

**Company Name** Hitachi  
**Industry** ICT (Own operations and Supply Chain)  
**UNGP Core Score (\*)** 8.5 out of 26

Score	Out of	For indicators
<b>Governance and Policy Commitments</b>		
2	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
1	2	A.1.5 Commitment to remedy
<b>Embedding respect and Human Rights Due Diligence</b>		
Embedding respect		
2	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
<b>Remedies and Grievance Mechanisms</b>		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
0	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
<b>8.5</b>	<b>26</b>	

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: UNGC principles 1 &amp; 2: The Company indicates: 'Hitachi, Ltd. became a full member of the United Nations Global Compact in February 2009. Our corporate foundation is the basis for our continuing growth as a global company, and it must meet internationally recognized global standards that go beyond national and regional laws and regulations. We believe that respecting and implementing the 10 principles of the UN Global Compact will build a stronger foundation for our business'. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: UNGPs: The Company indicates that 'Hitachi is committed to meeting the responsibility to respect human rights through implementing the UN Guiding Principles on Business and Human Rights'. [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: UNGC principles 3-6: The Company is a participant of UNGC since 2009. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Explicitly list ALL four ILO for ICT suppliers: The Supplier CSR Guidelines contains requirements for suppliers in relation to discrimination, child labour and forced labour. However, it is not clear whether freedom of association and collective bargaining is respected in all places and contexts, as the commitment states the following: 'In conformance with local law, your company shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities'. Therefore, it is not clear if it requires alternatives for those countries where there are legal restrictions to the exercise of these rights. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: In its Code of Conduct, the Company indicates that it 'will not use child labor that employs children below the minimum working age or forced labor that is against the will of employees'. Also, 'We will not engage in any acts that may impair individual dignity or discriminate'. In its 2019 Sustainability Report, it states that 'In Japan, where labor unions are recognized, for example, we espouse the three fundamental rights of labor unions (to organize, to bargain collectively, and to act collectively). (...) Group companies outside Japan also actively pursue dialogue with individual labor unions and their representatives in accordance with the laws and regulations in each country and region to deepen mutual understanding of employee working conditions and treatment as well as business conditions'. However, it is not clear whether it is committed to respect these rights in all contexts and locations (i.e alternative mechanisms for those countries where there are legal restrictions to the exercise of these rights), as the Company indicates that it respects these rights 'in accordance with the laws and regulations in each country and region'. [Code of Conduct, 2018: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Company indicates that 'the Hitachi Group will endeavour to ensure safe and healthy workplaces under the principle of "Health and Safety Always Comes First". [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: H&amp;S applies to ICT suppliers: The Company indicates in the procurement guidelines that "Your company recognizes that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>worker retention and morale” and has a comprehensive policy on health and safety for suppliers. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</p> <ul style="list-style-type: none"> <li>• Not met: working hours for workers: The Company states in its Supplier CSR procurement guidelines: ‘Workweeks are not to exceed the lesser of either the maximum hours as set by local law or 60 hours per week. Workers shall be allowed at least one day off every seven days.’ However, that applies to suppliers only, not to the Company’s own operations. No evidence found in relation to regular working week hours. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Working hours for ICT suppliers: The Company states in its Supplier CSR procurement guidelines: ‘Workweeks are not to exceed the lesser of either the maximum hours as set by local law or 60 hours per week. Workers shall be allowed at least one day off every seven days.’ However, no evidence found of references to standard weekly hours or the Company explicitly committing to respect ILO conventions on working hours. [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: The Company indicates in its human rights policy that ‘Hitachi is committed to engaging in dialogue with and consulting relevant external stakeholders about addressing potential and actual human rights impacts’. [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Not met: Regular stakeholder design engagement: The Company indicates that ‘Many constructive suggestions and comments were provided by the stakeholders; the major contributions included that we should ensure that the policy highlights our contribution to the realization of human rights as well as to the prevention of human rights violations. Our policy text was updated in light of this feedback’. However, this disclosure is from 2013 and no equivalent information has been found for the last three reporting years. Reports must obey the three-year timeframe. Moreover, in its 2019 Sustainability Report, the Company states: ‘Hitachi organizes stakeholder dialogues in countries and regions around the world to invite opinions on social challenges from stakeholders representing specialized knowledge platforms and ensure that their insights are reflected in the business activities conducted at each of Hitachi’s global businesses and business units’. Nevertheless, it is not clear the Company regularly engages with affected stakeholders and their legitimate representatives in the development or monitoring of its human rights approach. [2013 Sustainability Report, 2014: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
A.1.5	Commitment to remedy	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to remedy: The Company, in its Code of Conduct, indicates that ‘will assess and prevent potential violations of human rights. In the event of such a violation, we will promptly take internal and external actions to correct and remedy the situation’. The human rights policy also states that ‘Where Hitachi identifies that it has caused or contributed to a negative human rights impact, the company will provide for or cooperate in legitimate processes to provide remediation’. [Code of Conduct, 2018: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives: As it is stated above, the Company indicates that ‘will provide for or cooperate in legitimate processes to provide remediation’ where it identifies that it has caused or contributed to a negative human rights impact. However, no specific details found on collaborating with other initiatives that provide access to remedy. [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Work with ICT suppliers to remedy impacts</li> </ul>

## Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to the UN Global Compact. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Senior responsibility for HR: The Company indicates that 'Hitachi, Ltd. Established the Corporate Human Rights Promotion Committee in fiscal 1981 to gauge the impact of business activities on stakeholders' human rights and to deliberate on mechanisms and policies for preventing human rights violations. The executive officer in charge of human capital chairs this body, whose members include representatives from sales, procurement, human capital, CSR, and other corporate units'. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Day-to-day responsibility: The Corporate Human Rights Promotion Committee members 'include representatives from sales, procurement, human resources, CSR, and other corporate units'. Moreover, 'Hitachi is improving its Group-wide human rights awareness based on the guidelines discussed and written by the Corporate Human Rights Promotion Committee. Policies decided through these deliberations are shared with business unit and business site committees, led by business unit presidents and division heads. Each business site provides consultation services through which employees can seek consultation on issues such as sexual harassment and works to ensure that those who come forward are treated with respect and dignity'. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: Day-to-day responsibility for ICT in supply chain: The Company indicates: 'CSR supply chain management and green procurement policies and initiatives are discussed within Hitachi's Value Chain Integration Division, which is headed by the chief procurement officer (CPO) and reports directly to the president of Hitachi, Ltd. Policies and initiatives adopted after this discussion are shared throughout the Group through the Hitachi Group CSR/BCP Procurement Committee, which includes members from business units and CSR/BCP Procurement Committees at key Group companies. (...) We have appointed procurement officers to oversee local procurement in China, the rest of Asia, Europe, and the Americas. These officers carry out activities such as CSR audits, CSR monitoring (self-checks), and CSR procurement seminars in their respective regions'. CSR monitoring covers aspects related to worker's rights at suppliers: 'In fiscal 2017, we incorporated the results of human rights due diligence into the revision of our CSR procurement guidelines for suppliers while also thoroughly revising the questions on the check sheet used in supplier CSR monitoring (self-checks), to better grasp the issues related to workers' rights at suppliers as well as health and safety and the environment'. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations: The Company indicates that 'In fiscal 2014, Hitachi added the perspective of business and human rights to its existing structures and policies and developed guidelines on human rights due diligence that explain procedures for everyday business practices. Based on these guidelines, we initiated human rights due diligence in areas such as procurement in fiscal 2015'. It also indicates that in 2016 it launched human rights due diligence in human resources divisions. 'The operations in those divisions touch on many issues connected to human rights for employees, including working hours, employee treatment, and health and safety. Human rights risks for employees were assessed and prioritized, and mitigation strategies were explored'. Moreover, in its Code of Ethics and Compliance, the Company states: 'We will implement human rights due diligence appropriate to the social circumstances of the countries and regions where we have operations and the nature of our businesses, products, and services there'. However, no further details found about the process/actions taken to identify risks. The Company has a document called Overarching Guidance to Conduct and Routinize Human Rights Due Diligence, however, this document has not been found in publicly available sources. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a> &amp; Code of Ethics and Compliance, 05/2020: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Met: Identifying risks in ICT suppliers: As indicated above, the Company indicates that it carried out due diligence in procurement. 'With the assistance of the non-profit organization Shift, we have created a working group centered on the procurement and CSR divisions'. The 'working group has evaluated human rights risks within the supply chain, set priorities, and considered measures for reducing risks'. In 2017 it incorporates input from various perspectives into the revised CSR monitoring'. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification: The Company indicates that based on the UN Due Diligence Guidelines it initiated processes of analysing, identifying and assessing risks related to human rights. However all the evidence found is related to previous years, no evidence has been found of a description of the process to do this on a regular basis. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts: The Company states in its Sustainability Report: 'Human Rights Due Diligence in Procurement: Starting in fiscal 2015, the Hitachi Group Procurement Division began implementing human rights due diligence based on the Hitachi Group Human Rights Policy. With the assistance of the consulting services of the non-profit organization Shift, we have created a working group centered on the procurement and CSR divisions at Hitachi, Ltd.,[...] The working group has evaluated human rights risks within the supply chain, set priorities, and considered measures for reducing risks.' It also states that in 2016 it has worked with 'outside experts' and that 'in cooperation with outside experts, we will continue to enhance suppliers' understanding of the expectations of Hitachi Group procurement departments'. Although the Company is working with outside experts on human rights issues, all the above applies only to the supply chain, not to its own operations. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Triggered by new circumstances</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context): The Company, in its Human Rights Policy, states: 'Hitachi will develop and implement on going human rights due diligence. Due diligence processes will include identifying and assessing potential and actual human rights impacts'. No evidence has been found of a description of the process for assessing Human Rights risks and impacts or a disclosure of what the company considers its salient HR risks. Nevertheless, the Company acknowledges, in its 2019 Sustainability Report, that the risk of forced labor is expected to be higher in Southeast Asia and acts accordingly. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Public disclosure of salient risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks: The Company states: 'Hitachi will develop and implement on going human rights due diligence. Due diligence processes will include (...) and taking appropriate action to prevent or mitigate risks'. However, no further evidence found of its global system to take action to prevent, mitigate or remediate its salient human rights issues. [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Including in ICT supply chain</li> <li>• Not met: Example of Actions decided: The Company indicates that 'in fiscal 2013 some business sites launched pilot programs for human rights due diligence (...). Based on the results of these pilot programs, in fiscal 2014 we developed a document offering guidelines for implementing human rights due diligence in collaboration with the nonprofit organization Shift'. However, no further evidence found of an example of the specific conclusions reached and actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations. [Hitachi Sustainability Report, 11/2019: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective: The Company states: 'Hitachi will develop and implement on going human rights due diligence. (...) The processes will also entail tracking to ensure the effectiveness of Hitachi's actions to address impacts and risks'. However, no further evidence found of its system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results. [Hitachi Group Human Rights Policy: <a href="http://hitachi.com">hitachi.com</a>]</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including ICT suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns: The Company indicates: 'To account for how Hitachi responds to potential and actual human rights impacts, the group will also develop and implement processes to communicate its findings externally'. However, no further description was found of how it has responded to specific human rights concerns raised by, or on behalf of, affected stakeholders. [Hitachi Group Human Rights Policy: <a href="https://www.hitachi.com">hitachi.com</a>]</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

## Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company states: 'Hitachi has instituted a Compliance Reporting System allowing reports to be made to the compliance section or directly to external lawyers to prevent illegal and unethical behavior, to promptly address infractions, and to enhance its ability to self-regulate.' It indicates that the system is available to its employees and also to by temporary staff and business partners, such as suppliers and distributors. [Hitachi Sustainability Report, 11/2019: <a href="https://www.hitachi.com">hitachi.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: The Company indicates: 'In fiscal 2018, we received 462 reports from all Group companies in Japan and around the world.' However no evidence has been found of statement indicating how many of them were related to human rights and have been filed, addressed or resolved. [Hitachi Sustainability Report, 11/2019: <a href="https://www.hitachi.com">hitachi.com</a>]</li> <li>• Not met: Channel is available in all appropriate languages: The Company indicates that 'The hotline phone and web contacts are operated by professional third parties, are offered in multiple languages and are always available'. No details found, however, on whether it covers all necessary languages, the approximate number of languages (or access to the link where language can be chosen). [Code of Ethics and Compliance, 05/2020: <a href="https://www.hitachi.com">hitachi.com</a>]</li> <li>• Met: Opens own system to ICT supplier workers: As previous indicated, system can be used not only by employees within the Hitachi Group but also by temporary staff and business partners, such as suppliers and distributors. [Hitachi Sustainability Report, 11/2019: <a href="https://www.hitachi.com">hitachi.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Grievance mechanism for community</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages</li> <li>• Not met: Expects ICT supplier to have community grievance systems</li> <li>• Not met: ICT supplier communities use global system</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided: The Company indicates that 'Where Hitachi identifies that it has caused or contributed to a negative human rights impact, the company will provide for or cooperate in legitimate processes to provide remediation'. However, no evidence was found of a description of the approach the Company takes to provide remedy. [Hitachi Group Human Rights Policy: <a href="https://www.hitachi.com">hitachi.com</a>]</li> <li>• Not met: Says how it would remedy key sector risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

## Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• Headline: Cal-Comp Electronics accused of sourcing from recruitment agencies linked to systematic exploitation of migrant laborers in Thailand</li> <li>• Area: forced labour</li> <li>• Story: October 2018, Electronics Watch released a report which found that many migrant workers at Cal-Comp Electronic's manufacturing operations in Thailand remain at a heightened risk of exposure to conditions of forced labour. The report notes that despite changes undertaken by the company in 2016, migrant workers from Myanmar continue to report excessive recruitment fees, in excess of the 79 Euro limit they should have to pay under Myanmar regulations, which are being required by recruitment agencies in Thailand. The report notes that "In some cases workers have reported nearly €700 in recruitment related service fees or costs, equivalent to more than two months salary". Hitachi is among the prominent brands alleged to source from Cal-Comp Electronics. In response to the allegations, Hitachi Group stated "According to our investigation, although we have no direct transaction with them [Cal-Comp Electronics], we purchase electronic devices from companies listed in the report. The request is made for corrective action and received the reply that the requirement is made to Cal-Comp. Hitachi acknowledges that the human rights are threatened by the forced labor in Thailand and other South East Asia and has recently translated Hitachi Group CSR Procurement Guideline in Thai in an effort to further minimize the human rights risk... Hitachi is committed to consider human rights as a priority in our business activity, and will continue calling our suppliers for more engagement and compliance of the Guideline to ensure that human rights abuse including forced labor does not happen in our supply chain. Cal-Comp Electronics has not responded publicly to the allegations.</li> <li>• Sources: [Electronics Watch - 10/2018: <a href="https://business-humanrights.org">business-humanrights.org</a>][BHRRC - 10/2018: <a href="https://business-humanrights.org">business-humanrights.org</a>][Electronics Watch - 02/2020: <a href="https://electronicswatch.org">electronicswatch.org</a>]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public response available: The company provides a response to the allegations, stating "According to our investigation, although we have no direct transaction with them [Cal-Comp Electronics], we purchase electronic devices from companies listed in the report. The request is made for corrective action and received the reply that the requirement is made to Cal-Comp. Hitachi acknowledges that the human rights are threatened by the forced labor in Thailand and other South East Asia and has recently translated Hitachi Group CSR Procurement Guideline in Thai in an effort to further minimize the human rights risk... Hitachi is committed to consider human rights as a priority in our business activity, and will continue calling our suppliers for more engagement and compliance of the Guideline to ensure that human rights abuse including forced labor does not happen in our supply chain." [Hitachi response to Cal-Comp Electronics allegation, 15/05/2019: <a href="https://business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail: The company's response does not provide sufficient detail. [Hitachi response to Cal-Comp Electronics allegation, 15/05/2019: <a href="https://business-humanrights.org">business-humanrights.org</a>]</li> </ul>
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised: The Company's Code of Conduct states "We will hire employees in compliance with the relevant laws and regulations in each country and region, and in accordance with international norms and standards. We will not use child labor that employs children below the minimum working age or forced labor that is against the will of employees...In selecting suppliers, we will thoroughly review the quality, reliability, delivery time, and price of the materials they provide as well as their business stability and technological capability. We will give due consideration to their adoption of social responsibility practices, including areas such as the abolition of unfair discrimination, the elimination of child labor and forced labor, and environmental conservation." [Hitachi Group CSR procurement guidelines, 01/2017: <a href="https://hitachi.com">hitachi.com</a> &amp; Code of Conduct, 2018: <a href="https://hitachi.com">hitachi.com</a>]</li> <li>• Met: Policies apply to the type of business relationships involved: The Company's Procurement Guidelines state "Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery labor or trafficking of persons shall not be used. This includes transporting, harboring, recruiting, transferring or receiving persons by means of threat, force, abduction or fraud for labor or</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>services." [Code of Conduct, 2018: <a href="http://hitachi.com">hitachi.com</a> &amp; Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies address the specific rights in question: The Company indicates in the procurement guidelines that "Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker" [Hitachi Group CSR procurement guidelines, 01/2017: <a href="http://hitachi.com">hitachi.com</a>]</li> </ul>
E(1).3	The Company has taken appropriate action	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Encourages linked business to engage affected stakeholders: The company says "According to our investigation, although we have no direct transaction with them [Cal-Comp Electronics], we purchase electronic devices from companies listed in the report. The request is made for corrective action and received the reply that the requirement is made to Cal-Comp...Hitachi is committed to consider human rights as a priority in our business activity, and will continue calling our suppliers for more engagement and compliance of the Guideline to ensure that human rights abuse including forced labor does not happen in our supply chain. [Hitachi response to Cal-Comp Electronics allegation, 15/05/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> <li>• Met: Provides remedies to affected stakeholders: In February 2020, Electronics Watch announced that Cal-Comp Electronics had paid full compensation to 10,570 migrant workers for the illegal payment of recruitment fees charge by its recruitment agencies. [Electronics Watch report on Cal-Comp Electronics lessons learnt, 28/02/2020: <a href="http://electronicswatch.org">electronicswatch.org</a>]</li> <li>• Not met: Has reviewed management systems to prevent recurrence: Although the company says "According to our investigation, although we have no direct transaction with them [Cal-Comp Electronics], we purchase electronic devices from companies listed in the report. The request is made for corrective action and received the reply that the requirement is made to Cal-Comp...Hitachi is committed to consider human rights as a priority in our business activity, and will continue calling our suppliers for more engagement and compliance of the Guideline to ensure that human rights abuse including forced labor does not happen in our supply chain." There is no further details about how it, or Cal-Comp Electronics, have reviewed their management systems. [Hitachi response to Cal-Comp Electronics allegation, 15/05/2019: <a href="http://business-humanrights.org">business-humanrights.org</a> &amp; Electronics Watch report on Cal-Comp Electronics lessons learnt, 28/02/2020: <a href="http://electronicswatch.org">electronicswatch.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims: Although remedy has been provided to 10,570 workers, Electronics Watch notes that the remedy is not complete, stating that "Ongoing monitoring by Electronics Watch and MWRN suggests that more than 1,000 workers employed in one legally separate division were bypassed and have not received compensation for the recruitment fees they paid as of the time of this writing. Tracking down former workers who are owed reimbursement is also an ongoing process in which MWRN and others who can communicate with former workers have a vital role." [Electronics Watch report on Cal-Comp Electronics lessons learnt, 28/02/2020: <a href="http://electronicswatch.org">electronicswatch.org</a>]</li> <li>• Met: Has improved systems and engaged affected stakeholders: Electronics Watch notes that a number of improvements have been made by Cal-Comp Electronics, stating "Since 2017, migrant workers employed by Cal-Comp hold their own passports and work permits. These workers were directly employed by Cal-Comp rather than by an agency and have contracts of employment in their native languages...migrant rights trainings and modification of recruitment agent contracts to comply with the HP prohibition on charging workers recruitment fees and collecting their passports and work permits, as well as additional worker communication and training on pay-slip content, voluntary overtime and the chemicals they use in the manufacturing process... Cal-Comp has also stopped hiring migrant workers until they have developed an ethical recruitment policy designed to ensure no worker pays for their job at Cal-Comp." [Electronics Watch report on Cal-Comp Electronics lessons learnt, 28/02/2020: <a href="http://electronicswatch.org">electronicswatch.org</a>]</li> </ul>

## Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information



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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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