

Charitable Donations and Political Contributions Protocol

Owner: Hitachi Group Head of Risk Management (“GHRM”)

Publication Date: March 4, 2021

Effective Date: April 1, 2021

Applicability: Global

Scope:

This Hitachi Group Charitable Donations and Political Contributions Protocol (“Protocol”) applies worldwide to Hitachi, Ltd. and all of its consolidated subsidiaries (“Hitachi Group”), and to Hitachi Group’s workforce (meaning its officers, employees – whether full-time, part-time or temporary - and contractors). And Hitachi Group’s workforce shall take steps to ensure that anyone doing business with or on behalf of Hitachi Group, including contractors, consultants, advisors, agents, lobbyists, distributors, resellers, suppliers and business associates, as well as their respective officers, employees and subcontractors (collectively “Hitachi Group Business Partners”) comply with the terms of this Protocol.

Objectives:

1. To promote corporate citizenship and social and civic responsibility in the communities in which Hitachi Group operates, by making corporate resources available for community needs, in a combination of in-kind donations and/or monetary payments.
2. To ensure that Hitachi Group remains in compliance with all anti-bribery and anti-corruption laws in effect in all parts of the world in which it does business, as well as to demonstrate Hitachi Group’s firm commitment to acting with integrity at all times and to conducting business globally in an ethical and legal manner.

Background:

Following a sharp increase in media and public focus on corruption around the world, most countries or regions have now enacted some form of legislation to outlaw bribery and other forms of unethical and corrupt behavior, in both the public and private sectors. Hitachi Group has always prided itself on conducting its business ethically, but it is more important than ever that we make sure that we avoid even the perception of corruption or other illegal dealings.

When companies or individuals are investigated following bribery allegations, there is often a focus on activities surrounding gifts, including charitable donations and political contributions. For this reason, this Protocol separates charitable donations and political contributions out from the broader topic of corruption that is addressed in the ABAC Policy.

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While jail time and individual and corporate fines are well-publicized penalties, reputational damage and huge costs are other major problems faced by companies found guilty of bribery or other illegal behavior.

This Protocol reflects and expands on the provisions of the Hitachi Group Codes of Conduct, the Hitachi Group Code of Ethics and Compliance, and the Hitachi Group Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”).

Statements of Principle:

- 1. Hitachi Group and its workforce may only make corporate charitable donations and corporate political contributions in compliance with local laws and with the criteria set out in this Protocol.**
- 2. In no event may any charitable donations or political contributions be provided, directly or indirectly, with the intent to obtain or retain business, receive recommendations, favorable treatment or financial concessions, or otherwise to gain an improper advantage for Hitachi Group.**
- 3. Accurate and complete accounting records shall be kept of all corporate charitable donations and political contributions provided by Hitachi Group and its workforce.**

1. Charity and Donations

- a) “Charity” means a not-for-profit organization formed for the express purpose of advancing philanthropic and other social causes, that are recognized as lawful charitable purposes under the laws of the country in which the Charity is organized.
- b) “Donations” mean monetary payments without consideration, gifts, “in kind” contributions (e.g., goods, services or Hitachi Group products or equipment), or anything else of value provided, directly or indirectly, by or on behalf of Hitachi Group to a Charity or other third party. Monetary donations made by or on behalf of Hitachi Group should be made by bank transfer and may not be made in cash, without prior written approval of Legal and Compliance.
- c) Hitachi Group primarily provides Donations in the following areas:

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- Education
 - Civic and community development
 - Science and technology
 - Health and human services
 - Arts and culture
 - Disaster relief
 - Environmental initiatives
 - Contributions in support of sustainable development goals (SDGs) of the United Nations
 - Other projects that fulfill Hitachi Group's social responsibilities
- d) Before Hitachi Group makes Donations to a Charity and other third party, the background of a charity and other third party must be carefully checked, to ensure that it is a legitimate entity eligible for Donations from Hitachi Group, as described above.
- e) All Donations requested by a Hitachi Group officer or employee must be submitted for prior approval to the designated individual or committee with responsibility for each Hitachi Group company's charitable donation in accordance with the standards and procedures set by the Sustainability Promotion Division, Compliance Division and any other division of Hitachi, Ltd.
- f) Any Donation above the amount set by the regulations governing Hitachi, Ltd.' Senior Executive Committee needs the prior approval of the Senior Executive Committee of Hitachi, Ltd.
- g) Government officials and public officers or their spouses or family members may sometimes be sponsors, directors, officers or employees of, or volunteers for, a Charity and other third party. Care must be taken to avoid making Donations, directly or indirectly, if they would be perceived as improper or as a violation of the ABAC Policy.
- h) If any Hitachi Group officer or employee is asked to make Donations by a government official or public officer or their spouses or family members, the Hitachi Group officer or employee must promptly notify his or her supervisor and the organization's Legal and Compliance department ("Legal and Compliance") and shall not make any such Donations unless and until the required approvals have been secured.
- i) Donations are always permitted in a personal capacity and with no reference to or endorsement by Hitachi Group, provided that they are transparent, made only in accordance with applicable laws, not used as a subterfuge for bribery, and do not create any perceived conflicts of interest for Hitachi Group.

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2. Political Contributions

- a) “Political Contributions” mean, subject to any applicable laws, any monetary payments, gifts, “in kind” contributions (e.g. goods, services), tickets purchased for political fundraising events, or anything else of value provided, directly or indirectly, by or on behalf of Hitachi Group to an individual or organization, for the purpose of promoting, supporting or influencing any political process, political organization, political party or candidate, or an election for public office at any level.
- b) Political Contributions may only be made by or in the name of Hitachi Group, if they are submitted for prior approval to the designated individual or committee with responsibility for each Hitachi Group company’s political contribution activities. Political Contributions by or on behalf of Hitachi Group should be made by bank transfer and may not be made in cash and they may not be made at all, if they would be perceived as improper or as a violation of the ABAC Policy.
- c) If any Hitachi Group officer or employee is asked to make Political Contributions by a government official or public officer or their spouses or family members, the Hitachi Group officer or employee shall promptly notify his or her supervisor and Legal and Compliance and shall not make any such Political Contributions unless and until the required approvals have been secured.
- d) Each Hitachi Group company shall provide to its Board of Directors an annual report that lists the recipients and amounts of all Political Contributions.
- e) Hitachi Group’s workforce may contribute privately to a political organization or candidate of their choice, provided that such payments are made in a purely personal capacity and not on behalf of or implying any endorsement by Hitachi Group.

3. Exceptions to this Protocol

Should any Hitachi Group company wish to adopt stricter or more lenient principles or examples than those outlined in this Protocol, an application must be made in writing to the GHRM, whose decision on such exceptions will be final.

For HHPE – Hitachi Hi-Rel Power Electronics Private Limited, having been incorporated and registered in India, Companies Act, 2013 – a Central Government legislation framed by the Ministry of Corporate Affairs applies and mandatorily applies for all the companies in India. Companies Act, 2013 carries provisions governing political

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contributions, charity, donations, Corporate Social Responsibility and accordingly, provisions of the said Companies Act, 2013 shall prevail in case there is a conflict with any of the clauses of this Charitable Donations and Political Contributions Protocol.

4. Hitachi's Expectations

Anti-bribery and anti-corruption laws vary in terms of their focus, their stringency and their degree of flexibility. For this reason and to comply with Hitachi's commitment to conducting business in an ethical and legal manner worldwide, this Protocol reflects the highest level of integrity expected of Hitachi Group and its workforce, irrespective of any lesser requirements that may exist in any given region or country in which Hitachi Group does business.

5. Compliance with Disclosure Laws

Executive management of each Hitachi Group company is responsible for ensuring compliance with all national and local disclosure laws in each jurisdiction in which Donations and Political Contributions are made on behalf of that Hitachi Group company.

6. Accounting and Business Records

Many anti-bribery and anti-corruption laws emphasize the need to keep accurate and timely books and records. Trying to hide or disguise bribes or other inappropriate expenditures through false accounting entries is not only against the law, but it will be treated as an exacerbating factor when penalties are being assessed. All records to demonstrate the compliance with this Protocol must be retained in accordance with the relevant rules on retention of compliance related documents of the Hitachi Group.

Contact Finance or Legal & Compliance, if you have any questions as to how to record payments, either made or received.

7. Personal Liability

While companies are fined large amounts for breaches of anti-bribery and anti-corruption laws, penalties for individuals may include both personal fines and significant jail time. Separately, Hitachi Group's workforce who violate this Protocol will be subject

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to disciplinary action, up to and including termination of employment. Prompt and proper disciplinary action must be taken after undertaking proper investigation of all violations of this Protocol, whether actual or suspected, carried out in accordance with the relevant rules on conducting compliance related internal investigations and compliance related disciplinary actions of the Hitachi Group.

8. Suspicions and Reporting Violations

You must report any actual or suspected instance of a breach of this Protocol to Legal and Compliance or to the Hitachi Global Compliance Hotline (“Hotline”), either online or by phone. When using the Hotline, you may report anonymously, unless prohibited by local law. Hitachi will never retaliate against you or tolerate harassment, discrimination or retaliation by others, if you report in good faith.