

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.

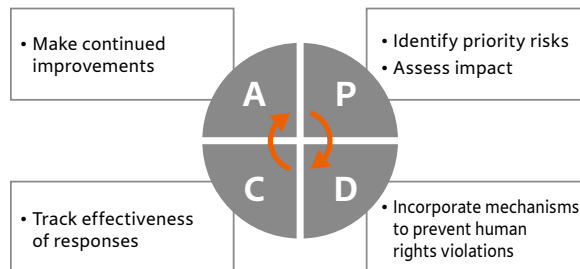
Since FY2020, we have been conducting an annual questionnaire survey (composed of 30 items) with a main focus on labor, health & safety and a grievance mechanism to deal with the risk of forced labor and migrant labor, which was identified as a priority risk common to the Group. Following surveys of a total of 64 Hitachi Construction Machinery Group bases, including the company's domestic and overseas factories, we requested a total of 18 sites that did not meet our predefined evaluation criteria for any of the items to make relevant improvements and have confirmed the completion of all necessary improvements by these sites.

We have conducted the same survey on a total of 624 procurement partners since FY2022, and for 8% of the question items, there were partners who did not meet our evaluation criteria. We asked these partners to make relevant improvements and confirmed the completion of the improvements for 97.8% of them. We will continue monitoring the progress until we confirm completion for the remaining 2.2%.

In May 2021, we established the Human Rights Due Diligence Promotion Council, headed by the president, as the organization responsible for facilitating human rights due diligence. The Council met a total of eight times by the end of FY2024 to set in motion a PDCA cycle for human rights due diligence. Also, at these meetings, the results of the aforementioned risk surveys conducted on our domestic and overseas factories and Group companies as well as on procurement partners were reported along with the measures examined and implemented to deal with the items for which there were respondents who did not meet our evaluation criteria. Moreover, in FY2024, we started to enhance collaboration between the Council

and the Sustainability Promotion Group, and now the topics reported and discussed at the Council's meetings also include the trends concerning the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) and our measures to comply with these European regulations.

Human Rights Due Diligence Process



Human Rights Grievance Mechanism

We have two contact points for our human rights-related reporting system, one internal and the other external (expert organization in this field), to address issues on human rights.

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 section managers and in other rank-specific training programs, with the aim of raising employee awareness of human rights.

See "Compliance Reporting System" on [page 89](#).

Human Rights Training Results (cumulative number of participants from FY2021 to FY2024)

	Total	Of which, Managers and above	Of which, Employees
Hitachi Construction Machinery (Non-consolidated)	4,315	806	3,509
Group companies	4,358	764	3,594
Total participants	8,673	1,570	7,103



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

Supply Chain Sustainable Management

The Hitachi Construction Machinery Group conducts 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 FY2024, 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 76% (vs. 93% in FY2023), and the percentage of procurement partners that did not meet the minimum scores set by our Group was 0%, the same as in FY2023.

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/>