To: Business and Human Rights Resources Centre

April 1, 2022

Re: Ukraine & Russia human rights due diligence survey

Dear Madams and Sirs,

In response to your inquiry, we reply as follows:

**For companies operating or investing in Ukraine**

**Nature of involvement**

1. How long has your company or subsidiary been operating or investing in Ukraine? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

   A. In Ukraine most of our operation is that of GlobalLogic, a U.S. digital engineering company which became our group company in July, 2021. The company has engineering hubs and employs more than 7,000 people in Ukraine. The revenues for which engineering hubs of GlobalLogic in Ukraine are involved in accounts for approx. 0.3% of Hitachi’s consolidated revenues forecast for the fiscal year ending March 2022.

**Assessing risks**

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?

   a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

   A. Committing respect of human rights in our policy, the CEO and the heads of business units receive reports on the progress of the initiatives and hold discussions on a regular basis in the Executive Sustainability Committee in order to enhance the company’s initiatives and human rights due diligence. We are also strengthening the systems and frameworks for our business units and group companies to enable them to identify and improve their salient human rights risks.

   For the safety and health of employees and their families, we are providing necessary support to the employees and their families impacted by the conflict, including those working for GlobalLogic. GlobalLogic has been taking actions based on their Business Continuity Plan including evacuation to safer location in Ukraine and across borders to other countries.

   Furthermore, in order to take necessary actions without delay under current moving situation, a cross functional task force at the Head Office holds meetings to share the latest situation and to provide necessary measures. We are also receiving updates from organizations such as Red Cross or UNICEF on latest situation and the support they are providing.
Mitigating risks and tracking effectiveness

3. What measures is your company or subsidiary taking to ensure that your business relationships, products, services, operations, or other actions do not contribute to Russian military activities or occupation in Ukraine (including Crimea and occupied parts of Donetsk and Luhansk Oblasts)?

A. We check existing business and will continue to take necessary measures so that we will not infringe export control laws, not to disturb peace.

4. Is your company or subsidiary planning to scale-down or suspend your operations in Ukraine? If so, what are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate the negative impacts of this decision on affected communities and your workers?

A. We have no plan to do so at this time. For example, GlobalLogic has been taking actions based on their Business Continuity Plan (BCP) including evacuation to safer location in Ukraine and across borders to other countries. While there has been some interruption of services during employee transition, the company has been able to resume client projects and is working to get operations back to normal status. Due to the nature of the software engineering work, employees are able to perform their duties from remote locations as they were doing because of the pandemic and there has not been a significant impact on GlobalLogic's operation at this moment.

5. What steps is your company or subsidiary taking to ensure that your risk prevention and/or mitigation measures do not negatively impact Ukrainian civilians?

A. We are trying to continue our business while protecting our employees and their families so that we will not negatively impact Ukrainian civilians.

Exercising leverage

6. Is your company or subsidiary taking any other actions to promote respect for humanitarian law, human rights, democracy, and peace in Ukraine?

A. Hitachi Group considers the safety and health of all employees and their families as its top priority. In Ukraine, we are engaged in various activities to realize this goal and hopes that peace will return as soon as possible. Furthermore, Hitachi Group donated a total of approximately 3 million U.S. dollar for the purpose of providing humanitarian aid to those affected in Ukraine and neighboring regions. It includes donations to Japanese Red Cross Society and Japan Committee for UNICEF, in addition to the entire Hitachi Group's donation to the American Red Cross, Singapore Red Cross, and World Central Kitchen through a scheme that the company matches donations made by its employees.

For companies operating or investing in Russia

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

A. We opened an office in Moscow in 1982. The revenues in the Russian market accounts for approx. 0.5% of Hitachi's consolidated revenues forecast for the fiscal year ending March 2022, 10 trillion yen, and more than a half of this is from revenues of construction machinery.

Assessing risks
2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?
   a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

   A. Committing respect of human rights in our policy, the CEO and the heads of business units receive reports on the progress of the initiatives and hold discussions on a regular basis in the Executive Sustainability Committee in order to enhance the company’s initiatives and human rights due diligence. We are also strengthening the systems and frameworks for our business units and group companies to enable them to identify and improve their salient human rights risks.

   In order to take necessary actions without delay under current moving situation and we need to consider various aspects, we hold cross functional task force meetings to share the latest situation and to provide necessary measures. We understand the importance of engagement with employees in Russia.

Mitigating risks and tracking effectiveness
3. As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia? If so:
   a. What have been the key considerations informing this decision and did you consult with your workers and/or other affected stakeholders as part of your decision-making process?
   b. What are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate any negative impacts of your exit on affected communities and your workers, including addressing any loss of income?

   A. Hitachi Group has made decisions to gradually suspend production within the country and suspend exports to Russia for the time being, with the exception of products, services and support for the equipment that are indispensable to lives of people. We are taking necessary measures to mitigate negative impacts to our employees.

4. If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?

   A. While we are suspending exports to Russia and pausing manufacturing activities gradually for the time being, we decided to continue to provide necessary products, services and support for the equipment that are indispensable to lives of people.

5. What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?

   A. We check existing business and will continue to take necessary measures so that we will not infringe export control laws, not to cause disturbing peace. Our distributorship agreement contains a clause prohibiting distributor to sell equipment to entities that may disturb peace.

Exercising leverage
6. How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?
A. Hitachi Group considers the safety and health of all employees and their families as its top priority. We will take various measures for the purpose.

7. Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine?

A. We are making efforts to protect our employees, their families and people’s daily lives as well as providing humanitarian aid hoping the peace will return soon.

Best Regards,

Sustainability Promotion Division