

SA-A-02 Social Policy

Hitachi Energy (Company) Social Policy draws principally on six sources: The Universal Declaration of Human Rights, The UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the Global Sullivan Principles and the Social Accountability 8000 (SA 8000) standard.

Our policy aims:

1. Hitachi Energy in society

To contribute within the scope of our capabilities to improving economic, environmental and social conditions through our business activities, open dialogue with stakeholders and active participation in common efforts to support social progress.

2. Human rights

To respect national and international law, as well as international standards on human rights in the value chain.

3. Child and forced labor

To ensure as far as feasible there is no child, forced, slave or trafficked labor in our value chain.

4. Freedom of engagement

To require that all employees enter employment with the company of their own free will and have the choice to leave their employment freely upon reasonable notice.

5. Health and safety

To provide a safe and healthy working environment for employees and contractors at all sites and facilities, and to take adequate steps to prevent incidents and injuries arising in the course of work by minimizing, so far as is reasonably practicable, the risks inherent in the working environment. Employee consultation and communication

6. Employee consultation and communication

To facilitate regular consultation with all employees to address areas of concern. To respect the right of all personnel to form and join trade unions of their choice and to bargain collectively. To ensure that representatives of personnel are not the subject of discrimination and that such representatives have access to their members in the workplace. To make sure, in any case of major layoffs, that a social benefits and guidance plan is in place, and already known to employees or their official representatives.

7. Equality of opportunity

To offer equality of opportunity to all employees and not to engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement on any basis including ethnic and national origin, caste, religion, disability, gender, age, sexual orientation, union membership, or political affiliation.

8. Harassment and disciplinary practices

To counteract the use of mental or physical coercion, verbal abuse and corporal/ hard-labor punishment; and not to allow behavior, including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative. To develop and maintain equitable procedures to deal with employee grievances and disciplinary practices.

9. Working hours

To comply with applicable laws and industry standards on working hours, including overtime.

10. Compensation

To ensure that wages paid meet or exceed the legal or industry minimum standards and are always sufficient to meet basic needs of personnel and to provide some discretionary income. To ensure that wage and benefits composition are detailed clearly and regularly for workers, and that compensation is rendered in full compliance with all applicable laws and in a manner convenient to workers. To ensure that labor-only contracting arrangements and false apprenticeship schemes are not used to avoid fulfilling Hitachi Energy's obligations under applicable laws pertaining to labor and social security legislation and regulations.

11. Suppliers

To evaluate and select major suppliers and subcontractors taking into consideration their ability to meet the requirements of the Hitachi Energy Social Policy.

12. Community involvement

To promote and participate in community engagement activities that actively foster economic, environmental, and social development, as part of Hitachi Energy's commitment to the communities where it operates.

13. Business ethics

To uphold the highest standards in business ethics and integrity and to support efforts of national and international authorities to establish and enforce such standards for all businesses.