

# Supplier Code of Conduct

## Contents

<b>1. Introduction</b>	<b>2</b>
<b>2. Explanation of Code of Conduct</b>	<b>2</b>
2.1. Human Rights	2
2.2. Fair labor conditions	2
2.3. Health, safety, and environmental & sustainability management	3
2.4. Material compliance and responsible minerals sourcing	3
2.5. Business Ethics & Integrity	3
2.6. Personal Data Protection	5
2.7. Secure Business	5
2.8. Procurement by supplier	5
<b>3. Audit requirements and Records</b>	<b>5</b>
<b>4. Consequences of deviations</b>	<b>6</b>
<b>5. Training</b>	<b>6</b>
<b>6. Reporting Channels</b>	<b>6</b>

## 1. Introduction

We have placed sustainability at the heart of our purpose – advancing a sustainable energy future for all.

As reflected in the Hitachi Energy Code of Conduct, Hitachi Energy is committed to high standards of safety, quality, integrity (our license to operate) and sustainability – as part of our culture and our DNA.

Our updated Supplier Code of Conduct sets high standards for ethical business conduct and is aligned with Hitachi Group Compliance Program (HGCP).

Hitachi Energy has a ‘zero tolerance’ policy when it comes to unethical business behavior, such as bribery, corruption and child or forced labor. We expect all of our suppliers to adhere to similar standards and to conduct their business ethically.

As a supplier, you must comply with all applicable laws and regulations, the requirements set out in this Hitachi Energy Supplier Code of Conduct and your contractual obligations to us.

We contract with reputable suppliers that share our commitment to ethical business conduct as expressed in this Hitachi Energy Supplier Code of Conduct and the rule of law.

This Hitachi Energy Supplier Code of Conduct defines the main principles underlying your business activities as one of our suppliers. More specific guidance, including information on hazardous substances and conflict minerals and where to go for questions, is available on <https://www.hitachienergy.com/about-us/supplying> or <https://www.hitachienergy.com/about-us/integrity/reporting-channels>.

## 2. Explanation of Code of Conduct

### 2.1. Human Rights

As a supplier to Hitachi Energy, you

- Support and respect the protection of internationally proclaimed human rights and to ensure that you are not complicit in human rights abuses
- Respect the personal dignity, privacy and rights of each individual;
- Refuse to make any person work against his or her will; and
- Neither use or engage in, nor allow your employees or other persons engaged by you to use or engage in behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative; be it face-to-face, written or online.

### 2.2. Fair labor conditions

You shall ensure fair labor conditions. In particular, you

- Refrain from employment discrimination based on gender, age, ethnicity, nationality, religion, disability, union membership, political affiliation or sexual orientation;
- Respect the rights of employees to freely associate and bargain collectively;
- Not tolerate or use child labor in any stage of your activities other than in accordance with all applicable laws and regulations;
- Not use any forced labor, including but not limited to involuntary prison labor, victims of slavery and human trafficking and allow all employees the choice to leave their employment freely upon reasonable notice;
- Compensate employees fairly and follow local wage regulations and / or collective agreements, and where these do not exist, compensate employees so at the minimum they can meet their basic needs;
- Ensure that working hours, including overtime, do not exceed applicable legal requirements, and where such requirements do not exist, we recommend that working hours not exceed sixty hours per week including overtime; and

- Ensure that employees are allowed at least one uninterrupted day off per week.
- Fully comply with the regional and federal laws, rules, and legal requirements of slavery, forced labor and human trafficking (like Modern Slavery acts). Further information can be found under [Modern Slavery and Human Trafficking Transparency Statement | Hitachi Energy](#).

### 2.3. Health, safety, and environmental & sustainability management

We are committed to fostering an inclusive culture and create an environment that enables all our employees to thrive and be at their best and expect the same efforts from our suppliers. You shall provide an inclusive, safe and healthy work environment for all of your employees and shall conduct your business in an environmentally friendly and sustainable way. In particular, you

- Have a competent responsible / team managing health, safety and environmental and sustainability programs and improvements;
- Establish appropriate organizational structures and procedures for the effective management of health, safety, environmental, sustainability risks; and
- Ensure that all workers are sufficiently aware of these risks and appropriately trained on the implementation of control measures.
- Operate with sustainable business practices and mindful, responsible use of resources
- Aim for carbon-neutrality, by working on reducing your CO2 emissions to minimize the impact on our planet and people through your value chain

### 2.4. Material compliance and responsible minerals sourcing

At Hitachi Energy, we are determined to comply with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances. We also take a holistic approach to the responsible sourcing of minerals. Therefore, suppliers shall ensure that the goods provided to Hitachi Energy are in compliance with requirements covered under the scope of all relevant regulations. In particular, you

- Don't supply products to Hitachi Energy that contains substances which are listed as prohibited or restricted in the ["Hitachi Energy List of Prohibited and Restricted Substances"](#) and contained in the goods you supply to Hitachi Energy without prior approval of Hitachi Energy;
- Implement a policy committed to responsible sourcing of minerals, including conflict minerals or cobalt, using the OECD due diligence framework, so as not to support conflict or human rights abuses, while avoiding de facto embargoes and;
- Respond in a timely manner to Hitachi Energy's requests for evidence of your compliance with these requirements.

### 2.5. Business Ethics & Integrity

You shall conduct your business in an ethical manner. In particular, you

- Follow applicable regional and federal laws and Hitachi Energy principles of ethics and integrity.
- Comply with not only the letter of applicable laws, rules and regulations, but also the spirit of such laws, rules and regulations.
- Refuse to make improper payments.
  - a. Refrain from any and all forms of corruption, extortion and bribery, and specifically ensure that payments, gifts or other commitments to customers (including Hitachi Energy employees), government officials and any other party are in compliance with applicable anti-bribery laws.
  - b. Must not offer, make, seek or accept gifts, payment, customers travel, entertainment or services to or from actual or potential business partners which might reasonably be believed to influence business

- transactions, which are not within the bounds of customary business hospitality or which are prohibited by applicable law.
- c. Anti-Bribery and Anti-Corruption laws have severe criminal penalties and reputational harm for individuals and companies that engage in such unlawful practices.
- Adhere to anti-trust and other competition laws. The minimum standards can be defined as follows:
    - a. Compete openly and independently in every market. Do not make any agreements – formal or otherwise – with competitors to fix or set prices, or allocate products, markets, territories or customers.
    - b. Do not obtain or share with competitors current or future information about price, profit margins or costs, bids, market share, distribution practices, terms of sales, specific customers or vendors.
    - c. Do not agree with or require a customer to resell our products at certain prices.
    - d. Do not act in a manner that unfairly favors or benefits one customer over another competing customer.
  - Avoid and manage conflicts of interest.
    - a. Avoid situations in which personal interests, outside activities, financial interests or relationships conflict or appear to conflict with the interests relating to your activities as a Hitachi Energy supplier, and not allow business dealings on behalf of the company to be influenced by personal considerations or relationships.
    - b. Disclose to Hitachi Energy information regarding potential conflicts of interest relating to your activities as a Hitachi Energy supplier, including disclosure of any financial interest that a Hitachi Energy employee may hold in your business.
  - Protect all confidential information provided by Hitachi Energy and our respective business partners.
    - a. Mark information appropriately, keep it secure, and limit access to those who need to know in order to do their jobs.
    - b. Avoid discussing information in areas where you may be overheard, such as airports, public transport, restaurants and bars, elevators, restrooms, and cafeterias.
    - c. It may be appropriate to ask any outside party given access to confidential information to sign a confidentiality statement.
  - Respect intellectual property of others, including Hitachi Energy.
    - a. Do not obtain confidential information of other parties by improper means or disclose it without authorization.
    - b. Infringement of another’s intellectual property is a serious matter and may constitute a criminal offense.
  - Adhere to all applicable trade laws and regulations that affect our operations, including customs regulations, export control laws, and trade sanctions.
  - Comply with anti-money laundering rules.
    - a. Do business with reputable customers involved in legitimate business activities, conducting due diligence to ensure know customers, avoiding unacceptable means of payment and being alert to any red flags or other suspicious forms or methods of payment.
    - b. Learn to watch for warning signs, which may include customers who are reluctant to provide complete information or wish to make payments in cash.

- Keep accurate and complete financial records.
  - a. All business transactions must be timely, fully and fairly reported and recorded in accordance with applicable accounting principles, procedures and other appropriate requirements.
  - b. Adhere to international financial reporting standards (IFRS) and comply with the applicable laws and internal accounting and reporting guidelines and regulations that govern our financial and tax accounting and reporting.
  - c. Improper or fraudulent documentation or reporting is illegal.

## 2.6. Personal Data Protection

You shall process personal data in a compliant manner, in accordance with applicable data protection, privacy and information security laws and regulations. Personal data is any information relating to an identified or identifiable natural person. In particular, you:

- Process personal data only for legitimate purposes and in a transparent manner;
- Limit the personal data to what is necessary, keep the personal data accurate and delete it when no longer necessary;
- Implement adequate technical and organizational security measures to protect personal data against loss, alteration or unauthorized disclosure;
- Report any actual or suspected privacy violations and personal data breaches in connection with Hitachi Energy's personal data via [privacy@hitachienergy.com](mailto:privacy@hitachienergy.com)

## 2.7. Secure Business

You shall conduct your business in a secure manner. In particular, you

- Implement reasonable measures for minimizing exposure of Hitachi Energy to security threats such as terrorism, crime, pandemics and natural disasters.
- When visiting or working at Hitachi Energy locations, follow Hitachi Energy' security procedures and report any security concerns to the appropriate Hitachi Energy channels.
- Adhere to international standards and sound principles of security and crisis management that are flowed down to our regional and local operations with the goal of ensuring safety and business continuity.

## 2.8. Procurement by supplier

You shall procure goods and services in a responsible manner. In particular, you

- Select your own tier one suppliers providing goods or services directly or indirectly to Hitachi Energy based on them agreeing to adhere to standards comparable to those set forth in this Hitachi Energy Supplier Code of Conduct.
- When working at Hitachi Energy locations, only subcontract work with prior consent from Hitachi Energy.
- Ensure that materials supplied to Hitachi Energy originate from socially responsible and sustainable sources, and do not participate in, contribute to, or facilitate business activities that cause conflict or violate human rights.

## 3. Audit requirements and Records

In order to ensure and demonstrate sustainability and compliance with the Hitachi Energy Supplier Code of Conduct, you shall keep record of all relevant documentation, and provide to us supporting documentation upon request.

To verify compliance with this Supplier Code of Conduct, we reserve the right to audit and inspect your operations and facilities, at our own cost and upon reasonable notice, with or without support of a third party. If the results of such an audit or inspection cause us to be of the opinion that you do not comply with this Hitachi Energy Supplier Code of Conduct or applicable laws and regulations, you shall take necessary corrective actions in a timely manner, as directed by us.

## 4. Consequences of deviations

In the case of deviations from or breach of the Supplier Code of Conduct, the supplier should report same to Hitachi Energy contact person or below mentioned reporting channels. Hitachi Energy and the supplier will agree on sustainable measures for mitigation and improvement which will be implemented within a suitable time frame.

During the agreed time frame, the supplier shall take immediate actions to complete the mitigation and improvement measures and provide all relevant records in writing to Hitachi Energy before the agreed completion date.

In the case of significant breaches of the Supplier Code of Conduct, Hitachi Energy may take further actions against the supplier, including terminating contracts, putting the supplier on the blacklist, as well as presuming the supplier's legal liabilities for such breaches.

## 5. Training

Suppliers and their employees are obligated to complete trainings upon request of Hitachi Energy. In addition, we offer internet-based information which is available to all suppliers.

You can find further information under:

[Hitachi Energy Website → Supplying](#)

[Hitachi Energy Website → Integrity](#)

## 6. Reporting Channels

In the context of our business relationship, if you or your employees believe that the terms of this Hitachi Energy Supplier Code of Conduct are not adhered to, or that Hitachi Energy is not acting in accordance with its own Hitachi Energy Code of Conduct, then we encourage you to raise your concerns via our various Hitachi Energy reporting channels as below:

– To the [Hitachi Energy Business Ethics Hotline](#)



– To the [Hitachi Energy Ethics Web Portal](#)



- By e-mail [global-pg-ethics@hitachienergy.com](mailto:global-pg-ethics@hitachienergy.com)
- By letter addressed to: Hitachi Energy Ltd., Brown Boveri Strasse 5, 8050 Zurich, Switzerland, to the attention of Hitachi Energy Ethics

Visit <https://www.hitachienergy.com/about-us/integrity> to learn more about these reporting channels. We take your integrity and compliance concerns seriously and each one is treated confidentially to the maximum extent practical.

Note: When there are revisions of this Supplier Code of Conduct, they are applicable to suppliers automatically. Re-acknowledgement by suppliers is not needed.