

Hitachi Group  
**Code of Ethics and Compliance**





# To All Employees and Officers of the Hitachi Group

In April 2018, Hitachi revised the Hitachi Group Codes of Conduct to reflect global standards in each field starting with SDGs from a future-oriented perspective of proactively addressing new social challenges. This time, to more deeply understand and reflect upon these codes of conduct in our daily work, we have established the “Hitachi Group Code of Ethics and Compliance”.

In the background of the rapid globalization of business, there is a tendency of strict law enforcement by regulatory authorities in countries that have been cracking down on compliance violations for bribery and competition law. In particular, the U.S. and Europe have been sharpening their stance for strengthening the prevention of corporate recidivism with measures such as placing repeat corporate violators under the watch of regulatory authorities in addition to hefty fines.

Meanwhile, the Hitachi Group has unfortunately also had some compliance related violations in the past, and in each incident, we have taken action for the prevention of reoccurrence. However, based on the current environment, we need to securely establish a global compliance system within the Group and ensure thorough compliance by all employees and officers once again.

This Code was created for use as a guide during work. Please be sure to read and master the contents thoroughly, and if you have any questions during the course of your work, please consult with your manager or compliance department without hesitation.

Our Mission, our Values, and the ideas of “Basics and Ethics (*Kihon-to-Seido*)”<sup>\*</sup> we have cherished for over 110 years shall never change even in the face of changing times and advancing globalization. To satisfy the trust of our customers and wide variety of business partners, it is necessary for us to act not only in compliance with laws but also according to the sense of ethics of companies and individuals.

Therefore, to allow Hitachi to become a company continuously trusted by society as a Global Leader, let us play an active role with an awareness that each and every one of us is a representative of Hitachi for the realization of complete and thorough compliance with corporate ethics and laws and regulations.



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May, 2020

<sup>\*</sup> The phrase “Basics and Ethics (*Kihon-to-Seido*)” has been disseminated around Hitachi since at least 1985 or 1987, due to serious compliance issues involving Hitachi. It was deployed in then-current top management messages such as “Stick to the basics and follow the straight and narrow way” and “Make Basics and Ethics Your First Priority.”

This phrase has been frequently communicated through top management’s messages and training materials, as it reflects and expresses succinctly Hitachi’s compliance policy and culture. The development of this culture over decades has made the phrase both symbolic and powerful.

# Hitachi Group Code of Ethics and Compliance

<b>INTRODUCTION</b>	5
<b>1. PERSONAL CONDUCT</b>	7
A. Work Environment	
B. Social Media	
<b>2. LAWFUL AND ETHICAL BEHAVIOR</b>	9
A. Relationships with Customers	G. Fraud
B. Relationships with Competitors	H. Compliance with Anti-Bribery and Anti-Corruption Laws
C. Relationships with Suppliers	I. Export Control
D. Anti-Social Forces	J. Accounting and Financial Reporting
E. Anti-Money Laundering (“AML”) Laws	
F. Information Owned by Others	



<b>3. COMPANY ASSETS</b>	21
A. Tangible and Intangible Assets	
B. Intellectual Property	
<b>4. DATA PROTECTION</b>	23
<b>5. CONFLICTS OF INTEREST</b>	25
A. Divided Loyalties	
B. Company Time and Assets	
C. Insider Information and Insider Trading	
D. Public Service	
E. Political Contributions	
<b>6. REPORTING VIOLATIONS</b>	28
Hitachi Global Compliance Hotline	
Supplementary Provisions to the Code	
<b>Hitachi Group Codes of Conduct</b>	29





# INTRODUCTION

Our Mission is to contribute to society through the development of superior, original technology and products. In striving to accomplish this, we continue as we have for over 100 years to embrace the core Values of Hitachi Group (“Hitachi”): Harmony, Sincerity and Pioneering Spirit.

This Hitachi Group Code of Ethics and Compliance (“the Code”) consists of rules and principles intended to help Hitachi’s workforce (meaning its officers, employees - whether full-time, part-time or temporary - and contractors) conduct business with integrity and act in accordance with Hitachi’s Values. The Code supplements the Hitachi Group Codes of Conduct. All members of Hitachi’s workforce are required to comply with the Code and act with sincerity and fairness, in order to earn and maintain the trust and confidence of our co-workers, business partners, shareholders and communities.



The maintenance of a culture of compliance is everyone's responsibility, so we must all:

- **Provide a work environment in which ethical conduct is recognized and valued**
- **Set a good example and encourage others to comply with the Code**
- **Assist colleagues who raise questions or concerns about ethics and legal compliance**
- **Take assigned compliance training courses, which are mandatory for all members of Hitachi's workforce**
- **Cooperate when requested with any investigation of a violation of the Code**

The Code focuses on six areas:

- 1. Personal Conduct**
- 2. Lawful and Ethical Behavior**
- 3. Company Assets**
- 4. Data Protection**
- 5. Conflicts of Interest**
- 6. Reporting Violations**

You will see that some sections include an emboldened word or phrase, with the meaning set out later in the section. If you need clarification, or the answer to a question that the Code does not cover directly, please contact your Legal and Compliance department ("Legal and Compliance") or another appropriate department.

Hitachi considers any violation of the Code, including failure to take assigned training courses, to be a serious issue. Violators will be subject to appropriate disciplinary action, up to and including termination of employment and possible further legal recourse.

# 1. PERSONAL CONDUCT

## A. Work Environment

Hitachi is committed to provide a healthy, safe and productive work environment, so you are expected at all times to act respectfully towards your co-workers, avoiding in particular any form of **Harassment** or **Discrimination** based on the following protected categories: race, ancestry, color, religion, ideology, belief, politics, military service, sex, gender, gender identity, sexual orientation, marital or family status, social status, pregnancy, age, national or ethnic origin, disease, disability, or genetic information.

Meaning of **Harassment**: Unwelcome behavior aimed at an individual based on one or more of the protected categories listed above, that is sufficiently serious to affect materially that individual's work environment.

Meaning of **Discrimination**: Taking adverse employment action on the basis of one or more of the protected categories listed above, including: refusal to hire or promote; demotion or termination; compensation or benefits; or unfavorable performance reviews or discipline.

### Work Environment FAQs

**Q. Someone said something I find personally offensive, but it does not fall under these protected categories. Can I still raise it as a concern?**

**A.** Yes. Hitachi prides itself on providing a healthy, safe, and productive work environment. If a comment or behavior makes you feel uncomfortable or unsafe in your work environment, or if you become aware of an actual or suspected violation of the Code, you should raise this concern to your manager or to Legal and Compliance.

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**Q. Can I ask a question without making a report?**

**A.** Yes. If you have an ethics or Compliance question, consult your manager or the Human Resources department ("Human Resources") or Legal and Compliance.



**Q. During a department presentation, I asked a question. I felt the response I received was abusive and I felt humiliated. Several people in the room could be heard laughing.**

**A.** Hitachi encourages open communication, differing opinions on issues, and healthy debate when decisions are being made. However, when we disagree it must be done professionally and respectfully. Talk to the individual who made you uncomfortable or contact your manager or Legal and Compliance.



## **B. Social Media**

Hitachi recognizes the value of social media and understands that its proper use can be a business advantage. On the other hand, since communication is now almost nonstop and instantaneous, there is a significant risk of errors in tone, content and distribution and your online personal and business personas are likely to overlap. When using social media (including personal accounts), you must adhere to Hitachi's internal policies and guidelines, so that you do not give the appearance that you are speaking on behalf of Hitachi.

### **Social Media FAQs**

**Q. I have an online blog. Can I disclose that I work for Hitachi?**

**A.** You may disclose that you work for Hitachi, but not give the impression that you are speaking on behalf of Hitachi. If you have any questions, please consult the Hitachi Group Social Media Guidelines or Brand Communication department.

## 2. LAWFUL AND ETHICAL BEHAVIOR

### A. Relationships with Customers

Hitachi places the highest value on our interactions with customers, recognizing that a long and fruitful customer relationship is one of our most valued assets. We must always act in good faith in dealings with Hitachi customers, by representing our products, services and capabilities accurately, by making competitive comparisons fairly, and by promising only what can be delivered legally and ethically.

#### Customer Relationship FAQs

**Q. There is a defect in a product delivered to a customer. What should I do?**

**A.** You should analyze the cause of the defect from a technological and production perspective and keep the customer informed. You also should check whether the same problem exists or has occurred elsewhere. Make sure that your organization complies with product liability laws and standards in every country in which Hitachi does business.

### B. Relationships with Competitors

Hitachi complies with **Antitrust and competition laws** in all countries in which we do business and we are all required to compete lawfully and ethically. Hitachi has established the Hitachi Global Compliance Program (“HGCP”) that includes this topic and Hitachi’s workforce must comply with it.

These expectations do not preclude cordial relationships with our competitors, but because of competition laws you must be particularly careful dealing with such companies, which may also be suppliers, customers, or even partners when we are bidding in competition with them. Please speak with Legal and Compliance if faced with this type of situation.

Meaning of **Antitrust and competition laws**: Laws that prohibit anti-competitive behavior and unfair business practices, such as fixing prices or carving up markets among competitors. The laws prohibit certain practices deemed to hurt fair and free market competition or consumers, or otherwise violate standards of ethical behavior.

## Competitor Relationship FAQs

**Q. What should I do if a competitor approaches me at a trade show or in a social environment and starts talking business?**

**A.** You should try to guide the conversation back to a neutral topic. If that doesn't work, you should politely remove yourself from the situation. If in the course of the conversation the competitor discusses business practices, please consult Legal and Compliance.

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**Q. A friend working for my former employer handed me a list of accounts for which he agreed not to compete. Can I do the same for him, if I just give him a list of accounts I'm not interested in anyway?**

**A.** No, you may not give a list of accounts to anyone outside your Hitachi Group company. Even if your former employer is not in direct competition with Hitachi, competition laws still apply. Just the appearance of impropriety may subject Hitachi and individual employees to liability. If someone offers you such a list, tries to fix prices, or suggests dividing markets, customers or territories, you should report this immediately to Legal and Compliance.

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**Q. Someone sent me a copy of our largest competitor's confidential price sheet. This will be very helpful to us as we determine our pricing for next year. Can I use this information?**

**A.** No. If the information is confidential, it cannot be used. Doing so is unethical and it could expose you and Hitachi to risk under competition laws. You should immediately contact Legal and Compliance, so that the information can be destroyed or returned to its owner.

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**Q. Can I pretend to be a customer to get pricing information from our competitors?**

**A.** No. Obtaining information about a competitor by misrepresenting your identity or by inducing an employee of the competitor or a third party to divulge confidential information is not acceptable. Gathering information about our competitors is only a legitimate business activity when done lawfully and ethically.

**Q. A dealer asked me to tell other dealers who were selling cheaply to sell at the same price as everyone else. May I do that?**

**A.** No. Hitachi’s suggested retail price can be recommended as the dealer’s selling price, but the dealer may or may not decide to adopt the suggested retail price. Just as Hitachi can decide its selling prices, the dealer must be free to set its own prices. The recommended retail price must be just that – a recommendation.

## C. Relationships with Suppliers

Hitachi believes that our commercial interests are best served and our reputation protected, when we select our suppliers solely after a fair analysis of their products, services, prices and business practices. In selecting suppliers, Hitachi will thoroughly review the quality, reliability, delivery time, and price of the materials they provide, as well as their business stability and technological capability. Hitachi will give due consideration to their adoption of social responsibility practices, including areas such as the abolition of unfair discrimination, the elimination of child labor and forced labor, and environmental conservation. All suppliers, both current and potential, must have confidence in our selection process. In return, they are required to adhere to Hitachi’s guidelines regarding procurement and any other documentation required by your organization. Hitachi will not accept any personal benefits from suppliers in procurement transactions.

### Supplier Relationship FAQs

**Q. We buy a lot of product from Company X and we’ve given them a lot of advice on how to design their next-generation product. They’ve asked me to be on their advisory board. It would be great for Hitachi and good exposure for me. Can I serve on the advisory board?**

**A.** Maybe, but first check with your manager, Human Resources and Legal and Compliance or another appropriate department. You must take care that your service does not conflict with the business of Hitachi or your job obligations. In addition, you will need to comply with the requirements of Hitachi’s internal rules and policies.

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**Q. A representative of a potential supplier has told me that if we award the contract to them, I will be eligible for a cash payment under their “Corporate Customer Reward Scheme.” How should I respond?**

**A.** The representative has just tried to bribe you, so you should promptly contact Legal and Compliance.

**Q. A supplier offered me a percentage of the supplier's margin, if I would encourage a major customer to purchase the supplier's services and products. Can I accept such a payment?**

**A.** No. This is a kickback, which is prohibited by the Code and Hitachi's Anti-Corruption Regulations.

## D. Anti-Social Forces

Hitachi is committed to avoiding anti-social forces that threaten public order and safety, including organized crime and terrorism financing. In order to ensure that this commitment is met, Hitachi will evaluate carefully the legitimacy of customers, business partners and other third parties. Hitachi has established the Hitachi Global Compliance Program ("HGCP") that includes this topic and Hitachi's workforce must comply with it.

### Anti-Social Forces FAQs

**Q. When I enter into a contract with a customer or other party for the first time, what should I be aware of?**

**A.** Before entering into a contract, you need to perform due diligence on your customer or other party by searching the internet and risk databases\*. In addition, you should ask a research agent to investigate or request a face-to-face meeting with the party, if needed. Should you find any suspicious information concerning compliance issues, you should contact Legal and Compliance.

\*A risk database is a commercial database provided by a research agent. Such databases provide background information on the subject party, including negative information and inclusion on sanction lists.

## E. Anti-Money Laundering ("AML") Laws

Hitachi takes great care to guard against use by criminals of our products or services, or transactions with us, to "launder" the proceeds of crime. In no circumstances should you assist any person in any conduct involving Hitachi products or services that violates fiscal, trade or **anti-money laundering** laws, including evasion of applicable taxes or import duties. Nor should you facilitate or participate in any activity that subverts this obligation. Under the laws of some countries, dealing in criminal proceeds may itself be considered criminal conduct.

Meaning of **money laundering**: The illegal process of making large amounts of money generated by criminal activity, such as fraud, tax evasion, counterfeiting, drug trafficking or terrorist funding, appear to have come from a legitimate source.

**Q. What are some examples of suspicious transactions relating to money laundering?**

**A.** Examples of typical signs of suspicious transactions are: (However, it is not limited to these)

- (1) Payment to a recipient other than the contracting party
- (2) Payment in a currency other than the one defined in the contract
- (3) Over-payments and requests for refunds
- (4) Payment in cash or in negotiable instruments that are the equivalent of cash

Should you notice any suspicious elements other than the above, you should contact the Finance department or Legal and Compliance.

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**Q. What is the best way to comply with AML Laws?**

**A.** Know your customers. Hitachi wants to do business only with customers that share our standards of integrity and values-based business practices. Otherwise, we face the possibility that even an arms-length association with third parties who violate AML laws might harm our reputation or place Hitachi or its employees at legal risk. You should carefully assess potential customers before entering into any business relationship with them.





## F. Information Owned by Others

Hitachi recognizes that other companies are entitled to retain control of their internal information. You must strictly observe all known limitations on the acquisition, use, copying and distribution of third-party information or materials, in compliance with domestic and international laws and regulations as well as Hitachi's internal rules and policies. Additionally, you should at the very least assume that markings such as "Confidential", "Proprietary", "Restricted Distribution" and "Internal Use Only" mean that the materials should not be used or distributed without prior written authorization from their owner. Even when materials aren't specifically marked, if you have any reason to believe that they may be confidential, you must treat them as such or take steps to clarify that they are not in fact confidential.

### Third-Party Information FAQs

**Q. A friend of mine wrote down on a paper napkin an algorithm that he thought might improve data analytics. He left the napkin behind after our meeting, so I picked it up. As I looked at it the next day, I realized that he might have come up with a very smart solution. What should I do with it?**

**A.** If you are offered or acquire confidential documents or information of third parties (or become aware that another member of Hitachi's workforce has solicited or possesses protected information), you must promptly notify Legal and Compliance, the intellectual property department, or another appropriate department.

## G. Fraud

Hitachi does not tolerate **Fraud** and encourages all members of its workforce to be alert to any irregularities that might indicate Fraud.

Meaning of **Fraud**: The intentional misrepresentation or concealment of a material fact, for the purpose of inducing another person or entity to act upon it to their detriment. Examples of Fraud include: false expense reports; forged or altered checks; misappropriated or misused company assets; unauthorized handling or reporting of transactions; or inflated sales numbers.

## Fraud FAQs

**Q. A customer forgot to sign the signature line when they returned their contract. They clearly meant to sign it. Can't I just "fill in the blank" for them?**

**A.** No. The customer must sign the signature line of the contract where indicated, in order to ensure that they understand and agree to its terms. If the customer does not sign and a Hitachi employee "fills in the blank", this constitutes forgery and could subject you and Hitachi to liability.

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**Q. I want to join a professional organization, but my manager told me that Hitachi won't pay the fees. I really think the organization will help me in my job, so I plan to pay the fees myself and submit an expense report for something else to recover my money. Is this okay?**

**A.** No. Submitting a false expense report is wrong, whatever the circumstances.

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**Q. I was asked to prepare false records to hide a situation that is not in compliance with our stated policies. I am not comfortable with this. What should I do?**

**A.** Never prepare false records. Promptly bring the situation to the attention of your manager or contact Legal and Compliance. Falsifying company records is never acceptable and could result in legal action against Hitachi and you personally.

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**Q. Can two or more employees split a customer meal check, in order to keep the value of each expense claim below the limit allowed for a meal?**

**A.** No, this would be an attempt to get around the meal value limits set out in Hitachi's Expense Guidelines and Global Guideline for Entertainment and Gifts and would be a violation of that Guideline.



## H. Compliance with Anti-Bribery and Anti-Corruption Laws

Hitachi complies with anti-bribery and anti-corruption laws wherever it does business and prohibits any use of a **Bribe**. Hitachi has established the Hitachi Global Compliance Program (“HGCP”) that includes this topic and Hitachi’s workforce must comply with it. In particular we scrutinize gifts and entertainment, whether given or received by Hitachi’s workforce, public or private sectors as these components of our operations are open to abuse and are known risk areas. When gifts and entertainment are given or received, or charitable or political contributions are made, Anti-Bribery Laws and applicable Guidelines must be complied with.

You must avoid engaging in any activity that constitutes or appears to constitute a Bribe. You must take particular care when dealing with governments and **Public Officers**, to avoid violations of anti-corruption laws. When hiring former or current Public Officers or their family members, Anti-Bribery Laws and applicable Guidelines must be complied with.

Hitachi can also be held responsible for the activities of its business partners such as agents or suppliers, including misconduct committed in the course of a transaction. Do not ask a Hitachi business partner to engage in any activity that constitutes or appears to constitute a Bribe.

If you become aware of any such activity or have any questions or concerns about the conduct of a Hitachi business partner, you should promptly contact Legal and Compliance.

Prior to contracting with a business partner, approval must be obtained from an authorized manager after a review of the Business Partner’s integrity and relations with Public Officers, and the legality and appropriateness of the contract terms, in accordance with the applicable Guidelines.

**Meaning of Bribe:** Anything of value that is offered, promised or given to anyone, directly or indirectly, with the intent to obtain or retain business, or otherwise to gain an improper advantage.

**Meaning of Public Officers:** Regardless of whether domestic or foreign:

(i) any person who provides services for national or local governments; (ii) any person who provides services for an agency or organization affiliated with a government entity; (iii) any person who provides services for a public enterprise or state-owned entity; (iv) any person who is an employee or agent of an international public organization (for example, the United Nations, International Olympic Committee or World Bank); (v) any political party, party official, or candidate for political office; or (vi) any person authorized by a government entity to exercise a public function.

**Q. Can you give me some less obvious examples of Public Officers?**

**A.** Active or reserve members of police and armed forces; educational and medical employees of state-owned entities, including professors and doctors; journalists and representatives of state-controlled media; and members of ruling or royal families.

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**Q. Does Hitachi allow facilitation or grease payments?**

**A.** Hitachi does not allow facilitation or “grease” payments to be made, even if they are culturally acceptable in some countries. They may in rare instances be permitted, when there is an immediate threat to life, safety, security or freedom, or if Public Officers can provide a formal receipt or written confirmation of its legality. However, you must promptly report such payments to Legal and Compliance and record them accurately.

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**Q. What is the difference between a kickback and a Bribe?**

**A.** A kickback is similar to a Bribe, but usually occurs after the fact. For example, if a supplier pays a percentage of its sales to an employee of a company, in return for the employee’s assistance in steering that company’s business to the supplier, that is a kickback. Bribes and kickbacks of any kind are against Hitachi policy.

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**Q. Can Gifts, Travel and Entertainment be considered bribery?**

**A.** Yes. This is a major area of enforcement focus and there is growing pushback against cash or cash-equivalent gifts in particular - even in countries in which they were previously an integral part of the culture.

**Q. A customer gave me a gift basket filled with chocolate. Can I accept it?**

**A.** The first thing that you should do is disclose the gift to your manager. You may accept small gifts of modest value, unless the gift is such that a third party might think the gift could influence or interfere with your decision-making.

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**Q. A customer offered me goods or services at a discounted price. Can I accept it?**

**A.** Yes, but only if the discount is also available to others.

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**Q. One of my employees asked me to approve a donation to a charity run by his customer's daughter. The customer didn't ask him to do this, but he knew that if Hitachi made this donation, it would influence the customer to award the business to us. I rejected the request. Are we in the clear?**

**A.** NO. Sometimes bribes are disguised as donations. A crime is not just committed when a bribe is given to someone; anti-corruption laws also prohibit requesting or offering a bribe, even if it is for a third party who is not part of the business transaction and even if the bribe is not in fact given. This proposed donation would very likely be scrutinized closely for any hint of bribery or other unethical behavior.



# I. Export Control

Hitachi complies with all export laws and regulations everywhere we operate. Be aware that they cover not only physical shipments but also the following:

- Transfers of technology via the Internet
- Development and delivery of applications
- E-business and e-services
- Travel outside your country of employment with Hitachi products or technology
- Technical specifications and performance requirements given to suppliers for procurement from foreign sources
- Use of your personal knowledge (for example, technical assistance) abroad
- Release of technology, source code or downloadable software in your country to anyone who is not a citizen or lawful permanent resident of your country (also known as a “deemed export”)

## Export Control FAQs

**Q. Which countries are embargoed and/or sanctioned for Hitachi’s export shipments?**

**A.** You will find the list of countries that are currently embargoed or sanctioned at:  
<https://cnt06.apac.service.hitachi.net/sites/cerd/e/>

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**Q. In order to expedite the delivery of products and technical drawings to a foreign customer, I propose to have employees traveling to our customer’s facility hand-carry these products and drawings. Would this be a problem?**

**A.** Yes. This could violate export laws and Company policy and cause delays, seizure of the products and drawings, fines, and a ban on exporting. Contact your export control department or supervising company before considering any export or deemed export of Hitachi products, services, technology, technical data or information.



# J. Accounting and Financial Reporting

Hitachi follows strict accounting principles and places a high value on the integrity and accuracy of our record-keeping. As a result, you must report financial information, including expense reports, accurately and completely and use appropriate internal controls and processes to ensure that accounting and financial reporting comply with the laws and standards in every country in which Hitachi does business.

## Accounting and Financial Reporting FAQs

**Q. After moving to a new team, I learned that money spent on entertainment is recorded as business advertising or market survey expenses. Since the amount spent is booked accurately, is there a problem if the expense category isn't correct?**

**A.** Yes, it could be a serious problem. Various laws and standards require that books, records and accounts accurately reflect a company's transactions. Slush funds, off-book accounts, falsified transactions and misrepresentations of expenses violate the Code, the law and accounting standards.

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**Q. I ordered some software and my manager is asking me to record the charge against another expense category because our budget for software has been exceeded. What should I do?**

**A.** No-one should knowingly make an incorrect entry in Hitachi's books and records. If your manager persists, contact his or her manager, or file a report through the Hitachi Global Compliance Hotline.

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**Q. I was at a customer dinner arranged and hosted by my manager. When the bill came, he handed it to me to pay it. To avoid embarrassment in front of the customer, I did so without commenting, but it didn't seem right. Shouldn't my manager have paid the bill?**

**A.** Yes, Hitachi requires that the most senior employee at any event be responsible for settling all charges associated with that event. Alternatively, you must obtain in advance the approval of another manager who will not be attending the event.

## 3. COMPANY ASSETS

### A. Tangible and Intangible Assets

All reasonable care must be taken to ensure the value, integrity and security of Hitachi's brand and its business assets, both tangible (physical property, equipment and documents) and intangible (information, intellectual property and goodwill). In particular all internal information and documents are confidential, unless they are specifically intended for distribution or release outside Hitachi, and they should not be shared with anyone - even a co-worker - who does not have a need to know. If you leave Hitachi, you must still follow these rules concerning our confidential information.

You are also required to comply with policies, guidance or instructions issued by your organization's Chief Information Officer, Chief Information Security Officer, or authorized members of the Information Security Department or IT Department ("IT"), with respect to the preservation of the confidentiality, integrity and availability of information, such as how to avoid data breaches, phishing schemes or hacks. If you learn of any theft, misuse, wrongful disclosure or other risk to Hitachi assets, promptly notify your manager, Information Security Department, IT or Legal and Compliance.

#### Asset FAQs

**Q. I have installed an app on my company-issued smartphone, in order to edit a picture taken during a company event. Is this okay?**

**A.** No, only authorized software may be installed on company-issued devices (including desktops, laptops, tablets or phones). Users are prohibited from installing any non-standard software, without having appropriate approval from authorized members of the Information Security Department or IT or another designated approver in your organization.



## B. Intellectual Property

You must protect Hitachi's intellectual property like any other business asset, respect third-party intellectual property, and use both effectively for smooth business operations in compliance with domestic and international laws and regulations, as well as Hitachi's internal rules and policies.

Meaning of **Intellectual Property**: Proprietary information including trademarks, trade secrets, copyright, know-how, ideas, techniques, inventions (whether patentable or not), computer programs, data, technical innovations, system design, or technical enhancements.

### Intellectual Property FAQs

**Q. I'm not sure if the information I have is Hitachi intellectual property, so who can I ask?**

**A.** Intellectual property is virtually any business information that is valuable to Hitachi, whether technical or non-technical, and that is not generally known by our competitors or other outsiders. If you are unsure what constitutes intellectual property, you can consult Hitachi's intellectual property rules and policies or ask your intellectual property department or Legal and Compliance.



## 4. DATA PROTECTION

Hitachi complies with laws concerning **Data Protection** in all countries in which it does business and takes particular care when transmitting **Personal Information** across international borders. You must confirm that proper authorization has been obtained, before you collect, store, use, process, transmit or disclose any Personal Information of your colleagues at Hitachi, or of employees of our sales prospects, customers, suppliers or strategic partners.

Meaning of **Data Protection**: The process of safeguarding the privacy of Personal Information and other data, in order to comply with laws and regulations that control their collection, storage, use, processing, transmission and disclosure.

Meaning of **Personal Information**: Any information by which a person can be individually identified, including information relating to employment, compensation, medical records and benefits.



## Data Protection FAQs

**Q. I received an email from my manager containing the home address and phone number of a new member of our department, who lives in another country. What should I do?**

**A.** You must confirm that the parties agreed that your manager could provide this personal information to a third party such as yourself. In that case, please use it only within the scope of use that was agreed to. If not, determine the administrator of your organization's data protection program and the best way to dispose of the information appropriately.

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**Q. One of your team informs you that he has a health issue that will require him to be out of work for three months. Can you tell your manager and HR?**

**A.** This is sensitive personal information, but it involves a long absence from work that affects the activities of your organization. With your team member's approval, you may communicate it to the minimum number of people you need for your business (such as your manager and Human Resources).

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**Q. Am I allowed to send personal data about Hitachi employees to a third party, such as a consulting firm that is under contract to Hitachi?**

**A.** You need to make sure that you comply with all legal requirements and that such employees have given their consent, before providing such personal data to a third party. Please consult Legal and Compliance or another appropriate department in the event of a cross-border transmission of the data, especially if it involves Hitachi employees located in strictly regulated countries such as Europe. It is also necessary to use secure measures such as encryption.

# 5. CONFLICTS OF INTEREST

## A. Divided Loyalties

You must avoid situations in which there is a potential for conflict between your personal interests and your obligations to Hitachi. You may not evade these requirements by acting indirectly through anyone else, such as your family, friends or relatives. If in doubt, you should always seek prior guidance and approval from your manager, Human Resources or Legal and Compliance.

Examples include:

- Marketing on a **Commercial Basis** products or services that compete with current or potential offerings from Hitachi.
- Representing, working for, or serving on the board of a Hitachi customer, competitor or supplier while working for Hitachi.
- Investing in any organization with which Hitachi does business or competes, if that investment would create, or appear to create, a conflict of interest with Hitachi.

Meaning of **Commercial Basis**: Any business activity from which a person receives payment or any benefit in kind, whether directly or indirectly.

### Divided Loyalty FAQs

**Q. I've been asked to be on the board of directors of another company. May I serve?**

**A.** Perhaps. Because Hitachi is always expanding into new business areas, there is no firm line regarding acceptable activities. If asked to sit on a board, you should consult your manager, Human Resources or Legal and Compliance and comply with any resulting restrictions. You will also be required to adhere to Hitachi's Employment Regulations.

As a member of Hitachi's workforce, however, you may not represent, work for, or serve on the board of, a customer or competitor of or supplier to Hitachi.

## B. Company Time and Assets

You may not perform non-Hitachi work or solicit such business on Hitachi's premises during work hours, or by using Hitachi's assets, including email, internet, equipment, materials, resources or confidential information.



## Company Time and Asset FAQs

### **Q. I check my personal email at work and use the printer for non-work purposes. Is this allowed?**

**A.** Checking your personal email and printing for non-work purposes are discouraged. If it interferes with your work or the work of others, please refrain from such practice.

## C. Insider Information and Insider Trading

If you become aware of **Insider Information**, you must manage it appropriately so that it is not leaked or otherwise disclosed. You must not engage in **Insider Trading**.

**Meaning of Insider Information:** Any type of material, non-public information concerning listed companies, including Hitachi, that may affect investment decisions of general investors with respect to such companies. For instance, Insider Information is such that knowing it, reasonable investors would sell or purchase stocks, as it affects the stock price.

**Meaning of Insider Trading:** Any persons who are aware of Insider Information are prohibited from trading shares or other securities of that company until such information is publicly announced by the company. Officers or employees of the company who are aware of Insider Information through their work are also prohibited from communicating Insider Information to anyone or recommending that they trade shares or other securities for anyone else for the purpose of making them a profit or avoiding a loss. Persons who receive Insider Information from officers or employees of the company (family, friends, etc.) are prohibited from trading shares or other securities of that company until such information is publicly announced by the company.

## Insider Information and Insider Trading FAQs

### **Q. What should I do if I receive insider information while at work?**

**A.** If you receive any insider information about Hitachi, Ltd. or any other listed companies through your work, you are prohibited from trading the shares of that listed company and from communicating the information to anyone else. Hitachi's internal rules and policies related to information management and prevention of insider trading also apply to you. If you are unsure whether the information is insider information, consult legal and compliance.

## D. Public Service

Hitachi supports responsible participation in the civic life of local communities, such as serving on a board or committee. However, members of Hitachi's workforce must abstain from voting on or participating in any decision that involves a relationship between that entity and Hitachi, in order to avoid any actual or apparent conflict of interest.

### Public Service FAQs

**Q. I am on the board of a non-profit organization that is voting on an issue that affects Hitachi. What should I do?**

**A.** In such circumstances, you should make it clear that you work for Hitachi and you need to abstain from voting on or participating in the decision. If there is a continuing conflict of interest, you should resign from the board.

## E. Political Contributions

You must not, in the name of Hitachi or on its behalf, make any financial contributions or provide other support to political parties, politicians, or candidates for election to public office, without prior approval from your organization.

### Political Contributions FAQs

**Q. My sister-in-law is a political candidate and I want to support her election campaign. May I do that?**

**A.** Yes, provided you do so in your private capacity. You may not state or otherwise create the impression that Hitachi in any way supports your sister-in-law's candidacy, unless you have obtained prior approval from your organization.

## 6. REPORTING VIOLATIONS



If you encounter or suspect any violation of the Code and internal rules, you should promptly report it to your manager or Legal and Compliance. You may also file a report with the Hitachi Global Compliance Hotline (“Hotline”), either online or by phone. You will find access details for the Hotline on your organization’s web pages. Unless prohibited by local law, reporting through the Hotline may be done anonymously if you prefer.

And always remember: **Hitachi prohibits harassment of or discrimination or retaliation against any current or former member of its workforce who:**

- **Seeks guidance concerning the Code**
- **Reports an actual or suspected violation in good faith to Hitachi or to any government or law enforcement agency**
- **Refuses to participate in a breach of the Code**
- **Cooperates with an investigation of a violation of the Code**

### Hitachi Global Compliance Hotline

The Hitachi Global Compliance Hotline is a hotline that all Hitachi Group officers and employees can use to report issues related to violations of laws and regulations. The hotline phone and web contacts are operated by professional third parties, are offered in multiple languages and are always available. The information provided to this hotline is sent to the Compliance Department, Hitachi, Ltd., and appropriate actions are taken in cooperation with other specialized departments. In addition, the status of issues reported to the hotline will be reported to the Audit Committee of Hitachi, Ltd.

To facilitate investigation of the report, we recommend that you give your name, but you can also report anonymously (Unless prohibited by local law).

Even in the case of a report by name, information on the reporter will not be disclosed to anyone other than those involved in the Compliance Department and the person in charge of the investigation, unless the consent of the reporter is obtained.

Information on this hotline can be found on Hitachi Group companies’ internal websites and posters.

### Supplementary Provisions to the Code

The Hitachi Group Code of Ethics and Compliance shall apply to all members of the workforce of Hitachi, Ltd. and its consolidated subsidiaries.

Each subsidiary shall streamline its organizational structure and systems (e.g. internal reporting system, disciplinary system) to comply with the Hitachi Group Codes of Ethics and Compliance. In the event of a violation, disciplinary action shall be taken in accordance with published rules and internal procedures.

## Preface

Our Mission is to “contribute to society through the development of superior, original technology and products.” In striving to accomplish this, we embrace the values of Hitachi Founding Spirit: Harmony, Sincerity and Pioneering Spirit. Our Vision was created based on our Mission and Values to express what the Hitachi Group aims to become in the future.

The Hitachi Group Identity is a simple concept designed to share our Mission, Values, and Vision.

The Hitachi Group Codes of Conduct consist of rules and principles intended to assist officers and employees in making decisions and taking actions in accord with the Hitachi Group Identity. All officers and employees of Hitachi Group companies shall understand and follow the Codes of Conduct and act with sincerity and fairness in a highly ethical manner.

## 1. Toward a Sustainable Society .....

- (1) We will contribute to resolving social issues by promoting innovative solutions, accelerating collaborative creation with partners and stakeholders, and further integrating social and environmental responsibility into our business activities.
- (2) We will strive to develop technologies that contribute to social development and use them with due consideration of their impact on society.
- (3) We envision a low-carbon society, a resource efficient society, and a harmonized society with nature. To this end, we will endeavor to reduce CO<sub>2</sub> emissions, use water and other resources efficiently, and minimize impacts on natural capital throughout our value chain.
- (4) As a corporate citizen, we will make efforts to build rapport with communities and contribute to their development by working together to resolve social issues.



## 2. Sincere and Fair Business Activities .....

### 2.1 Fair Trading

- (1) To ensure fair and open competition, we will observe the fundamental rules of trade, including domestic and overseas competition laws and regulations, and act in compliance with legislation and sound corporate ethics.
- (2) We will have no relationship whatsoever with antisocial forces anywhere in the world, and resolutely reject involvement in improper or antisocial transactions.
- (3) We will not trade shares using undisclosed information regarding the group, affiliated companies, business partners, or customers that could affect the judgment of investors (insider information).
- (4) We strictly prohibit and will have no involvement in bribery and other corrupt business practices. We will neither give or receive gifts nor extend or accept invitations to business entertainment beyond socially accepted limits, as we recognize that such practices can foster corruption. When working with political entities, we will build and maintain sound and transparent relationships.
- (5) We will help maintain international peace and security through compliance with all applicable laws and regulations concerning import and export, and will operate appropriately according to our internal rules and policies.
- (6) We will comply with applicable laws, respect social cultures and practices, and act sincerely and fairly in countries and regions where we have operations. Furthermore, we will do so guided by international norms and standards even in areas where legislation is not adequately enforced.

### 2.2 Relationships with Suppliers

- (1) With a global vision, and mindful of the long-term perspective, we will find qualified suppliers and build fair and equal partnerships with them, working together to build mutual understanding and trust.
- (2) In selecting suppliers, we will thoroughly review the quality, reliability, delivery time, and price of the materials they provide as well as their business stability and technological capability. We will give due consideration to their adoption of social responsibility practices, including areas such as the abolition of unfair discrimination, the elimination of child labor and forced labor, and environmental conservation.
- (3) We will not accept any personal benefits from suppliers in procurement transactions.

### 2.3 Relationships with Customers

- (1) We will provide products and services that meet the needs and requirements of our customers, complying with relevant laws and standards and ensuring quality and safety by setting additional standards of our own where necessary.
- (2) We will communicate with customers sincerely, address defects and customer complaints quickly and in good faith, and strive to determine causes in order to eliminate them and prevent recurrence.

### **3. Respect for Human Rights** .....

- (1) We will promote our understanding of internationally recognized human rights, and will respect and not infringe on the human rights of all those involved in our business activities.
- (2) We will implement human rights due diligence appropriate to the social circumstances of the countries and regions where we have operations and the nature of our businesses, products, and services there.
- (3) We will assess and prevent potential violations of human rights. In the event of such a violation, we will promptly take internal and external actions to correct and remedy the situation.
- (4) We will respect individual human rights in the recruitment and treatment of employees and during all other company activities. We will not engage in any acts that may impair individual dignity or discriminate on bases such as sex, sexual orientation, age, nationality, race, ethnicity, ideology, belief, religion, social status, family origin, disease, disability.
- (5) We will hire employees in compliance with the relevant laws and regulations in each country and region, and in accordance with international norms and standards. We will not use child labor that employs children below the minimum working age or forced labor that is against the will of employees.
- (6) We will strive to resolve issues through sincere and constructive discussion between management and employees, in compliance with the laws, regulations, and labor practices of each country and region, and in accordance with international norms and standards.

### **4. Building a Work Environment That Brings Out Employee Strengths** ..

- (1) Prioritizing health and safety above all else, we will strive to ensure the safety of employees and the workplace. In addition, we will promote the physical and mental health of employees and their families.
- (2) We will support flexible work styles and respect diverse values, creating workplaces that provide employees with a sense of accomplishment and personal growth, and we will promote the sustainable growth of the organization and individuals.
- (3) We will invest in educational programs to help employees expand their capabilities and exercise their strengths. Supervisors will fairly and appropriately support, guide, and educate their employees to develop their abilities.

### **5. Information Management and Communication** .....

- (1) We will promote the ethical handling of information, so as to ensure respect for human rights and security, through the proper management of personal information based on our Personal Information Protection Policy.
- (2) We will properly manage and protect confidential information related to our business activities in compliance with domestic and international laws and regulations as well as our internal rules and policies.
- (3) In order to maintain and expand our trusting relationship with the Hitachi Group's diverse stakeholders, we will disclose information openly and transparently, and respond to stakeholders responsibly through dialogue and other means of communication.

## **6. Protection of Intellectual Property and Brand** .....

- (1) We will protect our own intellectual property, respect third-party intellectual property, and use both effectively for smooth business operations.
- (2) We will manage our own and third-party confidential information by importance and manage and handle it appropriately based on this ranking.
- (3) We will protect and enhance the value of the Hitachi Brand, recognizing it as an important management asset.

## **7. Securing Corporate Assets** .....

We will use all our corporate assets only for business activities and other appropriate purposes, and manage them properly to protect their value.

## **8. Crisis Management** .....

We will make concerted efforts throughout the Hitachi Group to secure employee safety and business continuity in case of disasters and threats such as earthquakes, tsunamis and floods, cyberattacks, and terrorism.

## **9. Responsibilities of Employees** .....

Employees shall pledge to comply with the Codes of Conduct. If they become aware of any non-compliant activity, they shall immediately report to their manager or via the internal reporting system.

## **10. Responsibilities of Top Management** .....

Top managers shall take the initiative in complying with the Codes of Conduct and make their best efforts to conduct business based on corporate ethics and the law. In the event of violation of the Codes of Conduct, top managers shall swiftly take corrective measures and actions to prevent the recurrence of similar incidents, while at the same time strictly disciplining themselves as well as those involved in the violation.

## Supplementary Provisions to the Hitachi Group Codes of Conduct

The Hitachi Group Code of Ethics and Compliance shall apply to all members of the workforce of Hitachi, Ltd. and its consolidated subsidiaries.

Each subsidiary shall streamline its organizational structure and systems (e.g. internal reporting system, disciplinary system) to comply with the Hitachi Group Code of Ethics and Compliance. In the event of a violation, disciplinary action shall be taken in accordance with published rules and internal procedures. Subsidiaries may enact their own codes of conduct, incorporating the contents of the Hitachi Group Codes of Conduct. Such codes of conduct may vary by country or region in accordance with legal systems, social customs, or business characteristics, or include stipulations that do not exist in the Hitachi Group Codes of Conduct. Under no circumstances, however, may they contradict the provisions of or weaken the effectiveness of the Hitachi Group Codes of Conduct.

When a subsidiary institutes a revised version of the Hitachi Group Codes of Conduct, it shall expressly stipulate that revisions have been made based on or with reference to the Hitachi Group Codes of Conduct.







