

Hitachi ABB Power Grids Policy on Conflict Minerals

Effective as of July 01, 2020

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 ABB Power Grids 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.

Hitachi ABB Power Grids commitments

We are working towards ensuring that our products do not contain Conflict Minerals that have been sourced from mines that support or fund conflict within the Democratic Republic of Congo or adjoining countries. Therefore, we are committed to:

- Identifying which Hitachi ABB Power Grids 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 ABB Power Grids 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.

Hitachi ABB Power Grids 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 ABB Power Grids 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 ABB Power Grids 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.