



Respect for Human Rights, Basics and Ethics

We respect human rights, observe laws and ethics, and establish a clean corporate culture that is admired by society.

Respect for Human Rights

The Hitachi Kokusai Electric Way of the Group stipulates the respect for human rights. In fiscal 2013, we enacted the Hitachi Kokusai Electric Group Human Rights Policy, to complement the policy for respecting human rights included in the "Hitachi Kokusai Electric Group Codes of Conduct" enacted in 2010.

Hitachi Kokusai Electric Group Codes of Conduct (Chapter 4 Respect of human rights; summary)

1. We will respect international standards of conduct regarding human rights, and do not engage in any conduct that obstructs or interferes with human rights.
2. In all kinds of company activities, we will respect every person's character and individuality, and not engage in any acts that impair individual dignity or discriminate on any basis.
3. In handling personal information, we will establish information ethics based on consideration of human rights and the maintenance of security.
4. We will not procure goods or services from firms that utilize child labor or forced labor.

Considering the laws, regulations, and labor practices in each nation and region, we promote the employment that respects the basic rights of employees presented as the principles of the UN Global Compact, and resolve issues jointly through the constructive dialogue between managers and employees.

Hitachi Kokusai Electric Group Human Rights Policy (Summary)

The company strives to meet its responsibility to respect human rights by not infringing on human rights and addressing negative human rights impacts with which the Company may be involved through its business operations. The responsibility to respect applies to all officers and employees.

The Company expects its business partners and other parties may be directly linked to Hitachi Kokusai Electric's operations, products or services to respect and not infringe upon human rights, and will respond appropriately where they are not respecting human rights.

The Company is committed to meeting the responsibility to respect human rights through implementing the UN Guiding Principles on Business and Human Rights.

The Company will identify and assess potential and actual human rights impacts, and take appropriate action to prevent or mitigate risks.

Where the Company identifies a negative human rights impact, it will provide for or cooperate in legitimate processes to provide remediation.

The Company adheres to national law and regulation in each market. Where the Company faces conflicts between internationally recognized human rights and national laws, the Company will follow processes that seek ways to honour the principles of international human rights.

The Company will provide appropriate training and capability building, in order to apply this policy commitment throughout the Company.

The company is committed to engaging in dialogue with and consulting relevant external stakeholders about addressing potential and actual human rights impacts.

In fiscal 2013, we added the section "Respect of human rights" to the webpage "CSR information" of the Company. It discloses the detailed situation of our activities.

Human Rights Seminars

In addition to the human rights seminars for new employees and respective classes of employees, all employees of our Group in Japan took the e-learning program using teaching materials for respecting human rights of all who may be affected through the Group operation, products, and services in fiscal 2013.

From 2014 and on, we introduce this e-learning program to overseas Group companies, by using the English and Chinese versions of the teaching materials.

Identifying and properly coping with risks

■ Compliance

Bid rigging and the formation of cartels are criminal acts against society, and brushing off all such affairs and endeavoring to strengthen one's own competitive power will lead to the reform of corporate culture and ultimately to the principle of customers first. Moreover, there is growing social interest in the prevention of bribery to public officials, etc. inside and outside Japan. In reflecting elements that raise anxiety in the international arena such as the issue of the nuclear development, export control is also assuming greater importance. For these risks, with the Legal & CSR Center of the Company taking the lead, we are implementing education and conducting periodic audits targeted at the entire Group while updating the contents thereof, and we maintain a system in which any incidents incurring risk are reported to the top management swiftly. Through all these, we are working to ensure that the strong interests of top management concerning compliance, that is, to live up to society's trust are thoroughly implemented in all corners of the Group, with both top-down and bottom-up measures.

As for the proper management and handling of confidential information of the Company and other firms, the protection of personal information, etc., the Company's Information Security Committee educates and enlightens employees regularly and when necessary. As for the observance of other laws and company rules and the prevention of disgraceful affairs, the relevant sections, the legal affairs section and the Human Resources & Corporate Administration Division jointly educate and enlighten employees regularly and when necessary. Meanwhile, the Internal Auditing Office audits the entire Group on a regular basis.

■ Ensuring the reliability of financial information

Concerning the internal control system for the main purpose of securing the reliability of financial information, we collaborate with our parent company, Hitachi, Ltd., in order to maintain the system by using the framework and tools for internal control of the Hitachi Group, and make evaluations and improvements.

Internal reporting system "Ethical Helpline of the Hitachi Kokusai Electric Group"

We have an internal reporting system so that an employee or a business partner of the Group can report the incident, when discovering any illegal acts related to our businesses, any improper acts violating our company rules, or any problems regarding human rights, and finding these cannot be solved with ordinary methods. When a report is received, the fact will be investigated and necessary corrective measures are implemented.

We ensure that the employees including those of each Group company are informed of this reporting system as well as the principles of "keeping secrets," "not mistreating informants," and "responding with good faith" through internal gazettes, seminars and intranet. This system is operated under advice of a lawyer as an outside committee member in order to earn the trust of informants through appropriate response.

Ethical Helpline of the Hitachi Kokusai Electric Group

e-mail to: riri.helpline@h-kokusai.com

Postal mail : Representatives of the Ethical Helpline

Hitachi Kokusai Electric Inc.

Akihabara UDX Building 11th floor, 4-14-1, Soto-kanda,

Chiyoda-ku, Tokyo 101-8980, Japan

Note: The Helpline accepts reports not only from employees of the entire Group but also from its business partners.

 **Introductory website of Group Codes of Conduct Home Page of Hitachi Kokusai Electric Inc.**
<http://www.hitachi-kokusai.co.jp/global/corporate/action.html>
 OR

 **Website including the details of the respect for human rights Home Page of Hitachi Kokusai Electric Inc.**
<http://www.hitachi-kokusai.co.jp/global/csr/respect.html>
 OR