

**Company Name** Hitachi Ltd.  
**Industry** ICT (Own operations and Supply Chain)  
**Overall Score (\*)** 13.3 out of 100

Theme Score	Out of	For Theme
2.6	10	A. Governance and Policies
2.9	25	B. Embedding Respect and Human Rights Due Diligence
2.1	15	C. Remedies and Grievance Mechanisms
1.5	20	D. Performance: Company Human Rights Practices
2.7	20	E. Performance: Responses to Serious Allegations
1.5	10	F. Transparency

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: UNGC principles 1 &amp; 2: The Company indicates that 'We believe that respecting and implementing the 10 principles of the UN Global Compact will build a stronger foundation for our business'. The Company also indicates that 'It calls for the upholding of the fundamental rights of employees, in line with the principles of the United Nations Global Compact'. And they indicate that Hitachi Ltd. Became a full member signatory of the UNGC in February 2009. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Met: UNGPs: The Company indicates that 'Hitachi is committed to meeting the responsibility to respect human rights through implementing the UN Guiding Principles on Business and Human Rights'. [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: UNGC principles 3-6: The Company indicates that 'We believe that respecting and implementing the 10 principles of the UN Global Compact will build a stronger foundation for our business'. The Company also indicates that 'It calls for the upholding of the fundamental rights of employees, in line with the principles of the United Nations Global Compact'. And they indicate that Hitachi Ltd. Became a full member signatory of the UNGC in February 2009. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Explicitly list ALL four ILO for ICT suppliers: Supplier CSR guidelines contains requirements for suppliers in relation to discrimination, child labour and forced labour. However, it is not clear whether freedom of association and collective bargaining is respected in all places and contexts, as the commitment states the following: 'In conformance with local law, your company shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities'. Therefore it is not clear if it requires alternatives for those countries where there are legal restrictions to the exercise of these rights'. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>] Score 2</li> <li>• Not met: Explicit commitment to All four ILO Core: The Company indicates that it 'will not use child labor that employs children below the minimum working age or forced labor that is against the will of employees'. It also states that 'In Japan, where labor unions are recognized, for example, we espouse the three fundamental rights of labor unions (to organize, to bargain collectively, and to act collectively)' And the Company also indicates that 'We will not 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, disability'. The Company mentions all 4 ILO Core labour standards in different documents. However, it is not clear if the commitment to respect the right to freedom of association and collective bargaining covers all places and contexts. [Hitachi Group Codes of Conduct: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Company indicates that “the Hitachi Group will endeavour to ensure safe and healthy workplaces under the principle of “Health and Safety Always Comes First.” [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: H&amp;S applies to ICT suppliers: The Company indicates in the procurement guidelines that “Your company recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale” and has a comprehensive policy on health and safety for suppliers. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: working hours for workers: The Company states in its Supplier CSR procurement guidelines: ‘Workweeks are not to exceed the lesser of either the maximum hours as set by local law or 60 hours per week. Workers shall be allowed at least one day off every seven days.’ However, that applies to suppliers only, not to the Company’s own operations. No evidence found in relation to regular working week hours. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Working hours for ICT suppliers: The Company states in its Supplier CSR procurement guidelines: ‘Workweeks are not to exceed the lesser of either the maximum hours as set by local law or 60 hours per week. Workers shall be allowed at least one day off every seven days.’ However, no evidence found of references to standard weekly hours or the Company explicitly committing to respect ILO conventions on working hours. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
A.1.3.ICT.a	Commitment to responsible sourcing of minerals	0.5	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Responsible mineral sourcing in conflict areas: The Company indicates that “The policy for procurement departments in all Hitachi Group companies have always been and will continue to be to ensure that procurement activities do not result or aid in conflicts within the same region and that the armed groups described above do not benefit from those activities, while continuing responsible procurement activities of minerals that are not related to the conflicts in the region based on local laws.” However, no evidence found of commitment to responsible sourcing in high risk areas beyond DRC and neighbouring countries. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Group Conflict Minerals Procurement Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: Based on OECD Guidance: The Company indicates that “Additionally, we will continue to support the practice of due diligence based on the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” among [group] companies.” [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Requires responsible mineral sourcing from suppliers: The Company indicates in the procurement guidelines that “our company shall make further improvements to the transparency of the supply chain and shall engage in</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			responsible procurement of materials and parts.[...] In order to ensure procurement of conflict free minerals, you company shall participate in activities for constructing a responsible supply chain.” However, no evidence found of a formal requirement to suppliers to responsible sourcing minerals from conflict affected and high risk areas and complying with OECD guidelines. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a> ] Score 2 <ul style="list-style-type: none"> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> <li>• Not met: Suppliers expected to make similar requirements of their suppliers</li> </ul>
A.1.3.ICT.b	Commitment to respect human rights particularly relevant to the industry (ICT)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Women's Rights: Although the Company participates in different programmes aimed to empower women and the company is making efforts to improve no evidence has found of a formal commitment to respect Women's Rights. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Children's Rights</li> <li>• Not met: Migrant worker's rights</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: The Company indicates in its human rights policy that 'Hitachi is committed to engaging in dialogue with and consulting relevant external stakeholders about addressing potential and actual human rights impacts'. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Not met: Regular stakeholder design engagement</li> </ul>
A.1.5	Commitment to remedy	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Commits to remedy: The Company indicates that “will assess and prevent potential violations of human rights. In the event of such a violation, we will promptly take internal and external actions to correct and remedy the situation.” The human rights policy also states that “Where Hitachi identifies that it has caused or contributed to a negative human rights impact, the company will provide for or cooperate in legitimate processes to provide remediation.” [Hitachi Group Codes of Conduct: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with ICT suppliers to remedy impacts</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs)</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Expects ICT suppliers to reflect company HRD commitments</li> </ul>

### A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: CEO or Board approves policy: Neither the Code of Conduct nor the Human Rights Policy have signs of having been approved by a responsible person in the Company. However, the Sustainability report contains the explanation indicating that the HR Policy has been signed by the CEO. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Board level responsibility for HRs: The Company indicates that 'Hitachi, Ltd. established the Corporate Human Rights Promotion Committee in fiscal 1981 to gauge the impact of business activities on stakeholders' human rights and to deliberate on mechanisms and policies for preventing human rights violations. The executive officer in charge of human capital chairs this body, whose members include representatives from sales, procurement, human capital, CSR, and other corporate units'. However, this indicator is looking for board level responsibility and not executive committee level responsibility and therefore this score cannot be met. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Speeches/letters by Board members or CEO: The CEO is signatory to the WBCSD CEO Guide to Human Rights. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a> &amp; CEO Guide to Human Rights website, 28/08/2019: <a href="http://wbcsc.org">wbcsc.org</a>]</li> </ul>
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Board/Committee review of salient HRs: While the Company states in its Sustainability Report that 'in July 2017, 31 executive officers from Hitachi, Ltd. participated in an officer training session on the theme of global business and human rights led by Hiroji Tanaka, a lead researcher of the Business Ethic Research Center.' there is no evidence of a process the Company has in place to discuss and address human rights issues at Board level or how the Board or a Board committee regularly reviews the Company's salient human rights issues; even if 'some of executive officers are also our Board members'. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Examples or trends re HR discussion</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Incentives for at least one board member</li> <li>• Not met: At least one key ICT HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to the UN Global Compact.</li> <li>• Met: Senior responsibility for HR: The Company indicates that "Hitachi, Ltd. Established the Corporate Human Rights Promotion Committee in fiscal 1981 to gauge the impact of business activities on stakeholders' human rights and to deliberate on mechanisms and policies for preventing human rights violations. The executive officer in charge of human capital chairs this body, whose members include representatives from sales, procurement, human capital, CSR, and other corporate units." [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Day-to-day responsibility</li> <li>• Not met: Day-to-day responsibility for ICT in supply chain</li> </ul>
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Senior manager incentives for human rights</li> <li>• Not met: At least one key ICT HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: HR risks is integrated as part of enterprise risk system: The Company indicates that the executive officer in charge of legal affairs and risk management is the Chairperson of Corporate Human Rights promotion Committee. However, no description found on how human rights risks are integrated within general Enterprise Risk Management system. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> <li>Not met: Audit Ctte or independent risk assessment</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Commits to ILO core conventions</li> <li>Met: Communicates its policy to all workers in own operations: The Company indicates that 'The Hitachi Group Codes of Conduct are available in 21 languages and shared among Hitachi Group employees in the world. We also issued the Hitachi Group Codes of Conduct Handbook as a guidebook for all our employees to fully understand the Hitachi Group Codes of Conduct'. The Company also reports periodical training on human rights for all employees. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Commits to all 4 ILO core conventions</li> <li>Not met: Communication of policy commitments to stakeholder</li> <li>Not met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Commits to all 4 ILO core conventions for suppliers</li> <li>Not met: Communicating policy down the whole ICT supply chain</li> <li>Not met: Requiring ICT suppliers to communicate policy down the chain</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How HR commitments made binding/contractual</li> <li>Not met: Including on ICT suppliers</li> </ul>
B.1.5	Training on Human Rights	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Scores at least 1 on A.1.2</li> <li>Met: Trains all workers on HR policy commitments: The Company indicates that "we launched an e-learning program on business and human rights in October 2016, in which approximately 186,000 Group executives and employees in Japan and elsewhere had participated by March 2018. Using educational materials developed in line with the Hitachi Group Human Rights Policy, adopted in May 2013, the program aims to ensure that employees understand Hitachi's human rights policy and act accordingly. In accordance with these goals, the training is provided to all employees once every three years on average and regularly revised based on human rights trends worldwide". [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>Not met: Trains relevant ICT managers including procurement: The Company indicates that "In July 2017, 31 executive officers from Hitachi, Ltd. participated in an officer training session on the theme of global business and human rights" However, it is not clear whether the Company provides specific HR training related to procurement to relevant managers including those who work on procurement. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Score of 2 on A.1.2</li> <li>Not met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Scores at least 1 on A.1.2</li> <li>Not met: Monitoring implementation of HR policy commitments</li> <li>Met: Monitoring ICT suppliers: The company indicates that to monitor the implementation of its human rights policy commitments in the suppliers company uses JEITA Supply Chain CSR Deployment Guidebook and detailed checklists: "To monitor how well Hitachi's CSR supply chain management philosophy has been adopted by our suppliers, since fiscal 2007 we have asked key suppliers to conduct CSR Monitoring (self-checks) using the JEITA Supply Chain CSR Deployment Guidebook and detailed checklists." [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Score of 2 on A.1.2</li> <li>Not met: Describes corrective action process: The company indicates that "After collecting and analysing the results, we provide feedback for the business operations related to the suppliers, and then work with those involved in the operations to resolve issues related to the suppliers" However no evidence has been found of a description of how corrective action plans are implemented, nor number of non-compliances. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>Not met: Example of corrective action</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>Not met: Discloses % of ICT supply chain monitored: The company indicates that "Since fiscal 2011, we have expanded the scope to include suppliers in China and the rest of Asia, and in fiscal 2017 we asked 131 suppliers inside and outside Japan to conduct CSR Monitoring and received survey replies from them." However, no evidence has been found of the percentage of the supply chain that this represents. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
B.1.7	Engaging business relationships	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: HR affects ICT selection of suppliers: The Company indicates in the procurement guidelines that "Through a designated selection process, and in compliance with the standards given below, suppliers shall be evaluated by [...] respect for human rights, elimination of discrimination in respect of employment and occupation, elimination of all forms of child and forced labor, [...]" among other issues related to different fields. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>Not met: HR affects on-going ICT supplier relationships</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Both requirement under score 1 met</li> <li>Not met: Working with ICT suppliers to improve performance</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Stakeholder process or systems</li> <li>Not met: Frequency and triggers for engagement</li> <li>Not met: Workers in ICT SC engaged</li> <li>Not met: Communities in the ICT SC engaged</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Analysis of stakeholder views and company's actions on them</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Identifying risks in own operations: The Company indicates that 'Based on these guidelines, [UN Guiding Principles] we initiated human rights due diligence in areas such as procurement in fiscal 2015. It also indicates that in 2016 it launched human rights due diligence in human resources divisions. 'The operations in those divisions touch on many issues connected to human rights for employees, including working hours, employee treatment, and health and safety. Human rights risks for employees were assessed and prioritized'. However, no details found about the process/actions made. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>Met: Identifying risks in ICT suppliers: As indicated above, the Company indicates that it carried out due diligence in procurement. 'With the assistance of the non-profit organization Shift, we have created a working group centered on the procurement and CSR divisions'. The 'working group has evaluated human rights risks within the supply chain, set priorities, and considered measures for reducing risks'. In 2017 it incorporates input from various perspectives into the revised CSR monitoring'. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Ongoing global risk identification: The Company indicates that based on the UN Due Diligence Guidelines it initiated processes of analysing, identifying and assessing risks related to human rights. However all the evidence found is related to previous years, no evidence has been found of a description of the process to do this on a regular basis.</li> <li>Not met: In consultation with stakeholders</li> <li>Not met: In consultation with HR experts: The Company states in its Sustainability Report: 'Human Rights Due Diligence in Procurement: Starting in fiscal 2015, the Hitachi Group Procurement Division began implementing human rights due diligence based on the Hitachi Group Human Rights Policy. With the assistance of the consulting services of the non-profit organization Shift, we have created a working group centered on the procurement and CSR divisions at Hitachi, Ltd.,[...] The working group has evaluated human rights risks within the supply chain, set priorities, and considered measures for reducing risks.' It also states that in 2016 it has worked with 'outside experts' and that 'in cooperation with outside experts, we will continue to enhance suppliers' understanding of the expectations of Hitachi Group procurement departments'. Although the Company is working with outside experts on human rights issues, all the above applies only to the supply chain, not to its own operations. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context): No evidence has been found of a clear description of the process for assessing HR risks and impacts or a disclosure of what the company considers its salient HR risks. Nevertheless, the Company acknowledges that the risk of child and forced labor is expected to be higher in Southeast Asia and acts accordingly. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Public disclosure of salient risks</li> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including in ICT supply chain</li> <li>• Not met: Example of Actions decided</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including ICT suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company indicates that 'Hitachi has instituted a Group-wide whistleblowing system to prevent illegal and unethical behaviour, to promptly address infractions, and to enhance our ability to self-regulate. In this system, reports go directly to the Compliance Department at Hitachi or to an outside attorney.' [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: The Company indicates that "Fiscal 2017 saw 360 reports throughout the Group, including some related to suspected violations of competition and anti-bribery laws." However no evidence has been found of statement indicating how many of them were related to human rights and have been filed, addressed or resolved. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Channel is available in all appropriate languages</li> <li>• Met: Opens own system to ICT supplier workers: The Company indicates that "This system can be used not only by employees within the Hitachi Group but also by temporary staff and business partners, such as suppliers and distributor." [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
C.2	Grievance channel(s)/mec	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Grievance mechanism for community</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	hanism(s) to receive complaints or concerns from external individuals and communities		Score 2 <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages</li> <li>• Not met: Expects ICT supplier to have community grievance systems</li> <li>• Not met: ICT supplier communities use global system</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system</li> <li>• Not met: Description of how they do this</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: ICT suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Not met: How complainants will be informed: The Company indicates that complainants will be informed of the result of their complaint if they identified themselves. “facts related to all reports are subject to thorough investigation and checking, and people who have identified themselves in the reports are informed of the investigation results” However, no evidence has been found of a description of how the complainant will be informed (whether identified or not) [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Who is handling the complaint</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Escalation to senior/independent level: The Company indicates that “In addition, we have implemented the Channel to the Board of Directors system to allow employees to directly report problems anonymously to Hitachi directors in cases where they see any illegality or extreme inappropriateness in business conduct by division heads, executive officers, or other management personnel.” [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Public statement prohibiting retaliation</li> <li>• Met: Practical measures to prevent retaliation: In the Group-wide whistleblowing system you can choose to make an anonymous complain. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects ICT suppliers to prohibit retaliation: The Company indicates in the Procurement Guidelines that “Your company should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.” However, the Company does not explicitly prohibit retaliation in its supply chain reporting mechanism, including employees and other stakeholders. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided: The Company indicates that “Where Hitachi identifies that it has caused or contributed to a negative human rights impact, the company will provide for or cooperate in legitimate processes to provide remediation.” However, no evidence was found of a description of the approach the Company takes to provide remedy. [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Says how it would remedy key sector risks</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

## D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.1.a	Living wage (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage target timeframe</li> <li>• Not met: Describes how living wage determined</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Achieved payment of living wage</li> <li>• Not met: Regularly review definition of living wage with unions</li> </ul>
D.4.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts: The Company indicates in the Procurement Guidelines that “Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits” However, no evidence was found of living wage requirements in Supplier Codes. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Improving living wage practices of suppliers</li> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.4.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Avoids business model pressure on HRs</li> <li>• Not met: Positive incentives to respect human rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
D.4.3	Mapping and disclosing the supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifies suppliers back to product source</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why</li> </ul>
D.4.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Does not use child labour: The Company indicates that “The Hitachi Group Codes of Conduct clearly express Hitachi’s firm stance against the use of child labor or forced labor either in Group companies or along our supply chain” [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Age verification of job applicants and workers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remediation if children identified</li> </ul>
D.4.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Child Labour rules in codes or contracts: The Company indicates that “The Hitachi Group Codes of Conduct clearly express Hitachi’s firm stance against the use of child labor or forced labor either in Group companies or along our supply chain” Furthermore the Company indicates in the procurement guidelines that “Child labor is not to be used in any stage of manufacturing. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.” However, no evidence has been found that the Company requires its suppliers verifying the age of job applicants and remediation programmes for the child labour situations. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on child labour</li> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Pays workers in full and on time</li> <li>• Not met: Payslips show any legitimate deductions</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul>
D.4.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Debt and fees rules in codes or contracts: The Company indicates in the procurement guidelines that “Workers shall not be required to pay employers’ or agents’ recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker” [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: How working with suppliers on debt &amp; fees</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Does not retain documents or restrict movement</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How sure about agencies or brokers</li> </ul>
D.4.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Free movement rules in codes or contracts: The Company indicates in the procurement guidelines that ‘All work must be voluntary and workers shall be free to leave work at any time or terminate their employment. Employers and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law’. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: The Company states in its 2018 Sustainability Report: ‘In fiscal 2017, we visited one of our suppliers in Malaysia with members of the US non-profit organization BSR (Business for Social Responsibility) to conduct an assessment on migrant workers, who are socially vulnerable and often said to be exploited by forced labor. The assessment was based on interviews with managers of human resources and production divisions, recruitment agencies, and migrant workers, along with inspection of the factory and dormitories.’ This is an example of one supplier only. There is no evidence of a description how the Company works with suppliers in general to eliminate detention of worker’s documents or other actions to physically restrict movement. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Company indicates that “In Japan, where labor unions are recognized, for example, we espouse the three fundamental rights of labor unions (to organize, to bargain collectively, and to act collectively)” However, no evidence found of a formal commitment to respect the right to collective bargaining company wide (outside Japan) and to not interfere with employees seeking to exercise these rights. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Discloses % covered by collective bargaining: The Company indicates that “the Hitachi Workers Union [...] had 27,021 members as of October 31, 2017” However it is not clear the total percentage of employees of the Company covered by collective bargaining agreements. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
D.4.6.b	Freedom of association and collective bargaining (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: FoA &amp; CB rules in codes or contracts: The Company indicates in the procurement guidelines that “in conformance with local law, your company shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.” However, it is not clear whether the Company is requiring to respecting those rights in all contexts, as it indicates “in conformance with local law”. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: How working with suppliers on FoA and CB</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Injury Rate disclosures</li> <li>• Met: Lost days or near miss disclosure: The Company discloses two different charts: one with the historic data of the last 3 years with the Occurrence rate, this is the rate of workplace accidents per 1,000 directly contracted employees resulting in fatality or work-time loss of one day or more. And other chart that discloses the data of the last 5 years of the occupational accident rate, that is defined as those involving fatality or work-time loss of one day or more (group companies) [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: Fatalities disclosures: See above [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Occupational disease rates</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Set targets for H&amp;S performance</li> <li>• Not met: Met targets or explains why not</li> </ul>
D.4.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Sets out clear Health and Safety requirements: The Company indicates in the procurement guidelines that “Your company recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale” and has a comprehensive policy on health and safety for suppliers. i.e. “Workers are to be provided with ready access to clean toilet facilities. Furthermore, when providing potable water and sanitary food preparation, storage, and eating facilities, all facilities are to be hygienically maintained and operated.” [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> <li>• Not met: Occupational disease rates</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.4.8.a	Women's rights (in own production or manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Process to stop harassment and violence</li> <li>• Not met: Working conditions take account of gender</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>Met: Equality of opportunity at all levels: In its 2018 Sustainability Report the Company states in connection with 'Developing Women's Careers: 'Hitachi, Ltd. Has created two key performance indicators (KPIs) to enable as many female employees as possible to take up leadership positions and to participate in management decision making.' It continues to talk about goals from 2013 to 2015, examples that were reached by 2015 and 2017 and what the Company is aiming at by 2020 in terms of developing women's careers and leadership. It also talks about promoting more women to becoming managers and leaders and states 'Employee compensation is set according to each individual's roles and achievements, with no divisions or differences based on gender or age'. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Meets all of the requirements under score 1</li> </ul>
D.4.8.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Women's rights in codes or contracts</li> <li>Not met: How working with suppliers on women's rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirement under score 1 met</li> <li>Not met: Provide analysis of trends in progress made</li> </ul>
D.4.9.a	Working hours (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Respects max hours, min breaks and rest periods in its own operations: The Company made a comment on this indicator to CHRB. However, no evidence of this being backed up by public sources.</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How it implements and checks this</li> </ul>
D.4.9.b	Working hours (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Working hours in codes or contracts: The Company indicates in the procurement guidelines that "Workweeks are not to exceed the lesser of either the maximum hours as set by local law or 60 hours per week. Workers shall be allowed at least one day off every seven days." However, no evidence found of references to international standards, standard weekly hours. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>Not met: How working with suppliers on working hours</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends in progress made</li> </ul>
D.4.10.a	Responsible Mineral Sourcing: Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Responsible mineral sourcing due diligence in supplier contracts: The Company indicates that "The policy for procurement departments in all Hitachi Group companies have always been and will continue to be to ensure that procurement activities do not result or aid in conflicts within the same region and that the armed groups [...] do not benefit from those activities, while continuing responsible procurement activities of minerals that are not related to the conflicts in the region based on local laws. Additionally, we will continue to support the practice of due diligence based on the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" among companies." However, no evidence was found of a requirement in the contracts with suppliers to practice the appropriate due diligence according with the OECD Guidance. Procurement guidelines state that "our company shall make further improvements to the transparency of the supply chain and shall engage in responsible procurement of materials and parts.[...] In order to ensure procurement of conflict free minerals, you company shall participate in activities for constructing a responsible supply chain." [Hitachi Group Conflict Minerals Procurement Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>Not met: Builds capacity with smelters/refiners</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Disclosure of smelter information in supplier requirements</li> <li>Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.4.10.b	Responsible Mineral Sourcing: Risk Identification in Mineral Supply Chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Risk identification and disclosure in line with OECD Guidance</li> <li>• Not met: Identification of smelter/refiners and OECD due diligence: The Company indicates that "Hitachi Group would like to request all our suppliers to utilise the Conflict Minerals Reporting Template developed by RBA/GeSI to continue checking the country of origin and supply chain of minerals, and also to procure from the CFS (Conflict Free Smelter) listed within." However, no evidence has been found of the Company assessing whether smelters/refiners have carried out the due diligence processes covered by the OECD Guidance. [Hitachi Group Conflict Minerals Procurement Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Discloses smelters/refiners judged in line with OECD due diligence</li> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>
D.4.10.c	Responsible Mineral Sourcing: Risk Management in the Mineral Supply Chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Describes mineral risk management plan for supply chain</li> <li>• Not met: Monitoring, tracking and whether better risk prevention/mitigation over time</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Supplier and stakeholders engaged in risk management strategy</li> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> </ul>

### E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 10.63 out of 80 points scored in themes A-D & F has been applied to produce a score of 2.66 out of 20 points for theme E.

### F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.54 out of 4	Out of a total of 52 indicators assessed under sections A-D of the benchmark, Hitachi Ltd. made data public that met one or more elements of the methodology in 20 cases, leading to a disclosure score of 1.54 out of 4 points.
F.2	Recognised Reporting Initiatives	0 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> <li>• Not met: Company reports on GRI: Although the Company references Global Reporting initiative, no evidence found of GRI indicator index or references to track information. It is 'GRI-Referenced'. [Hitachi Sustainability Report 2018, 10/2018: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Company reports on SASB</li> <li>• Not met: Company reports on UNGPRF</li> </ul>
F.3	Key, High Quality Disclosures	0 out of 4	Hitachi Ltd. met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> Discussing challenges openly <ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> Demonstrating a forward focus <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>• Not met: Score 1 for D.4.1.a: Living wage (in own production or manufacturing operations)</li> <li>• Not met: Score 2 for D.4.7.a: Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)</li> </ul>

#### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2019 Key Findings report and technical annex for more details of the research process.

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