

Modern Slavery Act

Transparency Statement
Hitachi Europe Limited

Modern Slavery Act 2015 Statement for the year ending 31 March 2023

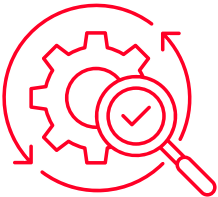



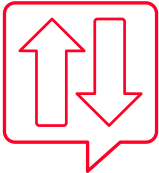

Hitachi Europe Limited recognises the importance of identifying and preventing modern slavery and its causes in our business and supply chain.

This statement, our eighth made pursuant to Section 54(1) of the Modern Slavery Act 2015, sets out the steps we have taken to prevent modern slavery and human trafficking in our business and supply chain in the year ending 31 March 2023 as well as our plans for the current year. It covers Hitachi Europe Limited only. For other Hitachi Group company statements please see the relevant company website.

Highlights from the past 12 months

Our progress to date – see our [Effectiveness](#) section to read more

Over the last year, we have:

 <p>Appointed a Head of Human Rights Due Diligence Development</p>	<p>Completed Human Rights Due Diligence governance gap analysis</p> 	 <p>Kicked off a salient risk assessment on our value chain</p>	<p>Rolled out in September 2022 mandatory Hitachi Group Code of Ethics and Business Conduct training</p> 	 <p>Provided an information exchange on Human Rights Due Diligence amongst Hitachi companies</p>	<p>Collaborated and actively engaged with external organisations, stakeholders, international business associations and bodies</p> 
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The organisation's structure, its business and its supply chains

Our business

Hitachi Europe Limited is part of the Hitachi Group and is a wholly owned subsidiary of Hitachi, Ltd. in Japan.

Aligned to the Hitachi Group Identity, illustrated in the image below, we continuously consider the next generation and conduct corporate activities informed by sensitivity to the changing needs of society.

The European Regional Headquarters are at Stoke Poges. We also have:

Subsidiary companies in

- France
- Germany
- Italy
- Spain

Branch offices in

- Denmark
- Poland
- South Africa
- Switzerland
- Turkey

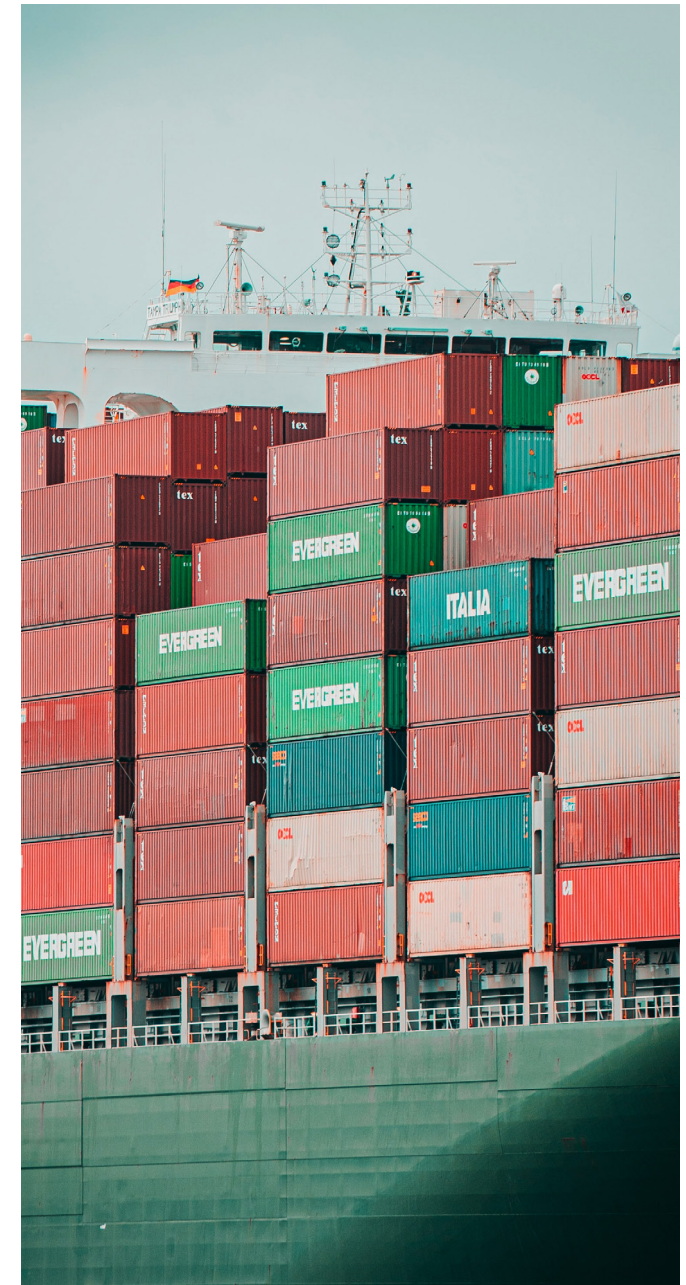
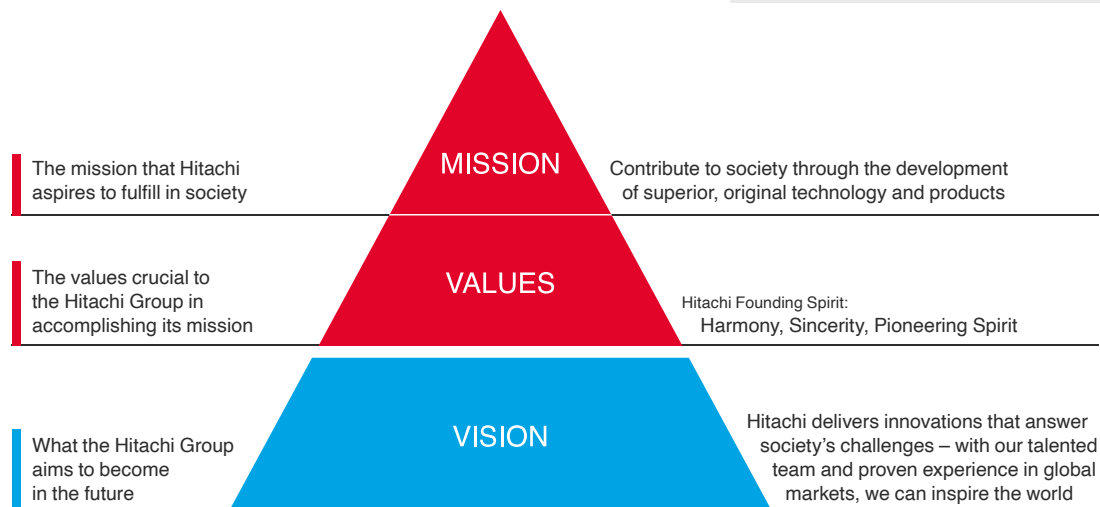
Representative office in

- Romania

Our German subsidiary has a branch office in

- Belgium

These offices are responsible for sales and/or business development.





Operations

The European Regional Headquarters in Stoke Poges operates as the European corporate centre for Hitachi, Ltd.

We provide support and services to Hitachi's European Group of companies and, along with our other UK-based locations, also includes or encompasses a number of diverse businesses, which are organised in operational business groups supplying a variety of products and services under the Hitachi brand. In the financial year ending 31 March 2023 these included:

- **The Digital Media Group** – sources and sells televisions*, soundbars* refrigerators, vacuum cleaners and motion sensors;
- **The Security Business Group** – focuses on digital security solutions and finger vein technology, a secure, simple and safe way for banks to identify their customers by reading their unique vein pattern;
- **The Power Device Division** – provides advanced high reliability semiconductors – including insulated gate bipolar transistors, integrated circuits, and diodes – to industrial, rail, automotive and consumer markets. These components deliver high-power efficiency for precise electric power control, in applications ranging from motors to grid level power transmission;
- **The Particle Beam Therapy Group** – provides systems to deliver proton therapy, one of the most advanced forms of cancer therapy available, offering treatment with pinpoint accuracy and minimal side effects; and
- **The Hitachi ZeroCarbon Group** – offers digital solutions, combining Hitachi's extensive operational technology and advanced IT capability to meet client needs in areas including EV fleet and energy.

We also provide corporate, administrative, compliance and governance services to other Hitachi Group companies.

*Products reflect items sold within the reporting period.

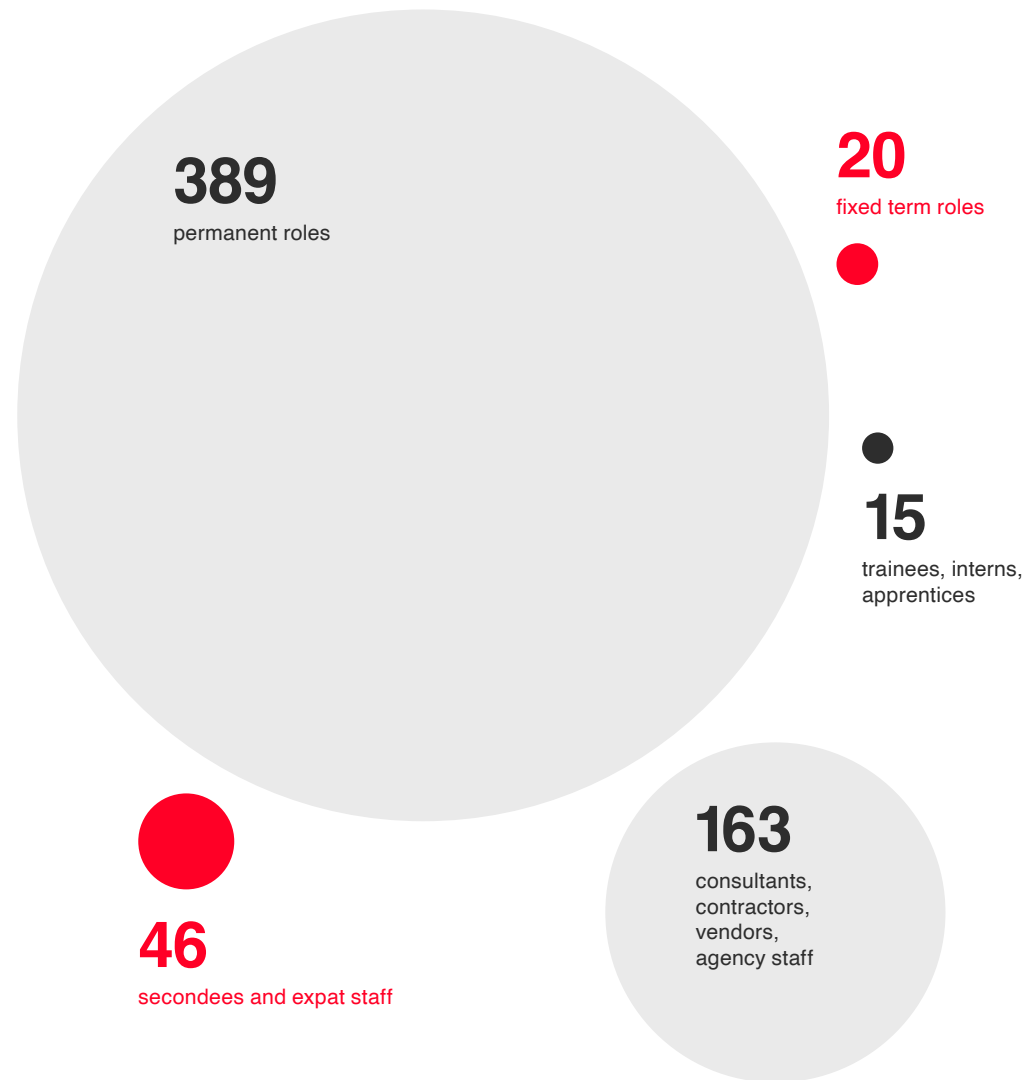
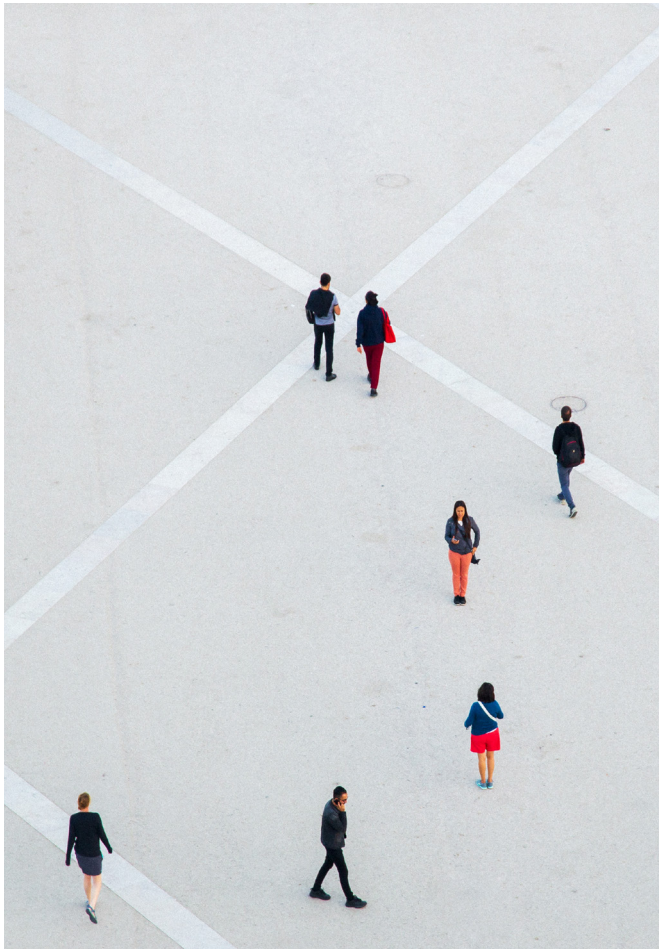
In the 2022 financial year, Hitachi Europe had a turnover of £282.07 million



Our staff

We **employ 633 people**, of which 39 are part-time. This includes 389 permanent roles, and 20 fixed term roles. In addition, we have 163 consultants, contractors, vendors, and agency staff, 15 trainees, interns, and apprentices, and 46 secondees and expat staff.

We ensure that all employees are able to demonstrate their eligibility to work in the country in which they are based and require all contractors and agency staff to undertake the same before starting work with Hitachi Europe.



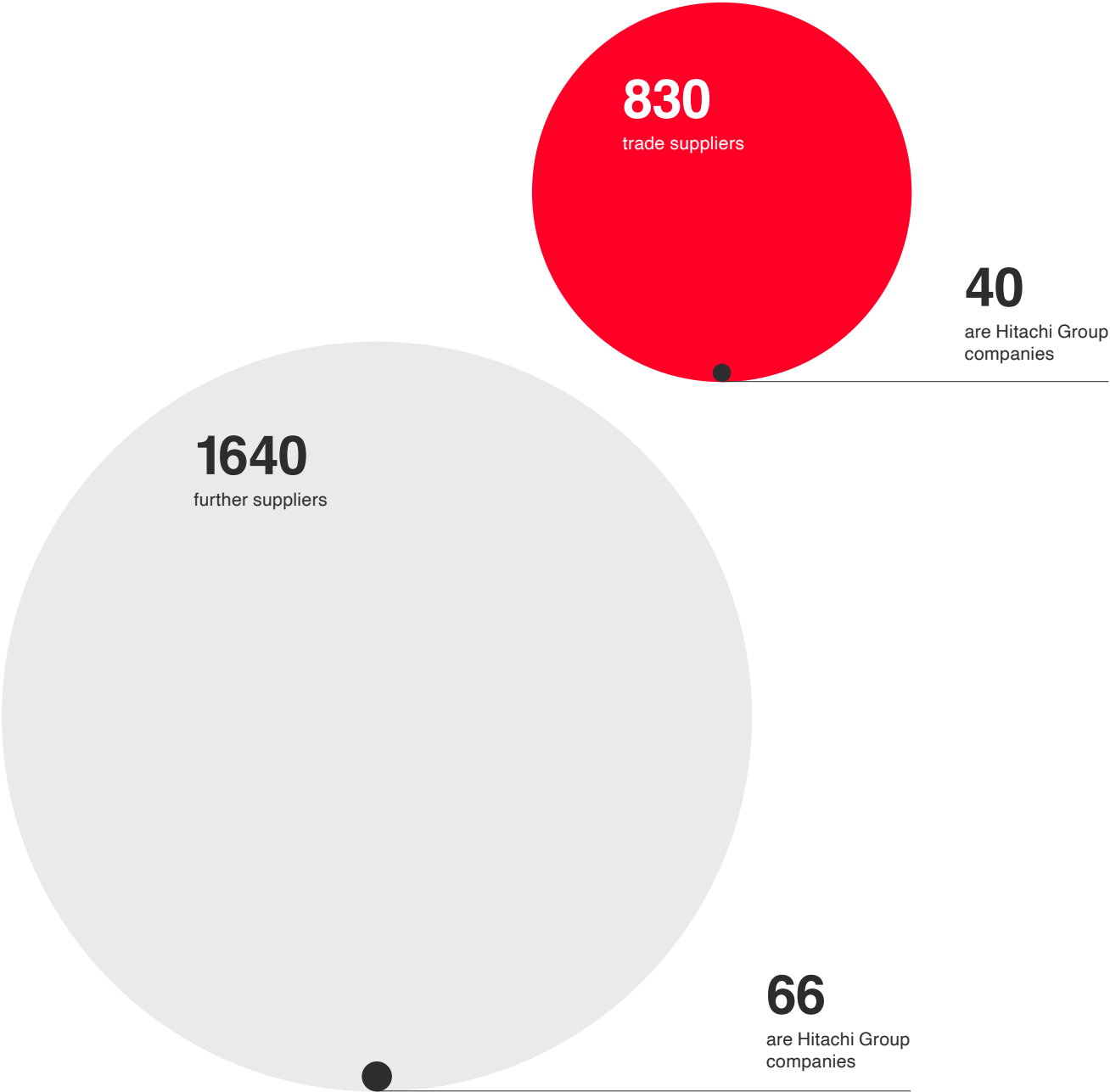
Our supply chain

We have approximately **830 trade suppliers** (of which 40 are Hitachi Group companies) that supply either complete products or components of our products. Many of these suppliers are headquartered in:

- | | |
|----------------|------------------|
| ● China | ● Singapore |
| ● Germany | ● Switzerland |
| ● Hong Kong | ● Thailand |
| ● India | ● Turkey |
| ● Japan | ● United Kingdom |
| ● Poland | ● USA |
| ● Saudi Arabia | |

We have approximately **1640 further suppliers** (of which 66 are Hitachi Group companies) which are categorised as non-trade. They supply everything used for our operations that is not a product or product component. Most of these suppliers are headquartered in:

- | | |
|-------------|------------------------|
| ● Austria | ● Jordan |
| ● Belgium | ● Lithuania |
| ● Bulgaria | ● Netherlands |
| ● Canada | ● Norway |
| ● China | ● Poland |
| ● Croatia | ● Portugal |
| ● Czechia | ● Romania |
| ● Denmark | ● Russian Federation |
| ● Estonia | ● Singapore |
| ● Finland | ● Slovenia |
| ● France | ● South Africa |
| ● Germany | ● Spain |
| ● Greece | ● Sweden |
| ● Hong Kong | ● Switzerland |
| ● Hungary | ● Turkey |
| ● India | ● Ukraine |
| ● Ireland | ● United Arab Emirates |
| ● Israel | ● United Kingdom |
| ● Italy | ● USA |
| ● Japan | |



Policies relevant to slavery and human trafficking

Our approach

We are committed to conducting our business ethically and to minimising the risk of slavery or human trafficking in our own business and in our supply chains.

Our Modern Slavery statement is reviewed by the Hitachi Europe Limited Executive Committee and approved by the Board. Furthermore, we provide a monthly update report on the Hitachi Europe Human Rights Programme to the HQ of Hitachi Group.

In line with Hitachi's global human rights approach to create a value chain where the human rights of all stakeholders are respected, Hitachi Europe Limited seeks to work with suppliers that actively address modern slavery and to work collaboratively with those still developing their processes in this area. We also strive to engage employees and other Hitachi Group companies in understanding why addressing modern slavery is important and how to identify and act on indicators of slavery.

We acknowledge that we are on a journey and, in common with other companies, face challenges which include engaging suppliers where we have low leverage and to fully understand the sub-tiers of our supply chain. This is why we collaborate with external stakeholders and experts to overcome such challenges and ensure that our work is robust and effective.



Our policies

Hitachi Europe's commitment to prevent modern slavery or human trafficking in our business and supply chains, is underpinned by appropriate policies which address issues relevant to slavery and human trafficking and are regularly reviewed and updated to reflect our evolving business.



- The **Hitachi Group Human Rights Policy** sets out Hitachi's commitment to undertake Human Rights Due Diligence in accordance with the UN Guiding Principles to identify and address human rights issues, including those related to modern slavery. We understand human rights to be, at a minimum, those outlined in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.
- The **Hitachi Group Code of Ethics and Business Conduct** applies to all members of our governance and control bodies, executives, and employees. The Code of Ethics and Business Conduct is our guide to every day responsible behaviour and reflects our commitment to, amongst other things, respecting human rights, in particular hiring employees according to international standards and not engaging in child or forced labour. In addition, this code is accessible in multiple languages.
- The **Hitachi Group written whistleblowing procedure** encourages employees to report concerns of malpractice, including any concerns related to modern slavery and human trafficking issues. In addition, the Hitachi Group Whistleblowing Policy provides details of processes to be undertaken when a non-compliance is identified.
- The **Hitachi Group Sustainable Procurement Guidelines** are a communication tool informing suppliers about Hitachi Group initiatives. They highlight that Hitachi Europe Limited suppliers must uphold the human rights of workers and treat them with dignity and respect as understood by the international community. This applies to all types of workers, including temporary staff, migrant workers, students, and direct employees. The Guidelines also detail the Hitachi Europe Limited's policies and initiatives relating to sustainability and specifies key points that must be complied with.
- Our **Hitachi Europe Limited's written employment practices and procedures** ensure fair recruitment and treatment of employees.

Hitachi Europe Limited supplements the above with the following relevant internal policies, procedures, principles, manuals and guidelines that are subject to continuous review and improvement:

- **Hitachi Europe Business Partner Due Diligence Procedure**
- **Hitachi Europe Health & Safety Policy**
- **Hitachi Europe Waste Management Policy**
- **Hitachi Europe Contract Works Policy**
- **Hitachi Europe Value Integration Group Standard and Operational Manual**
- **Hitachi Group Compliance Programme Framework Policy**
- **Hitachi Group's Responsible Supply Chain of Minerals Policy**
- **Hitachi Global Diversity, Equity, and Inclusion (DEI) Policy**
- **Hitachi Group Approach to Quality Assurance and Product Safety**
- **Hitachi Group Social Media Communication Guidelines**
- **Hitachi Group Policy on Social Contribution Activities**
- **Hitachi Group Principles Guiding the Ethical Use of AI**
- Other **written employment practices and procedures** that ensure fair recruitment and treatment of employees.

Hitachi Europe Limited ensures its policies are readily available to all workers and internal parties via its internal document management system and we regularly review and update our policies accordingly.

Due diligence

Processes in relation to slavery and human trafficking in its business and supply chains

Hitachi Europe Limited identifies, assesses, controls, and monitors the risk of modern slavery and human trafficking through our supplier due diligence. Core activities include:

Screening & Assessment: An initial desktop assessment of all suppliers for Know Your Customer, anti-money laundering, anti-bribery and corruption, adverse media, sanctions, watchlists and politically exposed persons via the use of a third-party tool. Prospective suppliers are required to agree to adhere to the Hitachi Group Code of Ethics and Business Conduct, the Group Sustainable Procurement Guidelines and to complete the Hitachi screening questionnaire designed to understand the supplier's compliance with regulatory requirements and best practices.

Guidelines: Hitachi Europe Limited suppliers must adhere to our Sustainable Procurement Guidelines. These are shared with our suppliers and specifically call for freely chosen employment, appropriate working ages, working hours, wages, and benefits as well as humane treatment, non-discrimination, and freedom of association.

Contracts: Hitachi Europe Limited contracts require suppliers to comply with applicable laws. Hitachi Europe Limited suppliers are also required to adhere to our Code of Ethics and Business Conduct, which states the requirement to comply with applicable laws and ethical business conduct, including relevant laws and principles prohibiting involvement in human trafficking and slavery.

Audit Rights: Hitachi Europe Limited has audit rights in many of its contracts, which permit the organisation to audit compliance with the terms of the contract. This includes modern slavery.

Whistleblowing: Any violations of laws, policies, regulations, or codes can be reported online or by phone through a dedicated 24-7 hotline service called the Hitachi Global Compliance Hotline, which is operated for Hitachi by Navex, to line managers or through the Legal and Compliance team. Dedicated email addresses are available as a speak up channel for employees to raise concerns. Hitachi Europe's various speak up channels allow for concerns to be raised anonymously, where permitted by law.



Risk assessment

Parts of the business and supply chains where there is a risk to slavery and human trafficking taking place, and the steps taken to assess and manage that risk

Hitachi Europe Limited has undertaken the following assessments that include the risk of modern slavery and human trafficking. Core activities include:

Human Rights Legislative Landscape Assessment: Mapping and gap analysis of developments on current and upcoming human rights obligations at the national and international level against the UN Guiding Principles framework. Wave 1 focuses on identified value chain countries and the known legislation gap for international human rights treaties and labour standards. This is updated and monitored on a periodic basis.

Analysis of the Workforce Composition: An initial desktop assessment and mapping of Hitachi Europe's value chain focusing specifically on workforce composition and the intersectionality of vulnerable groups.

Salient Risk Assessment Value Chain Mapping: Mapping of Hitachi Europe's value chain; an initial desktop assessment profiling the nexus on business relationship type and interests, operating context regarding political change, ethnic tension, conflict, corruption, legislation enforcement and rule of law, the type of business activity and presence and intersection of vulnerable groups to measure and to identify areas where there is potential or indirect risk for modern slavery using published data from sources such as:

- Armed Conflict Location & Event Data Project (ACLED) **Conflict Severity Index**
- Geneva Academy's **Rule of Law in Armed Conflict Portal**
- World Justice Project (WJP) **Rule of Law (RoL) Index**
- Ratification of **International Human Rights Treaties** per country
- Ratification of **International Labour Standards** per country
- United Nations Children's Fund (UNICEF) and Global Child Forum's **Children's Rights and Business Atlas**
- International Trade Union (ITUC) **Global Labour Rights**
- U.S. Department of State **Trafficking in Persons Report**
- Transparency International's **Corruption Perception Index**
- U.S. Department of Labour **List of Goods Produced by Child Labour or Forced Labour**
- United Nations Development Programme **Gender Inequality Index**
- Walk Free **Global Slavery Index**

The below tables provide a snapshot of seven risk profiles for first tier sourcing countries, using modern slavery analysis from Walk Free's 2018 Global Slavery Index*. In this, we have separated the three components of the index: slavery prevalence, vulnerability, and government responses. We have included all countries in cases where one or more countries have the same score.

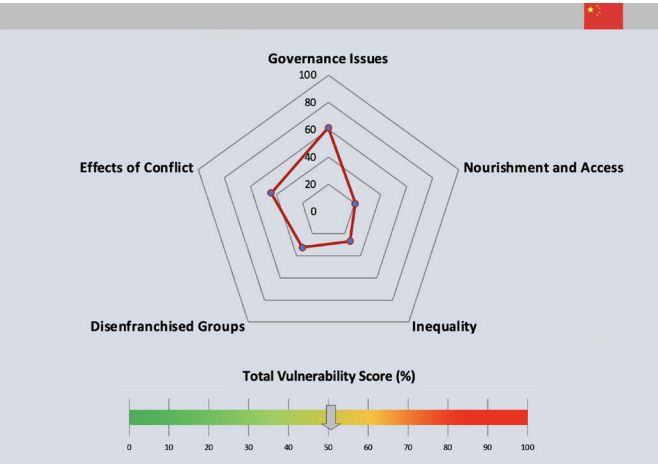
*We have used the 2018 Index for the purpose of risk profiling, though we acknowledge that since the period of this statement a revised index has been issued.

Prevalence radar chart – top six countries

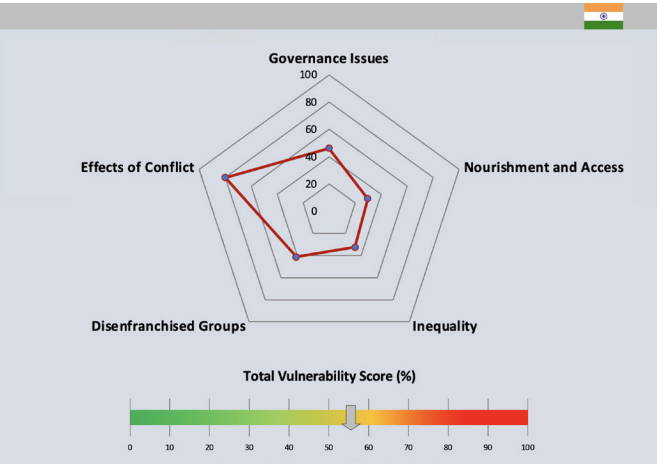
Estimated prevalence of modern slavery per 1,000 population



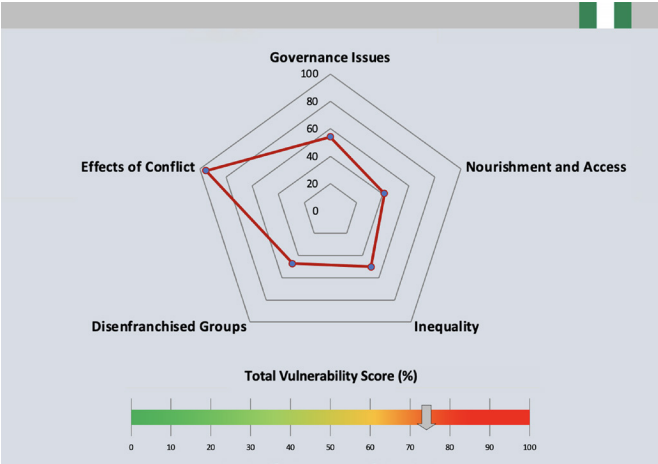
Country vulnerability profile – China



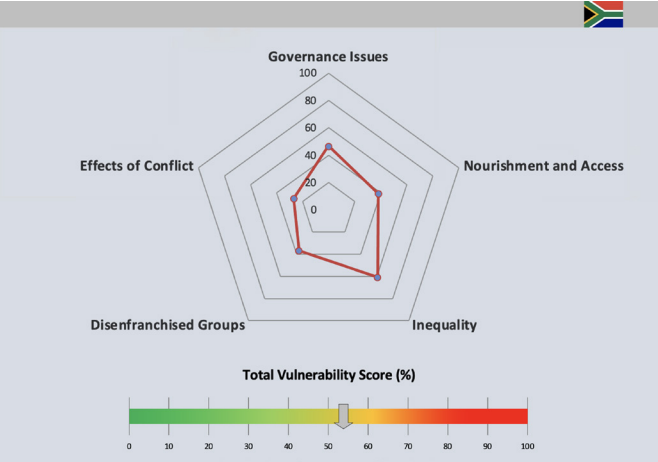
Country vulnerability profile – India



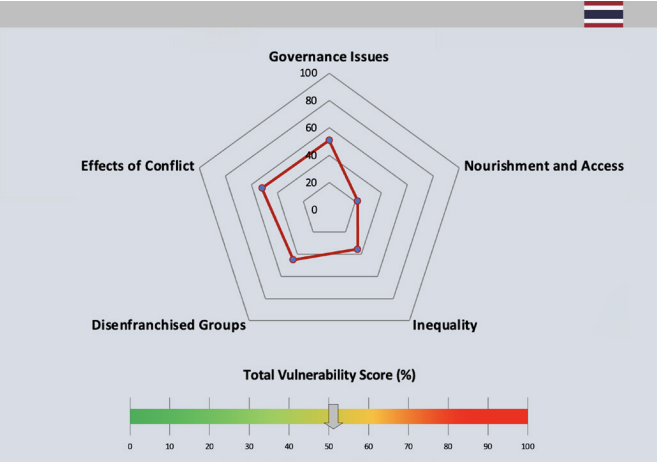
Country vulnerability profile – Nigeria



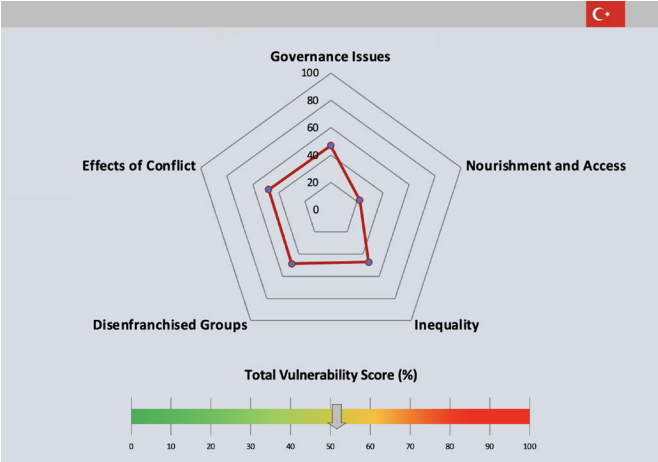
Country vulnerability profile – South Africa



Country vulnerability profile – Thailand

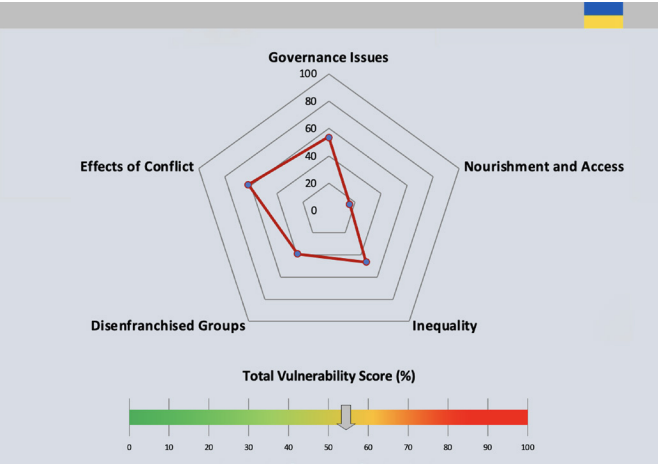


Country vulnerability profile – Turkey

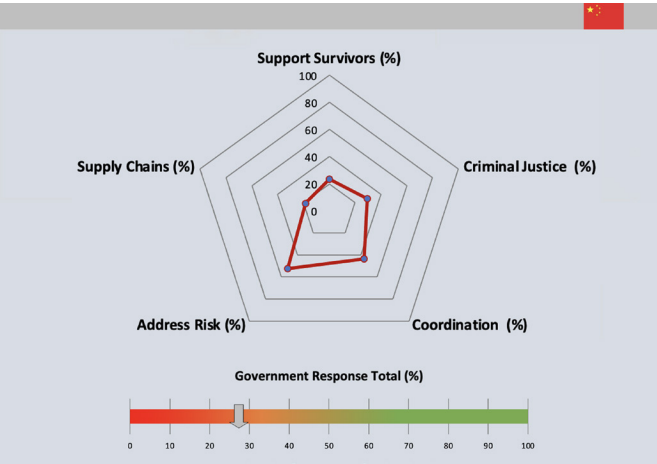


Data taken from Walk Free’s Global Slavery Index

Country vulnerability profile – Ukraine



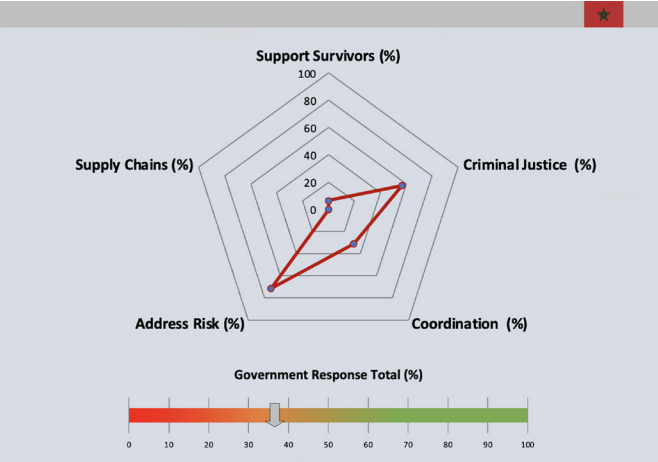
Country Government response profile – China



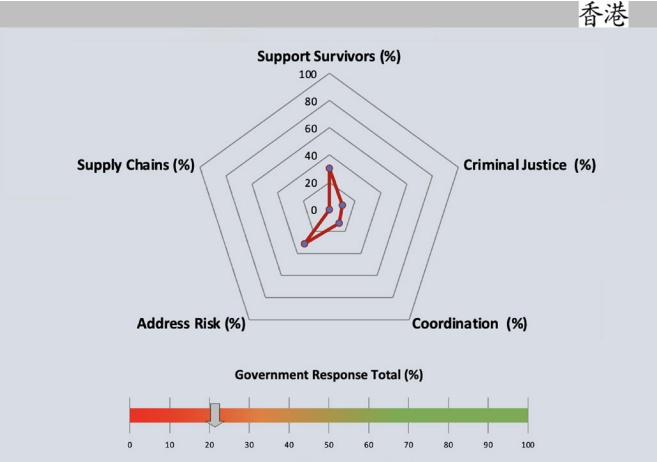
Country Government response profile – Japan



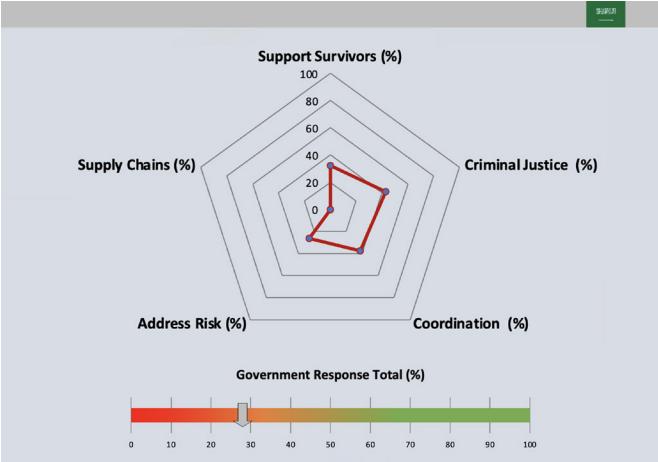
Country Government response profile – Morocco



Country Government response profile – Hong Kong

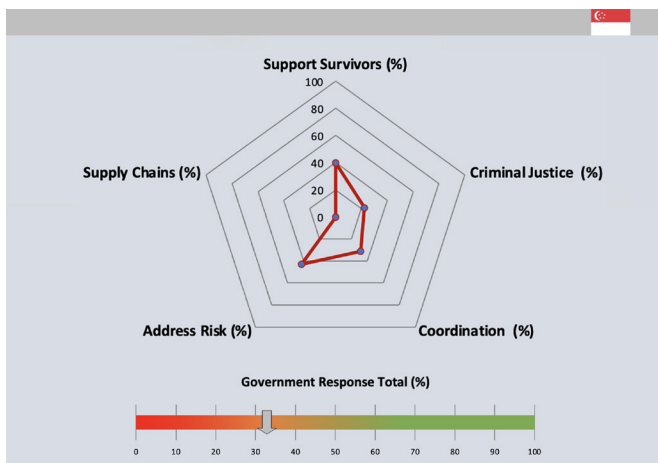


Country Government response profile – Saudi Arabia

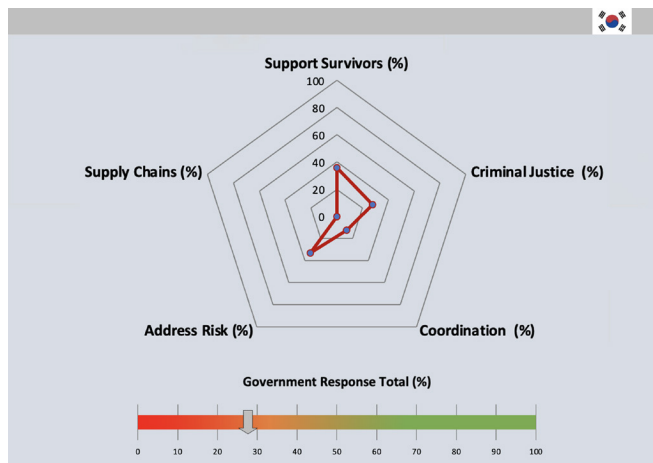


Data taken from Walk Free’s Global Slavery Index

Country Government response profile – Singapore



Country Government response profile – South Korea



Data taken from Walk Free's Global Slavery Index

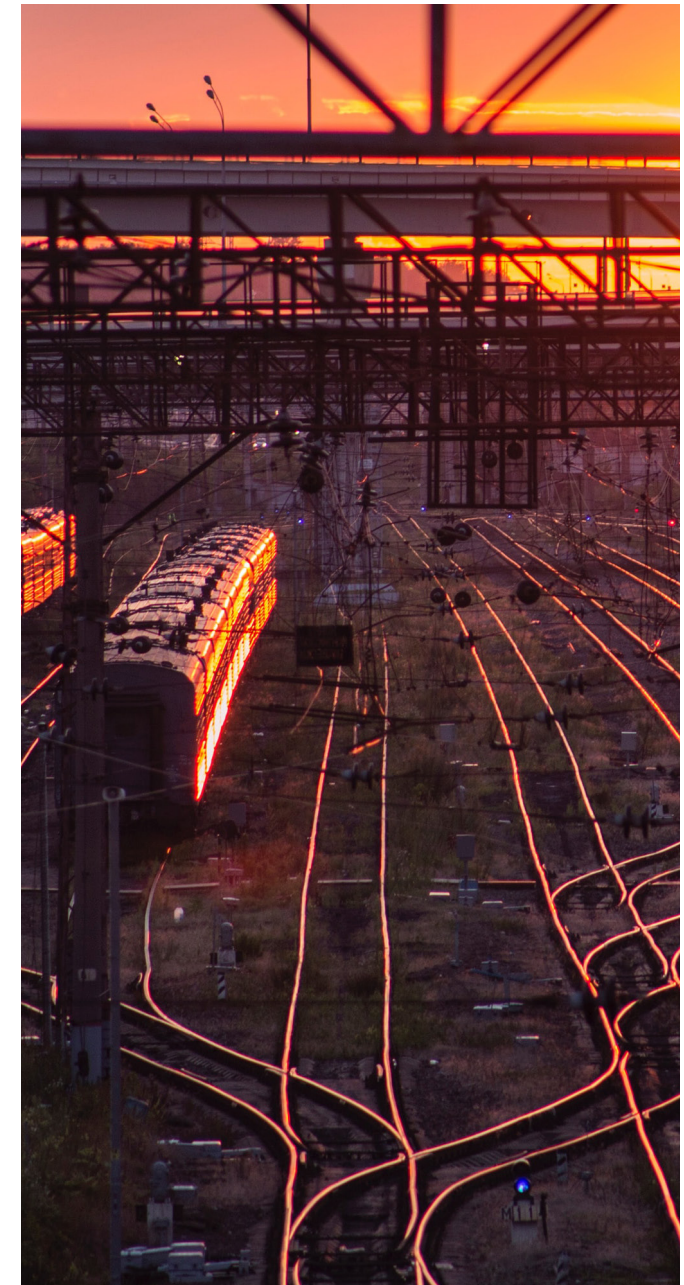
Effectiveness

In ensuring that slavery and human trafficking is not taking place in its business or supply chains, measures against such performance indicators as it considers appropriate

Hitachi Europe remains absolutely committed to supporting the efforts to identify and eradicate modern slavery and human trafficking.

Over the last year, we have:

- Hitachi Group **established a new Sustainability Promotion Meeting**, with members that include the Chief Sustainability Officer, business promotion division heads at Business Units (BUs) and key Group companies, and RHQ Sustainability Officers, to discuss important measures concerning sustainability, and conduct monitoring of progress with Hitachi's Sustainability Road Map and in reaching its targets and objectives.
- In addition, Hitachi Group set up meetings composed of responsible officers from individual Business Units, major Group companies and Regional Headquarters to consider Group-wide policies, **share information and promote Human Rights Due Diligence (HRDD) best practices.**
- **Appointed a Head of Human Rights Due Diligence Development**, to assess the current situation regarding HRDD and plan appropriate actions. The assessment will also involve working with other Hitachi companies operating and/or headquartered within Europe, Middle East, and Africa to promote HRDD and advise on best practices, share learning, and build an ongoing HRDD community.
- **Completed Human Rights Due Diligence governance gap analysis** on status aligned to the UN Guiding Principles framework. We have devised a plan, produced recommendations, deliverables, and roadmap to align and adapt our policies and procedures to embed Human Rights Due Diligence.
- **Established a core team and cross-functional working group** to provide strategic direction and leadership to ensure we have the appropriate mechanisms in place to identify, respond to, mitigate, and prevent adverse human rights impacts in our own value chain.
- **Kicked off a salient risk assessment** of our value chain with the aim of identifying our salient human rights issues, which will form the basis for our ongoing risk analysis and our due diligence activities.
- **Raised awareness, built expertise**, and developed and promoted Human Rights Due Diligence through the delivery of several training and awareness sessions on human rights and human rights due diligence.
- **Rolled out in September 2022 mandatory Hitachi Group Code of Ethics and Business Conduct training** via our Global Ethics and Compliance programme; this includes modern slavery and human trafficking.
- Provided an **information exchange on Human Rights Due Diligence** amongst Hitachi companies headquartered and operating in Europe to discuss challenges and good practices.
- **Collaborated and actively engaged** with external organisations, stakeholders, international business associations and bodies on the issues of modern slavery.



Training

Employees

Hitachi Europe Limited ensures that **all new employees undertake mandatory online Global Ethics and Compliance training**, this includes our Hitachi Group Code of Ethics and Business Conduct which contains training on modern slavery and human trafficking. This training is **available in 15 languages and is refreshed annually** for all employees to complete. The training explains how to spot and report potential or actual breaches of the Code and details the consequences for failing to comply with the Code.

Our cross-departmental Human Rights **Working Group takes part in regular development and training** on human rights and human rights due diligence. In addition, they are all required to undertake business and human rights training and will assist in the deployment of human rights training regarding issues of legal compliance, this will include modern slavery and human trafficking.

Suppliers

Hitachi Europe Limited encourages its suppliers to **establish training programmes** for managers and workers to implement its policies, procedures, and improvement objectives and to meet the applicable legal and regulatory requirements, this includes the provision of modern slavery training.

Training plans

Additional work will include modern slavery and trafficking training within a sustainability, ethical business, and human rights context.

During 2023, Hitachi Europe Limited will continue its internal awareness campaign on human rights due diligence which will incorporate modern slavery. This will include briefings, face-to-face meetings with key individuals, departmental team training and advanced bespoke training for targeted departments specifically related to the modern slavery risks they are likely to encounter. In addition, **two new online mandatory courses will soon be made available to all employees**; one specifically focuses on modern slavery, the other is broader and covers business and human rights. These courses will be made available to all employees from October 2023 to coincide with the Hitachi Group's Ethics and Compliance Month.



Our future plans

The Human Rights Working Group will continue to provide strategic direction, leadership and to ensure Hitachi Europe Limited has the appropriate mechanisms in place to identify, respond to, mitigate, and prevent our adverse human rights impacts in our own value chain.

Over the next reporting year and beyond, the plan is to focus on the following areas:

The organisation's structure, its business, and its supply chains:

- ➡ Strengthen **visibility and reporting** of workforce composition including the intersectionality of vulnerable groups.
- ➡ Strengthen tier 1 supplier and **supply chain data, analysis and mapping** including category classification by operational and sourcing country.

Policies relevant to slavery and human trafficking

- ➡ Review and strengthen **governance, risk, and compliance internal and external processes** relevant to slavery and trafficking.
- ➡ Map and review existing governance, risk, and compliance processes to **identify whether there is sufficient coverage** (or gaps) of risks related to modern slavery.
- ➡ Review and **strengthen our sustainable procurement** Human Rights Due Diligence procedures incorporating data, system, and our processes.
- ➡ **Increase the understanding of Hitachi's approach** as set out in the Hitachi Group's Human Rights Policy with reference to drivers for implementing the UN Guiding Principles, such as the regulatory environment in Europe in relation to business and human rights including the UK Modern Slavery Act.

Due diligence

- ➡ Build on the **work undertaken by the Human Rights Working Group** as part of the wider HEU Human Rights Due Diligence Programme.
- ➡ Review, strengthen and develop **strategy to reinforce Hitachi Europe's due diligence process** (incorporating data, system, and our processes).
- ➡ Map and review existing **supply chain governance processes** related to modern slavery risk including cascading, non-conformances, stakeholder collaboration, risk assessment and grievance mechanisms.

Risk assessment

- ➡ Build on the **salient risk assessment** undertaken by the Hitachi Europe Human Rights Due Diligence Programme. Deepen our engagement with stakeholders and rightsholders and build capacity to understand how salient human rights issues and challenges can be assessed, identified, and prioritised proactively.
- ➡ Commence a **supply chain mapping exercise and analysis** with focus on supply chain and business relationships to aid identifying areas of high risk.
- ➡ Continue assessment and mapping of Hitachi Europe's value chain focusing specifically on **workforce composition and the intersectionality of vulnerable groups**.
- ➡ Commence **deployment of the EcoVadis CSR & Sustainability Risk Assessment**.
- ➡ Build on the work to develop an **internal modern slavery scoring matrix and risk score**; map against value chain data and incorporate into the wider HRDD Programme.

Effectiveness

- ➡ **Establish KPIs** to develop, lead, monitor and be accountable for the implementation of various HRDD deliverables within Hitachi Europe whilst continuing to focus on ensuring we have the right processes in place to track effectiveness.

Training

- ➡ Continue to **develop, raise awareness, and build expertise** on Human Rights and Human Rights Due Diligence.
- ➡ Continue to ensure that all our employees complete the mandatory modern slavery awareness training – specifically **how to spot the signs and how to report**, and our stance and policies.
- ➡ Deploy two new online mandatory courses and track the rollout. Continue activities to **develop targeted bespoke training** specifically related to the Human Rights Due Diligence and modern slavery risks.
- ➡ Continue to invite all Hitachi Group companies in Europe to join in **collective learning** on human rights with an aim to support Hitachi Group companies in strengthening their knowledge, guidance, and tools on how to embed Human Rights Due Diligence within their value chain.
- ➡ Provide an **information exchange platform** for Hitachi Europe Limited employees and amongst Hitachi companies in Europe to discuss challenges and good practice.
- ➡ Continue to **collaborate and actively engage** with external organisations, stakeholders, the UN Working Group, the Global Child Forum and other international business associations and bodies on the issues of modern slavery, peer learning and openly discussing challenges and solutions.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Hitachi Europe Limited's slavery and human trafficking statement for the financial year ended 31 March 2023. It has been approved by Hitachi Europe Limited's Board of Directors.

A handwritten signature in white ink, reading "Andrew Barr", is positioned above the printed name and title.

Andrew Barr
President
Date: 29/09/2023