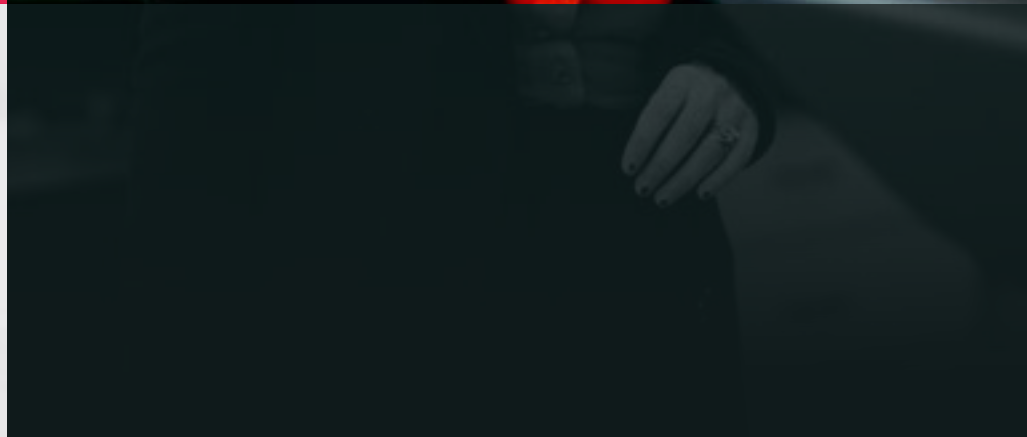


HITACHI RAIL

Ethics & Compliance at Hitachi Rail

A Summary of our Programme



[HITACHIRAIL.COM](https://www.hitachirail.com)

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Our Code:

At Hitachi Rail, we know that by conducting our business ethically and responsibly, we create value for our stakeholders. We care deeply about our workforce, business partners, communities, and others. The Hitachi Group Code of Ethics and Business Conduct (our Code) is an essential reference tool that guides our workforce. Hitachi Rail provides mandatory training annually to its workforce - senior management and all employees - on our Code.

Hitachi Rail similarly expect business partners that we transact, or have business relationships with, to conduct business ethically and responsibly. Our Expectations of Business Partners details the ethical and fair business conduct that we expect of them.

Our Compliance Programme:

Hitachi Rail maintains a culture of integrity and values its reputation for the highest standards of sincerity, accountability, and lawful, ethical conduct. Maintaining this reputation is essential to ensuring the continued trust and confidence of our business partners and the wider community.

The Hitachi Rail Compliance Programme develops and maintains this culture by implementing measures to **prevent, detect** and **respond** to compliance risks and misconduct.

Our Compliance Programme, as documented in our internal Global Business Management System, consists of three pillars:

- ▶ Architecture — how the Programme is structured;
- ▶ Implementation — how the Programme is deployed; and
- ▶ Effectiveness — how the Programme works in practice.

This infrastructure provides for governance and oversight as well as the necessary framework and tools to manage, measure, and improve the Compliance Programme to identify and mitigate potential risks to the Company. Our Compliance Programme is benchmarked periodically against industry and global best practices and aligns to Hitachi Group compliance standards, including the U.S. Department of Justice's requirements¹ for an effective ethics and compliance programme.

Our Compliance Policies & Procedures:

The Hitachi Rail Compliance Programme includes **internal policies and procedures** that define ethical conduct requirements for Hitachi Rail's workforce, ultimately mitigating compliance risks across the organisation.

These compliance policies and procedures provide guidance and set requirements for Hitachi Rail's workforce, or others when representing or conducting business on behalf of the Company. Our policies and procedures seek to ensure Hitachi Rail's compliance with all laws and regulations in effect wherever we do business. The requirements articulated in our policies and procedures are summarised below:

Anti-Bribery & Anti-Corruption — We refuse to pay or accept bribes. We act with integrity when engaging with public officials and the private sector. We do not pay fictitious or ambiguous expenses. We prohibit 'grease' payments and do not make political donations. We know and screen business partners.

- ▶ **Business Courtesies** — We do not give or accept business courtesies (gifts, travel, entertainment) to influence business decisions and ensure compliance controls for pre-approvals.
- ▶ **Donations and Sponsorships** — We review donations and sponsorships to avoid the perception of bribery or corruption, we only give to or sponsor eligible and legitimate recipients, and we ensure any donations or sponsorships are aligned to our Hitachi strategy and values.

Anti-Money Laundering — We only conduct business with reputable customers, involved in genuine business activities and whose funds come from legitimate sources. We implement controls to prevent, detect and respond to money-laundering risks.

Books & Records — We present honest and accurate financial and business records that reflect the economic and commercial substance of our business activities, consistent with Company accounting and financial management rules and policies.

Compliance Due Diligence — We act with integrity and expect the same of those with whom we do business. We screen our business partners and customers to ensure they operate to the highest standards of integrity and quality.

Conflicts of Interest — We avoid conflicts of interest, or the perception thereof and always make decisions based on what is objectively best for the Company, rather than ourselves.

¹Evaluation of Corporate Compliance Programs, U.S. Department of Justice Criminal Division, March 2023, www.justice.gov/criminal-fraud/compliance.

Export and Trade Compliance — We comply with national and international export control regulations that control the cross-border transfer of our products and services, as well as any economic sanctions and customs laws and regulations.

Fair Competition — We compete fairly in the marketplace and do not inappropriately share information or enter agreements to divide or allocate markets or customers, fix prices, manipulate bidding, or abuse or exploit our market position for unfair advantage.

Fraud Prevention — We prevent and detect fraud by maintaining a secure and transparent business with appropriate controls and segregation of duties.

Modern Slavery — We are committed to maintaining a culture of integrity and openness in all our business dealings and relationships. We take reasonable measures to minimize risks of modern slavery and forced labour in our business, operations, and value and supply chains.

Privacy and Personal Data Protection — We respect individual's privacy rights. We responsibly handle personal data entrusted to us. We provide a high level of protection of personal data and use, store, and protect data in compliance with relevant laws and regulations.

- ▶ **Data Protection Impact Assessments** — We collect, handle, and protect personal data responsibly.
- ▶ **Personal Data Breach Incident Management** — We protect personal data we process and take precautions to protect it from unauthorised access and disclosure.
- ▶ **Data Subject Access Requests** — We respect individuals' rights regarding their personal data.

Intellectual Property — We rigorously protect the intellectual property that we create, acquire, and use and we respect the intellectual property rights of others. We apply the same high standards of protection to any third-party intellectual property in our custody.

Respectful Workplace — We provide a respectful, safe, dignified, and supportive environment for our workforce. We embrace our diversity and promote trust and fairness. We do not tolerate workplace-related discrimination and harassment.



Whistleblowing & Speak-Up — We promote a speak-up culture whereby anyone can report, in good faith, actual or suspected violations or breaches of laws, regulations, our Code of Ethics and Business Conduct, or our policies. We do not tolerate retaliation.

The Compliance function may, from time to time at its discretion, supplement this list with additional policies and procedures if a risk assessment identifies additional risk areas or changes in the business, or if relevant laws and regulations mandate it.

All our internal compliance policies and procedures are readily available to our workforce on a dedicated ethics and compliance section on our intranet, and Hitachi Rail provides annual training to its workforce on all topics covered by our internal policies and procedures.

Whistleblowing & Speak-Up: How to Report Concerns

Actual or suspected violations of laws, regulations, the Code, and/or Hitachi Group or Hitachi Rail policies can be reported to speak-up channels. Anyone internal or external to the Company can report via the **Global Compliance Hotline** or any other eligible speak-up channels, including Hitachi Rail Managers, members of the Legal & Compliance or Human Resources teams, and supervisory bodies for Hitachi Rail STS SpA at adv@hitachirail.com, and for Hitachi Rail Spain at odc_spain@hitachirail.com.²

The **Hotline** is available 24/7 and anyone can file a report online, or by telephone using one of the local numbers listed. You can report anonymously where permitted by law, and Hitachi Rail has a zero tolerance for retaliation of any kind against persons who report concerns in good faith.

If you have Questions about the Hitachi Rail's Whistleblowing & Speak-Up Programme, reach out to us at SpeakUp@Hitachirail.com.

²See our [Privacy Notice](#) for non-hotline speak-up channels.

Supervisory Bodies and Organisation, Management and Control Models:

Supervisory bodies, in keeping with the principles of autonomy and independence, are constituted for Hitachi Rail entities or operations where required in accordance with local laws and regulations. Supervisory bodies generally are responsible for carrying out the internal control process designed to provide reasonable assurance regarding effective and efficient operations; reliable financial reporting; and compliance with applicable laws and regulations. Hitachi Rail entities meet the threshold requirements for supervisory bodies under local law and regulation in Italy, Spain, and Germany.

Where appropriate, Hitachi Rail adopts appropriate measures to prevent liability in accordance with local laws with the implementation of specific protocols and control models.

This includes the **Organisation, Management and Control Model ("Model 231")** in accordance with Italian Legislative Decree 231/01 for Hitachi Rail STS SpA, designed to prevent potential crimes committed by Directors, Statutory Auditors, executives, employees or any person that has a contractual, financial or commercial relationship with Hitachi Rail. The "Model 231" is regularly updated following regulatory and organisational changes. Furthermore, this regulatory framework is replicated to different geographical areas when required, with consideration of relevant national specificities.

Hitachi Rail also adopts appropriate measures and models, where required, aligned to local legal requirements and supervisory bodies for entities in Spain and Germany.

Please see our [Supervisory Bodies and Organisation, Management and Control Models section](#) for latest, relevant information and control models.

Our Regulatory Reporting:

Hitachi Rail complies with regulatory requirements to publicly provide statements or reports in jurisdictions where this is required as it relates to modern slavery or forced labour, supply chain due diligence, and gender pay gap or equality indexes. Public statements or reports related to other areas may additionally be added in keeping with any changes in the regulatory landscapes where Hitachi Rail operates. Please see our [Regulatory Reporting section](#) for the latest statements or reports.

This summary was prepared and issued by Hitachi Rail's Group Chief Compliance Officer on 5 July 2024.



Jaclyn Jewell

Hitachi Rail Group Chief Compliance Officer

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