

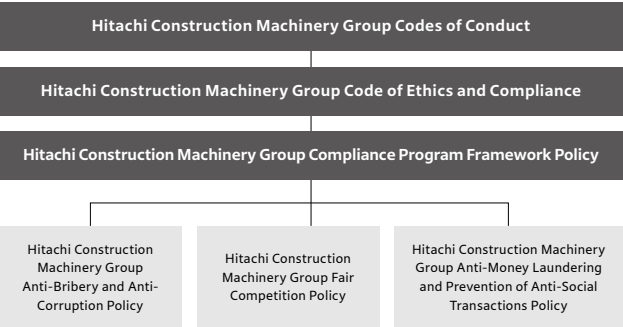
Promoting Compliance

Hitachi Construction Machinery Global Compliance Program (HGCP)

The Hitachi Construction Machinery Group places the highest priority on integrity in the conduct of its business activities, endeavors to meet the highest ethical standards and comply with all pertinent laws and regulations of every country and region in which the Group conducts business, and to respect proper business practices.

In particular, we deem it is important to implement measures to prevent bribery, comply with competition law, and prevent money laundering, terrorist financing and anti-social transactions. Based on this recognition, we have set relevant internal rules and guidelines and are implementing the Hitachi Construction Machinery Global Compliance Program (HGCP) in line with the Hitachi Construction Machinery Group Codes of Conduct and Hitachi Machinery Group Code of Ethics and Compliance.

In addition, we clearly show our responsibilities related to compliance management and the basic policies concerning compliance



activities in the “Hitachi Construction Machinery Group Compliance Program Framework Policy.”

For FY2024, the Hitachi Construction Machinery Group had no cases of violations related to anti-corruption laws, competition laws and anti-money laundering laws.

Compliance Promotion System

The Hitachi Construction Machinery Group has set the “Compliance and Risk Management Regulations” (“Management Regulations”) and has established a system to manage compliance violation cases and formulate and implement measures to prevent the reoccurrence of similar cases. If a compliance violation occurs within the Group, a Compliance and Risk Flash Report (“Flash Report”) will be issued to the secretariat established at the company, in accordance with the Management Regulations. In the Flash Report issuance process, an appropriate department/person is selected and appointed to act as the department/person responsible for making the initial response to the compliance violation incident and formulating and implementing permanent reoccurrence prevention measures.

For the follow-up on the progress made with the measures, including the initial response and final reoccurrence prevention measures taken for each violation case faced by the Group, a compliance countermeasures meeting is held quarterly and the results are reported to the executives.

In addition, we have our “Compliance and Risk Management Committee” (“the Committee”) in accordance with the Management Regulations. Through this Committee’s meetings held both regularly and irregularly and notifications issued by the Committee, we share information on instances of legal violations that have occurred within the Hitachi Construction Machinery Group, and work to raise employees’ awareness of compliance measures including those to prevent

reoccurrence across the Group.

This compliance promotion system is composed of second-line organizations under our Three Lines Model structure and supports our governance and risk management efforts.

Compliance Reporting System

With the aim of ensuring thorough statutory compliance and conducting business activities with high ethical standards, we have established the “Compliance Reporting System Management Regulation” (“Reporting Regulation”). Based on the Whistle-Blower Protection Amendment Act enforced in June 2022, the Reporting Regulations stipulate items including those concerning the protection of whistle blowers, and we operate this system in accordance with the provisions in the Reporting Regulation so that we can enhance the effectiveness of the reporting system and increase the self-purification effect.

Users of this system can make a report through either of two contact points, one internal and the other external, and conveniently via email, phone, mail or through an interview. The external contact point (expert organization in this field) accepts reports in 200 languages. The Group thus has a global reporting system in place.

For FY2024, 81 reports were made through the system, 39 on harassment-related, 19 on labor-related (excluding harassment), 11 on the violation of company rules, six on law violation, and six on other issues.

Compliance
<https://www.hitachicm.com/global/en/sustainability/governance/compliance/>