>
<td>0.25</td>
<td>0.22</td>
<td>0.21</td>
</tr>
</tbody>
</table>

*The 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).

### Medical Exam and Screening Attendance Rates

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Group companies in Japan</td>
<td>General physical exam*5</td>
<td>%</td>
<td>78.5</td>
<td>79.3</td>
<td>81.2</td>
<td>81.1</td>
<td>80.6</td>
</tr>
<tr>
<td></td>
<td>Breast cancer screening*6</td>
<td>%</td>
<td>51.1</td>
<td>63.2</td>
<td>56.3</td>
<td>56.6</td>
<td>57.1</td>
</tr>
<tr>
<td></td>
<td>Uterine cancer screening*7</td>
<td>%</td>
<td>35.6</td>
<td>37.1</td>
<td>38.7</td>
<td>39.1</td>
<td>39.3</td>
</tr>
<tr>
<td></td>
<td>Stomach cancer screening*8</td>
<td>%</td>
<td>80.7</td>
<td>80.6</td>
<td>82.7</td>
<td>82.2</td>
<td>84.7</td>
</tr>
<tr>
<td></td>
<td>Intestinal cancer screening*8</td>
<td>%</td>
<td>81.4</td>
<td>81.3</td>
<td>83.5</td>
<td>83.0</td>
<td>85.5</td>
</tr>
<tr>
<td></td>
<td>Lung cancer screening*9</td>
<td>%</td>
<td>80.7</td>
<td>80.6</td>
<td>82.7</td>
<td>82.2</td>
<td>84.7</td>
</tr>
</tbody>
</table>

*5 Men and women aged 35 and over
*6 Women aged 30 and over
*7 Women aged 25 and over
*8 Men and women aged 30 and over
*9 In fiscal 2016–2017, men and women aged 50 and over; from fiscal 2018, it changed to men and women aged 35 and over
*10 Employees aged 35 and over (results of specific medical examinations)
Value Chain Management

Sustainable Procurement Activities

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability monitoring</td>
<td>Hitachi Group</td>
<td>131</td>
<td>345</td>
<td>291</td>
<td>271</td>
<td></td>
</tr>
<tr>
<td>Sustainability audits</td>
<td></td>
<td>18</td>
<td>24</td>
<td>19</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Rate of Local Procurement of Materials for Main Regions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reporting Boundary</td>
<td>Unit</td>
<td>FY 2017</td>
<td>FY 2018</td>
<td>FY 2019</td>
<td>FY 2020</td>
<td>FY 2021</td>
</tr>
<tr>
<td>China</td>
<td>Hitachi Group %</td>
<td>78</td>
<td>88</td>
<td>80</td>
<td>98</td>
<td>95</td>
</tr>
<tr>
<td>Other Asian countries</td>
<td></td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>85</td>
<td>87</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td>70</td>
<td>81</td>
<td>78</td>
<td>77</td>
<td>83</td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td>57</td>
<td>68</td>
<td>69</td>
<td>70</td>
<td>83</td>
</tr>
</tbody>
</table>

*1 Sustainability monitoring in fiscal 2021 was focused on human rights and environmental risk assessment.

Green Purchasing

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green purchasing rate</td>
<td>Hitachi Group %</td>
<td>86</td>
<td>86</td>
<td>84</td>
<td>83</td>
<td>83</td>
</tr>
</tbody>
</table>

*2 The percentage, by monetary value, of products with the Eco Mark among all products purchased subject to the Act on Promoting Green Procurement.

Conflict Mineral Issue

<table>
<thead>
<tr>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of surveys on conflict minerals conducted from customer requests</td>
<td>Hitachi Group</td>
<td>1,422</td>
<td>1,874</td>
<td>1,645</td>
<td>1,836</td>
<td>—</td>
</tr>
</tbody>
</table>

Note: Reported statistics is from January to December every year.

*3 Among all Business Units (BUs) and Group companies, there are a total of 20 BUs and Group companies that have a registered CSR manager. Among these 20, the boundary covered some BUs and Group companies that conducted the survey from customer requests.

*4 The data for 2020 are the most recent available, due to the timing of data compilation.
# Community

## Social Contribution Activities

<table>
<thead>
<tr>
<th>Funding for social contribution activities</th>
<th>Reporting Boundary</th>
<th>Unit</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Group and The Hitachi Global Foundation</td>
<td>Total Million Yen</td>
<td>2,195</td>
<td>1,888</td>
<td>1,833</td>
<td>1,910</td>
<td>1,869</td>
<td></td>
</tr>
<tr>
<td>By area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human development</td>
<td>Million Yen</td>
<td>983 (44.8)</td>
<td>931 (49.3)</td>
<td>744 (40.6)</td>
<td>850 (44.5)</td>
<td>512 (27.4)</td>
<td></td>
</tr>
<tr>
<td>Of which, amount related to STEAM</td>
<td>Million Yen</td>
<td>740 (33.7)</td>
<td>383 (20.3)</td>
<td>278 (15.2)</td>
<td>325 (17.1)</td>
<td>201 (10.8)</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>Million Yen ( %)</td>
<td>64 (2.9)</td>
<td>38 (2.0)</td>
<td>51 (2.8)</td>
<td>23 (1.2)</td>
<td>36 (1.9)</td>
<td></td>
</tr>
<tr>
<td>Community support</td>
<td>Million Yen</td>
<td>759 (34.6)</td>
<td>387 (20.5)</td>
<td>477 (26.0)</td>
<td>206 (10.8)</td>
<td>295 (15.8)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Million Yen ( %)</td>
<td>389 (17.7)</td>
<td>532 (28.2)</td>
<td>561 (30.6)</td>
<td>831 (43.5)</td>
<td>1,026 (54.9)</td>
<td></td>
</tr>
<tr>
<td>Of which, disaster relief</td>
<td>Million Yen ( %)</td>
<td>213 (9.7)</td>
<td>130 (6.9)</td>
<td>86 (4.7)</td>
<td>220 (11.5)</td>
<td>143 (7.7)</td>
<td></td>
</tr>
</tbody>
</table>

| Total employees participating              | Hitachi Group and The Hitachi Global Foundation | Participants¹ | 53,749 | 54,629 | 88,134 | 39,982 | 33,585 |

¹ FY 2017: Japan: Hitachi, Ltd., 141 Group companies, and The Hitachi Global Foundation. Outside Japan: 196 companies
FY 2018: Japan: Hitachi, Ltd., 141 Group companies, and The Hitachi Global Foundation. Outside Japan: 152 companies
FY 2021: Japan: Hitachi, Ltd., 103 Group companies, and The Hitachi Global Foundation. Outside Japan: 252 companies

² Includes multiple activities by some individuals