

# Human Rights/Supply Chains

## Human Rights Due Diligence Initiatives

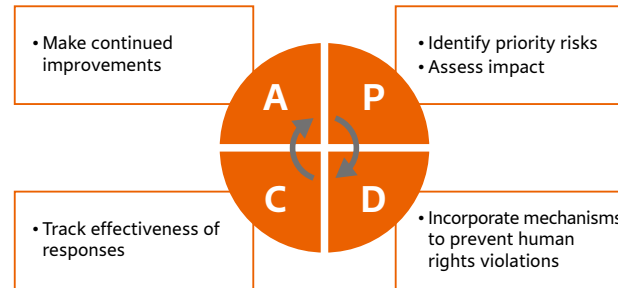
To build a corporate culture in which human resources with diverse values and perspectives can thrive, it is essential to deepen understanding of human rights and foster a mindset of mutual respect. To this end, the Hitachi Construction Machinery Group is actively promoting the exchange of human resources among its business locations worldwide.

In FY2020, we began assessing the status of forced labor and migrant labor, identified as priority risks common to the Group, using a 30-question Priority Risk Questionnaire focused mainly on labor, health and safety, and grievance mechanisms. Following surveys of a total of 63 domestic and overseas plants and Group company business locations, we have implemented countermeasure initiatives at a total of 15 sites where evaluation items were below a certain level.

Of the responses to the survey's 30 questions obtained from 618 procurement partners since FY2022, 7.2% of the responses were below a stipulated level; improvements made at our request have since been confirmed in 75.8% of these, and we will continue to check on improvements being made in the remaining 24.2%.

In May 2021, we established the Hitachi Construction Machinery Human Rights Due Diligence Promotion Council, headed by the president, as the organization responsible for undertaking human rights due diligence, and the council convened six times by FY2023 to set in motion a PDCA cycle for human rights due diligence. The results of risk assessments are reported to employees and procurement partners, and the status of consideration, implementation, and progress of countermeasures for items that were below a certain level are confirmed and reported at these council meetings.

### Human Rights Due Diligence Process



## Human Rights Education and Training

The Hitachi Construction Machinery Group continuously provides education on human rights in its training programs for new employees and new department managers and in other rank-specific training programs, with the aim of raising employee awareness of human rights.

### Human Rights Training Results (cumulative number of participants from FY2021 to FY2023)

	Total	Of which, department managers and above	Of which, general employees
Hitachi Construction Machinery (non-consolidated)	4,284	801	3,483
Group companies	4,240	741	3,499
<b>Total participants</b>	<b>8,524</b>	<b>1,542</b>	<b>6,982</b>



Human rights  
<https://www.hitachicm.com/global/en/sustainability/social/humanrights/>

## Supply Chain Sustainable Management

Amidst growing interest in corporate social responsibility within the international community, the Hitachi Construction Machinery Group is promoting sustainability initiatives across its supply chains, inclusive of procurement partners. As part of this effort, we conduct an annual "Supply Chain Sustainability Survey" targeting major procurement partners (primary suppliers) with whom we have direct transactions of substantial volume and who provide important parts and raw materials for our Group's products. Procurement partners whose evaluation results do not meet the minimum scores set by the Group have been identified as procurement partners with high potential sustainability risks, and they have been making continuous improvements at our request.

In FY2023, we conducted a sustainability survey of procurement partners accounting for approximately 80% of Hitachi Construction Machinery's non-consolidated purchase volume. The response rate was 93% (vs. 84% in FY2022), and the percentage of procurement partners that did not meet the minimum scores set by our Group was 0%, the same as in FY2022.

We will continue to conduct surveys and pursue improvement activities together with our procurement partners.



Dialogue with Procurement Partners  
<https://www.hitachicm.com/global/en/sustainability/social/fairbusiness/supplier/>