

Hitachi Energy Conflict Minerals Policy

Contents

| | |
|-------------------------------------|---|
| 1. Background | 2 |
| 2. Hitachi Energy Commitments | 2 |
| 3. Hitachi Energy Measures..... | 2 |

1. Background

In August 2012, the United States Securities and Exchange Commission (“SEC”) issued its final rules regarding “Conflict Minerals” (known as ‘3TG’ – Tantalum, Tin, Tungsten and Gold) as defined in and required by section 1502 of the Dodd – Frank Wall Street Reform and Consumer Protection Act (the “Act”). As a result, many companies are now focusing on whether and to what extent their products contain Conflict Minerals and whether such Conflict Minerals come from the Democratic Republic of Congo and the adjoining countries named in the Act.

Hitachi Energy strives to be a good corporate citizen. We are committed to ensuring the health, safety and protection of people who come into contact with our products and business, and we require high social, environmental and human rights standards among our suppliers. Managing our obligations in relation to Conflict Minerals is a part of this corporate responsibility

2. Hitachi Energy Commitments

Traditionally the industry focus and government regulations (notably Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) have addressed conflict minerals sourced from Democratic Republic of Congo and its adjoining countries. Prompted by growing concerns about child labor and additional human rights violations beyond the scope of Dodd-Frank act, Hitachi Energy has evolved its conflict minerals program and related due diligence practices to address minerals originating from Conflict-Affected and High-Risk Areas (CAHRAs)¹. Therefore, we are committed to:

- Identifying which Hitachi Energy products are impacted and targeting our efforts accordingly.
- Not buying products and materials containing Conflict Minerals directly from conflict mines.
- Asking our suppliers to work towards ensuring that any Conflict Minerals contained in the products and materials supplied to Hitachi Energy originate from Conflict Free Sources.
- Contributing to conflict-free trade by encouraging our suppliers not to discriminate against legitimate sources of Conflict Minerals.

In addition, we are committed to engaging with our customers regarding their disclosure obligations.

3. Hitachi Energy Measures

In working towards these commitments, we have taken a number of steps that include:

- Establishing a “Conflict Minerals Compliance Program” supported and sponsored by Hitachi Energy Executive Committee to review the use of Conflict Minerals in our products and respond to customer inquiries. This program was developed based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas and other appropriate international standards.
- Requiring our suppliers to implement a policy regarding Conflict Minerals and exercise due diligence to investigate the source of these minerals.
- Engaging with our suppliers so that they respond in a timely manner to our requests for evidence of compliance. In the future, our suppliers’ willingness to comply with this initiative will be a factor in our sourcing decisions
- Updating the Hitachi Energy Supplier Code of Conduct and our purchasing terms and conditions to reflect this policy

Like many other companies tracing Conflict Minerals, it will take time for a company of our size and complexity to collect the information needed for us to fully understand our use of Conflict Minerals and therefore be able to address all related customer concerns.

¹CAHRAs – As per OECD Due Diligence Guidance for Responsible Supply Chain of Minerals, Conflict-Affected and High-Risk Areas (CAHRAs) are identified by the presence of armed conflict, widespread violence or other risk of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or

insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.