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# Human Rights

GRI 103-2

Relevant SDGs

## Why

— Why it matters —

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.



## Respect for human rights throughout the value chain

What	How
— What we are doing —	— How we are doing it —
<ul style="list-style-type: none"> <li>• Group structure for promoting human rights</li> <li>• HRDD initiatives</li> <li>• Working with procurement partners</li> <li>• Human rights education and awareness raising for employees and executive officers</li> </ul>	<p><b>Policy and promotion structure</b></p> <p>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.</p>
	<p style="text-align: center;"><b>Achievements in FY 2021</b></p>
	<p><b>HRDD initiatives</b></p> <p>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</p> <p>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</p>
	<p><b>Working with procurement partners</b></p> <p>Conducted investigations of the actual situation concerning potential forced labor and violations of migrant workers' rights for procurement partners as well</p>
	<p><b>Raise human rights awareness among executives and employees and education</b></p> <p>Continuously worked to raise human rights awareness among all Hitachi Group employees through opportunities such as trainings, and message from the President &amp; CEO on Human Rights Day</p> <p>Carried out executive human rights training taught by an external lecturer</p>
<p><b>Global Group grievance mechanisms</b></p> <p>The facts related to all reports, including those concerning harassment and human rights issues, are subject to thorough investigation. Reporters are informed of the investigation results, and remedial action is taken when necessary.</p>	

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

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## 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<sup>\*1</sup> 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 including implementing human rights due diligence (HRDD)<sup>\*2</sup> in line with the UN Guiding Principles on Business and Human Rights,<sup>\*3</sup> 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.

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

<sup>\*2</sup> 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.

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

[Hitachi Group Human Rights Policy](https://www.hitachi.com/sustainability/esg_summary/pdf/human_rights_policy.pdf)

[https://www.hitachi.com/sustainability/esg\\_summary/pdf/human\\_rights\\_policy.pdf](https://www.hitachi.com/sustainability/esg_summary/pdf/human_rights_policy.pdf)

[Hitachi Group Codes of Conduct](https://www.hitachi.com/corporate/about/conduct/index.html)

<https://www.hitachi.com/corporate/about/conduct/index.html>

[Hitachi Group Sustainable Procurement Guidelines](https://www.hitachi.com/procurement/csr/EN_HG_SPG.pdf)

[https://www.hitachi.com/procurement/csr/EN\\_HG\\_SPG.pdf](https://www.hitachi.com/procurement/csr/EN_HG_SPG.pdf)

P127 Human Rights Awareness Initiatives Targeting Procurement Partners and Procurement Personnel

### Group Structure for Promoting Human Rights

#### Structure

GRI 406-1

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, we have set up a project team (composed of members from the human resources, procurement, and sustainability divisions) in the Hitachi, Ltd. headquarters to promote HRDD. The team takes charge of core promotion activities based on inter-divisional cooperation that include investigating HRDD promotion measures for the Hitachi Group and its procurement partners, preparing implementation-oriented manuals and guidelines, and responding to inquiries from Business Units (BUs) and Group companies.

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

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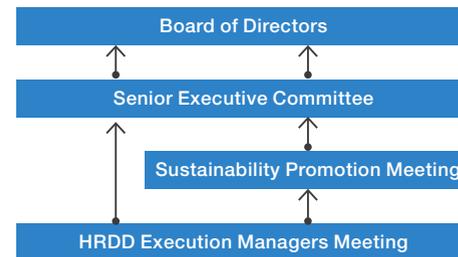
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implementation in respective business entities, holding HRDD Promotion Meetings, and so on. Also, overseas subsidiaries of BUs and key Group companies work closely with regional headquarters outside Japan to share region-specific issues (cultural and religious backgrounds, legislative trends, etc.) and discuss ways of responding to them.

In addition to this, HRDD Execution Managers Meeting is held once or twice a year as occasions for Group-wide information sharing and deliberation. Important matters discussed by the meeting may also be deliberated and decided on by the Senior Executive Committee and presented to the Board of Directors as necessary in accordance with the level of seriousness.

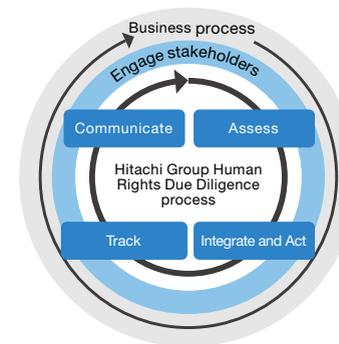
▶ Framework for Promoting Respect for Human Rights (Fiscal 2022)



## HRDD Initiatives

### Activities

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



Source: Hitachi Group "Human Rights Risk Management Implementation Manual" 1st edition (partially revised)

### Assess: Assessing actual and potential human rights impacts

#### • Prioritizing Risks

In fiscal 2021, the entire Hitachi Group addressed the issues of forced labor and violations of the rights of migrant workers, which the Group had defined as a common priority risk for the Group. We identified these priority risks by analyzing and reevaluating information such as the results of our HRDD to date and feedback from human rights NGOs on them, human rights issues identified in Hitachi rules and guidelines, information and observations by NGOs, experts and the media, evaluation criteria for corporate efforts based on international initiatives, the results of internal inspections by procurement partners and Group companies, and trends in international legislation.

📄 P126 Our HRDD Initiatives to Date

#### • 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.

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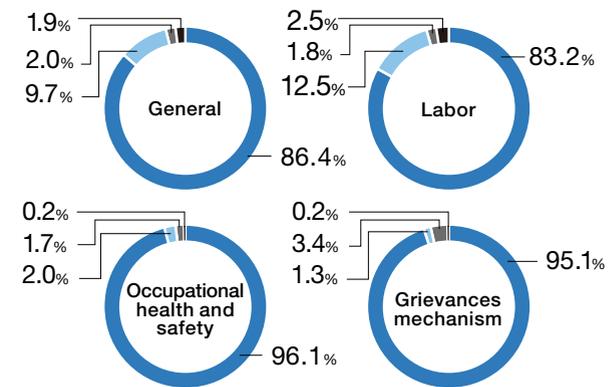
▶ Breakdown of Responses by Country/Region (205 Operational Sites Total)

Japan	64	Central, and South America	10
Southeast Asia	35	Oceania	2
Europe	26	Middle East	2
China	24	Taiwan	2
India	20	South Korea	1
North America	18	Russia	1

• Summary of Investigation Results

The results concerning labor, occupational health and safety, and the grievances mechanism were as follows.

▶ Survey Results



Breakdown of responses from operational site ■ A ■ B ■ C ■ D

Answer Choice Levels for the Questionnaire

Choice	Level
A	Efforts in accordance with international standards (best case)
B	Borderline acceptable for Hitachi efforts
C	Below the borderlines required by Hitachi
D	No efforts made on this matter

**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

Item	Example Countermeasure
Control of identification documents, etc.	<ul style="list-style-type: none"> <li>• Because some sites were keeping IDs, the sites changed the rules to ensure the documents be retained by workers.</li> <li>• Installed a personal safe for each employee, so that they can manage these documents themselves.</li> </ul>
Recruitment fees borne by directly employed workers	<ul style="list-style-type: none"> <li>• Changed the rules so that recruitment expenses borne by workers will be instead borne by the company.</li> <li>• Directed operational sites not to use referral agencies that push costs onto workers.</li> </ul>
Recruitment fees paid by temporary workers	<ul style="list-style-type: none"> <li>• Requested that staffing agencies refund workers.</li> </ul>
Collective bargaining	<ul style="list-style-type: none"> <li>• 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)</li> </ul>
Entering provided housing	<ul style="list-style-type: none"> <li>• Directed operational sites to install locks on rooms for the sake of employees.</li> </ul>
Health & Safety Training	<ul style="list-style-type: none"> <li>• For foreign workers (temporary workers), provide work standards and safety training materials in their native languages with the cooperation of temporary staffing agencies.</li> </ul>
Fire and emergency response	<ul style="list-style-type: none"> <li>• Employed diagrams and other tools so that all workers could understand.</li> </ul>
Grievance mechanisms	<ul style="list-style-type: none"> <li>• Notify operational sites that multilingual support is available through the Hitachi Global Hotline.</li> </ul>

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**Track: Tracking responses**

While majority of operational sites implemented their countermeasures during fiscal 2021, several operational sites carried implementation over into fiscal 2022, as they were still developing internal rules. We will conduct a follow-up investigation on these operational sites during fiscal 2022.

**Communicate: Communicating how impacts are addressed**

We disclose information on initiatives concerning respect for 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.

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.

▶ Implementation Status of HRDD

	Initiatives
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	Used our checklist for procurement partners to perform self-checks of approximately 100 Group companies in Southeast Asia under the guidance of Verite Southeast Asia. The necessity of enhancing measures to prevent forced labor and respect the human rights of migrant workers was observed at some operational sites.
FY 2019	Analyzed and reassessed results of HRDD to date to determine human rights risks that the Hitachi Group must address as a whole
FY 2020	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 (ASSC). Created our Human Rights Risk Management Implementation Manual. This manual, incorporated Shift's advice on consistency with the UN Guiding Principles on Business and Human Rights and explanations of each step in HRDD. Implemented measures to improve grievance mechanisms, such as consolidating the Hitachi Global Compliance Hotline.
FY 2021	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.

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## Working with Procurement Partners

**Activities** GRI 408-1/409-1

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.

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.

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## Human Rights Education and Awareness Raising for Employees and Executive Officers

**Training** GRI 412-2

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.

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

	Target	Initiatives
FY 2018	European Group companies	Procurement personnel from European Group companies formed the Responsible Supply Chain Working Group.
	Procurement partners in China	Held CSR procurement seminars to explain Hitachi Group CSR policies and activities as well as the severity of human rights risks.
FY 2019	European Group companies	Created a webinar titled “Implementing the UN Guiding Principles on Business and Human Rights” for procurement personnel in the working group mentioned above.
	Procurement partners in Thailand	Held CSR procurement seminars to explain forced labor by providing case studies.
FY 2020	European Group companies	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.
	Procurement partners in China, Thailand, and other Asian countries	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.
FY 2021	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 webinar targeted specifically at human resources and legal divisions. Began to consider establishing an HRDD Secretariat including sustainability, procurement, human resources, and legal divisions.
	Procurement partners in China and other Asian countries	Held online information sessions in China and other Asian countries. In China, we explained our policy and activities concerning sustainable procurement activities including HRDD. In other parts of Asia, we raised procurement partners awareness by inviting outside experts familiar with environmental and human rights issues to provide training, and shared the results of monitoring, thereby helping each procurement partner to enhance its sustainability activities.

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### Implementation Status of Activities to Raise Awareness of Human Rights

Target	Details	Number of participants in FY 2021
All Hitachi Group executives and employees	Distributed a human rights message by President & CEO on Human Rights Day (every year)	Distributed to approx. 238,000 messages
	E-learning course on business and human rights (provided in 15 languages, taken about once every three years)	Not implemented in FY2021 (A total of more than 160,000 people took it in FY 2019)
Executive officers of Hitachi, Ltd.	Lecture on human rights by an outside expert (held annually)	Attended by 27 people

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### 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

System

GRI 102-17

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.

📄 P173 Hitachi Global Compliance Hotline (Whistleblower System)

### Handling Various Human Rights Issues

Activities

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.

📄 P132 Responsible Procurement

#### ▶ Responses to Human Rights Issues

Human Rights Issue	Timeline	Event/Handling
Problems concerning foreign technical interns	2018	Hitachi, Ltd. and 10 Group companies received recommendations for improvement of practical training from Japanese Organization for Technical Intern Training for alleged violations related to the Act on Proper Technical Intern Training and Protection of Technical Intern Trainees.
	September 2019	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.
	October 2019	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.
	March 2020	Established Group-wide policies, guidelines, and check systems for conducting technical intern training
Response to Issues Concerning Uighurs	November 2020	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.
	March 2020	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.
	December 2020	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.

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## 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)<sup>2</sup> 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.