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



### Respect for human rights throughout the value chain

## What

— What we are doing —

- Ensuring awareness of Hitachi Group Human Rights Policy
- Raising human rights awareness among executives and employees
- Recognizing human rights risks and constructing frameworks and systems for reducing them through human rights due diligence (HRDD)
- Raise human rights awareness among suppliers including issues involving child labor and forced labor

## How

— How we are doing it —

Policy and promotion structure	Hitachi has established the Hitachi Group Human Rights Policy and pursues initiatives that ensure human rights are respected. Hitachi, Ltd. has a Corporate Human Rights Promotion Committee composed of the heads of business units and corporate divisions and chaired by the executive officer in charge of human resources. In fiscal 2021, the scope of the Executive Sustainability Committee's mandate was expanded to cover human rights topics as part of sustainability management.
<b>Achievements in Fiscal 2020</b>	
Raise human rights awareness among executives and employees	<ul style="list-style-type: none"> <li>Consolidated general consultation and reporting systems (contact points) for harassment and human rights issues into the Hitachi Global Compliance Hotline</li> <li>Distributed a human rights message from the Executive Chairman &amp; CEO on Human Rights Day</li> <li>Carried out executive human rights training using external lecturers</li> </ul>
Recognize and minimize human rights risks through HRDD	<ul style="list-style-type: none"> <li>Appointed a Chief Diversity and Inclusion Officer (CDIO) to promote activities across the entire Hitachi Group</li> <li>Established a project team to promote human rights due diligence (HRDD) at the headquarters of Hitachi, Ltd.</li> <li>Created a priority risk questionnaire to evaluate measures being taken to prevent forced labor and migrant labor (for Hitachi Group companies and suppliers)</li> </ul>
An initiative to promote the respecting of human rights by suppliers	Conducted online CSR procurement briefing sessions for suppliers in China, Thailand, and other Asian countries.

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## Respect for Human Rights Throughout the Value Chain

## Hitachi Group Human Rights Policy

## Policy

Hitachi believes that respecting human rights is its responsibility as a global company and indispensable in conducting business. To this end, in May 2013 we formulated the Hitachi Group Human Rights Policy. The Senior Executive Committee reviewed and approved this policy, designating it one of the highest codes governing our internal regulations. During the formulation of the policy, Hitachi held stakeholder dialogues, and invited representatives from the European Commission, the International Labour Organization (ILO), NGOs, and external companies, as well as lawyers specializing in human rights issues, and the opinions and suggestions of these attendees are reflected in the final policy.

In the policy, we clarify our understanding of human rights as being, at a minimum, those outlined in the International Bill of Human Rights\*<sup>1</sup> and the ILO's Declaration on Fundamental Principles and Rights at Work. This policy shapes Hitachi's approach to meeting the responsibility to respect human rights including implementing human rights due diligence (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.

In accordance with the policy, we use opportunities such as our e-learning program on human rights and messages from our Executive Chairman & CEO (and at that time also our president) Toshiaki Higashihara on

Human Rights Day to continuously raise awareness among all employees. The policy is also included in the Hitachi Group CSR Procurement Guidelines for our suppliers, and we strive, through a range of activities, to promote understanding among suppliers of our approach to human rights and ensure that they act in accordance with it.

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

\*2 Human rights due diligence (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 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](#)

[Details of the dialogue with stakeholders during the formulation of the Hitachi Group Human Rights Policy](#)

## Respect for the Rights of Children

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

[Hitachi Group Codes of Conduct](#)

## Framework for Human Rights

## Structure

GRI 406-1

Hitachi, Ltd. has a Corporate Human Rights Promotion Committee to gauge the impact of business activities on human rights and to deliberate on mechanisms and policies for preventing human rights violations, thereby improving Group-wide human rights awareness. The executive officer in charge of human resources chairs this body, whose members include representatives from corporate divisions. From fiscal 2021, the framework changed and the Executive Sustainability Committee composed of Executive Chairman & CEO Higashihara and other members of the Senior Executive Committee and the heads of business units and corporate divisions will also deliberate on global human rights issues including HRDD.

[Hitachi, Ltd. Framework for Promoting Respect for Human Rights \(FY 2020\)](#)

Corporate Human Rights  
Promotion Committee

## Chairperson

Executive officer in charge of human resources

## Vice-Chairperson

Executive officer in charge of legal affairs and risk management

## Members

Personnel in charge of corporate divisions such as procurement, human resources, and CSR, including executive officers in charge of sales and sustainability promotion

Business Unit  
and Business Site  
Committee

## Chairperson

Business unit presidents and division heads

## Members

Division managers

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# Hitachi Sustainability Report 2021

### Establishing a Global Grievance Mechanism

**System** GRI 102-17

In April 2020, we consolidated the Hitachi Group's internal reporting systems into the Hitachi Global Compliance Hotline. The hotline is provided through a third-party platform that supports dozens of languages. Consultations are available 24 hours a day through calling or online messaging. We merged the general consultation and reporting systems (contact points) for harassment and human rights issues at the business sites of each business unit and Group company into this hotline in fiscal 2020.

These efforts will clarify who to consult with on human rights issues, make it easier for employees and those working with us to access these services, and promote the Group-wide effort globally including a grievance mechanism, that helps Hitachi grasp and identify violations of human rights.

### Raising Human Rights Awareness Among Executives and Employees

**Employee Engagement** GRI 412-2

Hitachi conducts regular group training and seminars and uses videos to educate employees at each business site and Group company. As of fiscal 2020, the target is for each employee to attend one session every year instead of the previous target of once every three years. In fiscal 2020, the approximate participation rate was 86.3% at Hitachi, Ltd. and 78.3% at Group companies in Japan. Through various other training and awareness-raising activities such as onboarding education for new employees and training for job positions, we are also communicating to our employees the importance of them respecting human rights in each of their roles.

### Achievements in Fiscal 2020

As part of the fiscal 2020 human rights training for executive officers at Hitachi, Ltd., attorney Yoshihiko Matake of the firm Nagashima Ohno & Tsunematsu gave a lecture entitled "Latest Trends in Legal and Compliance concerning Business and Human Rights."

In addition to corporate scandals, which have been frequent in recent years, the guest lecturer talked about the human rights risks faced by global companies, the importance of HRDD as a prevention measure, and the latest trends in human rights legislation, especially in Europe. Mr. Matake suggested that companywide cooperation is necessary to identify inherent business risks and to effectively implement due diligence concerning business partners. He also stressed the necessity for executive-level commitment and leadership.

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

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

Target	Details	Results of Fiscal 2020
All Hitachi Group executives and employees	Distributed a human rights message by Executive Chairman & CEO Toshiaki Higashihara on Human Rights Day (every year)	Distributed to approx. 242,000 executives and employees
	E-learning course on business and human rights (provided in 15 languages, taken about once every three years)	Not implemented in fiscal 2020 (A total of more than 160,000 people took it in fiscal 2019)
Executive officers of Hitachi, Ltd.	Lecture on human rights by an outside expert (held annually) Note: In fiscal 2020, attended a lecture on the "Latest Trends in Legal and Compliance concerning Business and Human Rights"	Attended by 34 people

### Human Rights Due Diligence (HRDD) Initiatives

#### Activities

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

We analyzed and reassessed a wide variety of information including the results of our HRDD to date; human rights issues specified in Hitachi's codes and guidelines; information, advice, and inquiries from non-governmental organizations, the media, and experts; assessments of corporate efforts concerning international initiatives; and the results of self-checks by suppliers and Group companies. Taking these results into account, we have identified forced labor and migrant labor as a priority risk for the Hitachi Group and this is now being addressed Group-wide. Forced labor and migrant labor are issues of high concern that are increasingly the subject of legislation around the world.

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## Achievements in Fiscal 2020

## Development of Systems to Promote HRDD

The position of chief diversity & inclusion officer (CDIO) has been established for the Hitachi Group. We have also set up a project team at the Hitachi, Ltd. headquarters to promote HRDD. It is composed of members from the human resources, procurement, and CSR divisions. The project team holds regular meetings to investigate HRDD measures for the Hitachi Group and its suppliers. It also prepares relevant internal manuals, and responds to inquiries from business units and Group companies.

In order to carry out HRDD specific to each business area of the Hitachi Group, HRDD promotion committees were set up and persons responsible for promoting and implementing HRDD were appointed in each business unit and major Group company. We are developing a system to enhance human rights risk management while taking into account the characteristics of each business and value chain.

## Results of HRDD Activities

The Hitachi Group prepared a priority risk questionnaire (about 30 questions in total) to evaluate the situation within the Group and at its suppliers regarding forced labor and migrant labor which have been defined as Group-wide priority risks. In preparation for this survey, Hitachi obtained a review from a non-governmental organization, The Global Alliance for Sustainable Supply Chain (ASSC). The ASSC also provided advice concerning the questionnaire content and consistency with global industries and international standards such as those of the ILO. The purpose of this questionnaire is not only to ascertain the level of human rights compliance efforts, but also to promote continuous improvement by investigating and implementing corrections and measures based on the evaluation results from each BU or Group company.

Hitachi has also created a Human Rights Risk Management Implementation Manual. It complements the guidelines for implementing HRDD prepared in 2014 and enables the guidelines to be applied more effectively in the operations of our business units and Group companies. The manual was reviewed by the nonprofit organization Shift. It provided advice on its consistency with the United Nations Guiding Principles on Business and Human Rights and on the explanations in the manual for each step of the HRDD process. Shift also delivered lectures to Hitachi business units and Group companies on the latest developments concerning business and human rights, and on the importance of HRDD.

## Implementation Status of HRDD

	Initiatives
FY 2013	Implemented HRDD pilot programs at certain Group companies and analyzed and evaluated human rights risks in six ASEAN countries with the support of the nonprofit organizations Shift and Business for Social Responsibility (BSR).
FY 2014	Developed a document with guidelines for implementing HRDD in collaboration with Shift
FY 2015	Initiated HRDD in procurement divisions under the guidance of Shift. Assessed and prioritized human rights risks that employees are likely to confront in the supply chain and explored mitigation strategies
FY 2016	Launched HRDD in human resource divisions under the guidance of Shift. Assessed and prioritized human rights risks for employees and explored mitigation strategies
FY 2017	Incorporated results of HRDD in procurement divisions into the revision of CSR procurement guidelines for suppliers; revised the checklist used in supplier CSR monitoring (self-checks)
FY 2018	Assessed and prioritized human rights risks in some business units and Group companies under Shift's guidance and discussed medium-term action plans Implemented self-checks for about 100 Group companies in Southeast Asia using checklists for suppliers with the support of Verite Southeast Asia
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	Launched the HRDD promotion project team. Created a questionnaire on Group-wide priority risks (forced labor and migrant labor) with the support of the nonprofit organization ASSC and used it within the Hitachi Group. Prepared a Human Rights Risk Management Implementation Manual with the help of Shift.

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## Addressing the Risks of Child Labor and Forced Labor

## Activities

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

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

In fiscal 2020, the Hitachi Group prepared a questionnaire concerning forced labor and migrant labor, which were defined as Group-wide priority risks. In fiscal 2021, we will use this questionnaire to evaluate the progress of this initiative within the Hitachi Group and we also plan to survey suppliers.

GRI 408-1/409-1

## Human Rights Awareness Initiatives Targeting Suppliers and Procurement Personnel

	Target	Initiatives
FY 2016	Employees responsible for procurement and human resources in Southeast Asia	Held a four-part webinar series led by speakers from NGOs and businesses implementing advanced countermeasures
	Suppliers in China	Held CSR procurement seminars to explain the Hitachi Group's CSR activities and respect for human rights
FY 2017	Suppliers in Malaysia	Conducted on-site visits and interviews regarding the working and living conditions of migrant laborers, who are considered at high risk of bonded labor and other issues
	Suppliers in China	Held CSR procurement seminars to explain the SDGs and other recent sustainability trends, as well as how environmental and labor issues, including human rights, are linked to business risks
FY 2018	European Group companies	Procurement personnel from European Group companies formed the Responsible Supply Chain Working Group
	Suppliers 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
	Suppliers 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 suppliers which should receive Supplier Assessment Questionnaires (CSR self-checklists). 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.
	Suppliers in China, Thailand, and other Asian countries	Used e-learning to explain CSR measures to suppliers in China during the COVID-19 pandemic. For suppliers in other parts of Asia CSR briefing webinars were held. By sharing the results of supplier CSR monitoring activities in the region we raised supplier awareness thereby helping each company to enhance its CSR activities.

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## Response to Technical Intern Training Program Issues

### Activities

In 2018, the Organization for Technical Intern Training, a legal entity whose establishment was approved by competent ministers conducted on-site inspections at Hitachi, Ltd. and 11 Group companies. These inspections identified violations of the Act on Proper Technical Intern Training and Protection of Technical Intern Trainees, and the relevant companies were provided with recommendations for improvement regarding intern training. Additionally, in September 2019, Hitachi, Ltd. received an order for improvement from the Immigration Services Agency of Japan and the Ministry of Health, Labour and Welfare regarding the construction of its systems for carrying out proper technical intern training according to authorized plans.

The companies subject to the improvement recommendations and orders submitted reports to Japan's Organization for Technical Intern Training by October 2019. They stated that relevant improvements had been completed, and the reports were accepted. We have taken further strict measures to ensure that no further violation will take place throughout the entire Group. In March 2020, we implemented Group-wide policies, guidelines, and check systems for technical intern training, and in November we began conducting internal audits.

We continue to strive to carry out appropriate technical intern training in accordance with relevant laws and the aims of the Technical Intern Training Program and with due consideration for human rights on the basis of the Hitachi Group Human Rights Policy.

## Response to Concerns over Uyghur Labor

### Activities

In March 2020, a report from the Australian Strategic Policy Institute indicated that one of Hitachi's suppliers may be using Uyghur forced labor in China.

We conducted a social compliance review via a third-party based on international standards to review the supplier's management system, specifically looking at how employees were managed, given the allegations stated in the report. We found nothing to support allegations of forced labor. Through various forms of engagement the Hitachi Group will continue its efforts to respect the human rights of its workers including those employed by suppliers.