Hitachi Rail

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2026 Annual Compliance Report

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Chief Executive Officer Foreword

Together with Safety and Quality, Compliance is a top priority at Hitachi Rail, with zero compromise.

We are continuing to strengthen our ethical culture and compliance program across Hitachi Rail. As with every key part of our business, **we measure progress, review performance, and act** on what the data tells us. Over the past fiscal year, our **Compliance Program** has matured in response to a more complex risk and regulatory environment. Our **Compliance Team** has also evolved to support our broader footprint and employee base, providing clear, practical guidance across the regions where we operate.

Most importantly, we must continue to protect, promote, and live a strong culture of compliance every day. This means:

- **acting with integrity and transparency** in the decisions we make every day;
- **speaking up** when we see something wrong and driving **authentic respect and belonging**, and
- **innovating confidently and collaboratively** while respecting legal and regulatory requirements.

I ask each of you to read this report and consider the role you play in continually strengthening our culture of compliance across Hitachi Rail.

Giuseppe Marino, Group Chief Executive Officer

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Chief Compliance Officer Introduction

I am pleased to present Hitachi Rail's third Annual Compliance Report.

This report covers the period 1 April 2025 – 31 March 2026 (fiscal year 2025, "FY25" hereafter). FY25 was an important year for our Compliance Program. Following post-merger integration and increased management focus, we strengthened the Program to **support enterprise-level change**, clearer accountability, and a more consistent approach across Hitachi Rail.

We established a **clear operating model** that positions the Compliance Team to support our expanded footprint while maintaining stability, transparency, and sound judgement in a complex and fast-changing environment.

We reviewed key Program areas harmonizing legacy processes and cultures, creating a strong foundation to continue building a unified Program in FY26. The vision is set for a **Program that is scalable, data-informed and digitally-enabled** to deliver strong **execution and optimization,** while continually building trust.

We are moving **from awareness to ownership**. Compliance is everyone's business, and we all have a role to play in protecting our people, our business, and our reputation.

Our focus remains simple: **integrity in all we do,** every day.

Jaclyn Jewell, Group Chief Compliance Officer

Executive Summary

Hitachi, Ltd., one of the 2026 World's Most Ethical Companies®

Hitachi Rail[1] is honored to be associated for the second time with this prestigious annual recognition which was given by Ethisphere to only 138 companies worldwide this year.

This award reflects our collective dedication, at all Hitachi companies, to upholding the highest standards of compliance, transparency, and corporate responsibility across the world.

From awareness to ownership; we all own Compliance

In FY25, we shifted from reinforcing control requirements to embedding a clear message: ethics and compliance is everyone's business. Through a Playbook project, we engaged **leaders and partner functions** on their roles in supporting and owning a secure, ethical, and compliant business and associated controls.

We also increased **management-level focus**, engagement, and oversight through enhanced reporting to governance and control bodies. Our CEO and leaders **increased tone-from-the top messaging** reinforcing Compliance as a top priority.

Internally, during a demanding post-merger phase, we reviewed ways of working and are on our way to **standardizing how we execute** compliance tasks across the team to improve efficiency and risk management.

Building trust and improving engagement

We continued to **build trust**. Participation in our voluntary **ethical perceptions survey** rose by more than 20%. Perceptions of **organizational justice** and pressure improved by more than 10%, while perceptions of **leadership** and the **Compliance function,** by more than 5%.

Speak-Up volume increased by 36%, indicating stronger trust in the system and **confidence to raise concerns**.

Employees continued to engage with **accessible content and training**, with 97.3% completing annual Code training.

We strengthened **privacy risk management** by completing data protection impact assessments for all new initiatives, reinforcing trust and ensuring appropriate management of employee, customer, and supplier personal data.

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[1] A group company of Hitachi, Ltd., one of the 2026 World's Most Ethical Companies®

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Compliance at a Glance – Key Facts and Figures

Governance and Oversight

Reports to the Audit and Compliance Committee
(Committee Chairman reports to the Board)

3

Leadership briefings

4
CEO Updates

40
Other Leadership Updates (Executive Committees, local entity Boards of Directors, global and senior leadership teams)

Other reporting

40
Reports to external and statutory auditors (where appointed), Hitachi Internal Audit Office and Hitachi Global Compliance Office, contributions to integrated annual Hitachi Rail Sustainability Statement

Business Partner Due Diligence

Business Partners screened

5
Agents

83
Partners (JV or consortium)

157
Customers

1,660
Suppliers or subcontractors screened

Rejected or conditionally approved Business Partners

13
Business partners rejected due to integrity concerns

171
Conditionally approved Business Partners (subject to action plans)

Speak-Up and Investigations

Reports received and triaged

222
Over 190 required investigation

YoY volume increase

36%
A 192% increase compared to FY23

Reported anonymously

39%
YoY decrease of 1%

Confirmed violations*

36%
Closed reports with substantiated or partially substantiated outcomes

Corrective actions

119
42 disciplinary (8 exits, 29 warnings, 5 other); 44 trainings; 12 controls created or revised; 21 other actions

* Some 29 FY25 cases open and pending outcomes at time of reporting

Compliance Controls

Business courtesies reviewed

1,396

Business courtesies given and accepted

1,117 given 275 accepted

Business courtesies with public officials

412
Giving and accepting

Donations and sponsorships reviewed

109
A 34% YoY increase

Conflicts of interest reviewed

46
Disclosures; 20 with guidelines given for conflict mitigation or management

Engagement and Training

160+
In-person, virtual or hybrid Compliance-led trainings, communications and engagements

23,000+
Employees completed Code training

13,700+
Employees participated in the voluntary ethical perceptions survey

Trade Compliance

35
Export licenses used

Privacy

50
Countries with data protection coordinators

29
DPIAS conducted

Framework

2

Program Design

The Compliance Program is structured optimally, deployed effectively, and embedded in practice.

The Compliance Program provides the framework and tools to **manage, measure, and improve** performance, helping identify and mitigate potential risks to Hitachi Rail.

The Program's architecture is aligned with Hitachi, Ltd. corporate requirements and **mapped against best practice and recognized guidance**, including from the U.S. Department of Justice and the European Union.

During FY25, the post-merger environment, complex operating landscape, and rapidly changing regulatory requirements called for **focus and stability** across the Program and team.

Core program areas, including anti-bribery and anti-corruption, speak-up and investigations, privacy, and due diligence, continued to mature under the global leadership of the Chief Compliance Officer Jaclyn Jewell. Emerging digital regulation, trade controls and sanctions, and fair competition were centralized under Senior Director Francesco Savino to centralize leadership and **strengthen coordination**.

Governance and Oversight

Governance bodies regularly review the Compliance Program and its effectiveness.

The Compliance Team requires **autonomy** to implement the Program effectively, supported by **independent oversight**.

The Senior Executive Committee (SEC): The SEC advises the CEO on key issues and matters requiring Hitachi, Ltd. corporate approval. From April 2026, the CCO reports **monthly** to the SEC on the Program and key issues.

The Audit and Compliance Committee (ACC): The CCO reports regularly to the ACC, whose independent Chair reports to the Board. The ACC meets six times each year; during the reporting period, the CCO submitted and presented **three** reports.

Management: The CCO has direct access to the CEO when needed and provides **quarterly** reports and updates as part of regular Program review.

Additionally, **ad-hoc Compliance reports and updates** are provided to relevant Executive Committees, Supervisory Bodies, local entity Boards of Directors, and internal, external, and statutory auditors.

Resourcing and Organization

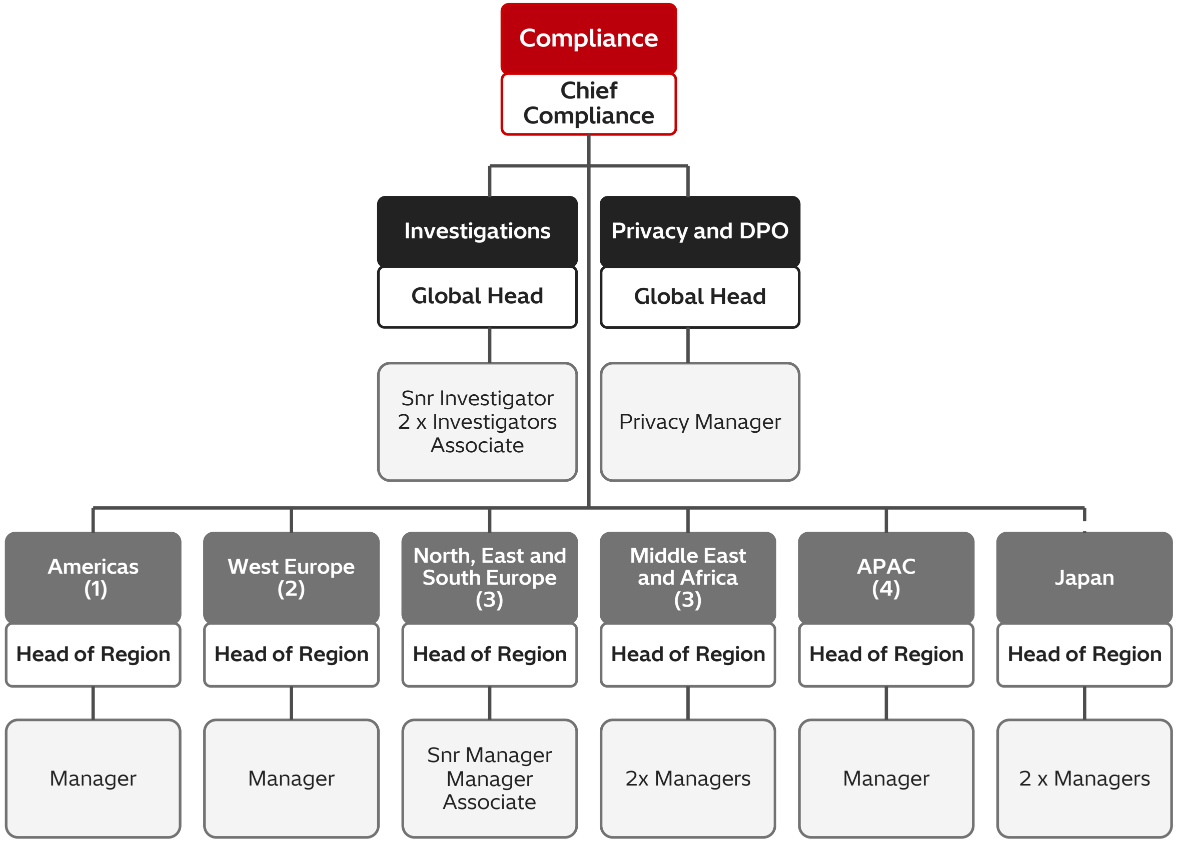
A clear, integrated Compliance operating model is providing structural clarity and momentum.

In FY25, we deployed and communicated the **Compliance 2.0 operating model**, matrixing **regional coverage with global central priorities** to support business continuity across all operating regions. Central priorities may be topical (e.g., anti-bribery) or programmatic (e.g., due diligence) and remain flexible to reflect team capabilities, emerging risks, and business needs.

The model reflects our expanded footprint, including new regions, and is delivered by a 23-member Compliance Team focused on **collaboration and execution** across its risk remit.

The CCO **refreshed the function's job architecture**, defining team structure, roles, job levels, and career pathways. The framework supports effective compliance management through specialist programs for investigations and privacy, and regional leadership with central priorities.

It also captures required cross-functional partnerships, systems, and tools to leverage for best practice execution and **future optimization**.



(1) Central lead for Governance and Advisory
(2) Central lead for Training and Communications
(3) Central lead for Commercial, Due Diligence and Risk
(4) Central lead for Operations

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Our Policies and Procedures Framework

Our Code and policies and procedures provide clear expectations on ethical behavior, legal compliance, and corporate responsibility:

1 The Hitachi Group Code of Ethics and Business Conduct

- Hitachi **corporate requirement**; alignment to Hitachi Values
- Global **standard on behavior and ethical conduct** requirements
- Sets **expectations of leaders and employees** alike
- Foundation for global Hitachi Rail policies and controls to **supplement and enforce it**

2 Global Hitachi Rail Policies and Procedures

- Global commitments and requirements to **comply with applicable laws and regulations** wherever we operate
- Common Hitachi Rail requirements; **same rules for all** regardless of location or line of business
- Calls out **duties of various internal functions** to ensure compliance
- Provides **for impact of non-compliance,** and consequence management

Applied across six compliance domains — detailed on the next page

detailed on the next page

Acting with Integrity	Operating Ethically	Safeguarding Privacy and IP	Protecting Employees	Business Partners	Trade Compliance

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Policies and Procedures

Acting with Integrity

Anti-Bribery and Anti-Corruption — we refuse to pay or accept bribes

Business Courtesies — no gifts, travel or entertainment that could influence decisions

Donations and Sponsorships — reviewed to avoid any perception of corruption and recipient legitimacy

Conflicts of Interest — we avoid conflicts, and the perception of them

Books and Records — honest, accurate records of our business

Operating Ethically

Anti-Money Laundering — we deal only with reputable customers and legitimate funds

Fair Competition — we compete fairly in the marketplace

Fraud Prevention — strong controls and segregation of duties prevent fraud

Modern Slavery — we minimize risks of forced labor across our supply chains

Safeguarding Privacy and IP

Privacy and Data Protection — we handle personal data responsibly

Impact Assessments — we assess and protect personal data before we collect it

Breach Management — we act fast to contain and protect personal data

Data Subject Requests — we respect individuals' personal data rights

Intellectual Property — we protect our IP and respect that of others

Protecting Employees

Respectful Workplace — a safe, dignified and inclusive environment free of harassment

Whistleblowing and Speak-Up — we encourage speaking up and do not tolerate retaliation

Business Partners

Compliance Due Diligence — we screen partners for integrity and quality and vet third parties against ethical standards; we protect the business against reputational risk (harmonized policy forthcoming)

Trade Compliance

Export and Trade Compliance — we comply with export controls and sanctions laws

Updated Manual and Playbook — one unified source of trade-control requirements (forthcoming.

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Compliance in Action

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Anti-bribery and Anti-corruption

Business courtesies, donations and sponsorships, and conflicts management

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Anti-Bribery and Anti-Corruption (ABAC) Risk Areas

Specific risk areas covered by our ABAC Policy:

'Grease' Payments

Prohibited under the ABAC Policy unless there is an immediate threat to life, personal safety, security or freedom

Business Courtesies

Pre-approval requirements for gifts, travel and entertainment exchanged with external parties, whether public or private recipients

Charitable Donations

Pre-approval requirements to ensure we only give to legitimate recipients, aligned to Hitachi Values

Sponsorships

Pre-approval requirements to ensure we only give sponsor legitimate events or engagements, aligned to Hitachi Values

Political Donations

Political Donations made by or on behalf of Hitachi Rail are prohibited under the ABAC Policy

Political Events

Reporting requirements if attending a political event on behalf of Hitachi Rail, under the Conflicts of Interest Policy

Former Public Officials

Hiring must go through normal Company hiring processes and former Public Officials need review under any local 'Revolving Door' laws

Other Employment

Hiring must go through normal Company hiring processes, including for interns and non-paid positions

ABAC Controls

The ABAC Program is supported by disclosure requirements that ensure effective implementation assurance:

Business Courtesies

Pre-approval controls for exchanging business courtesies with external parties for transparent practices and records.

Donations and Sponsorships

Pre-approval controls for making any donations and sponsorships to align to our Values and protect our reputation.

Conflicts of Interest

A consistent approach to managing, documenting and eliminating conflicts of interest.

Overview

These Procedures **define and standardize pre-approval controls** to ensure compliance with ABAC laws when exchanging business courtesies with external parties, making any donations and sponsorships, and managing known/perceived conflicts of interest.

The CoI Policy creates a **consistent approach** to managing and documenting potential conflicts of interest risk across Hitachi Rail, as well as eliminating actual conflicts of interest.

A digital form for business courtesies approvals has been deployed for some entities since 2024. Submissions for donations, sponsorships, conflicts of interest, and business courtesies for acquired entities are managed through manual processes.

Digitalization of all workflows is a **top priority** for the Compliance team. As such, efforts are underway to build a new Compliance portal which will house all three workflows along with the approval workflows required under the Fair Competition Policy.

Despite different technological challenges, with most procedures continuing to be managed manually through word forms and emails, there was a **significant increase in the volume of disclosures and reporting on all fronts** demonstrating improved compliance and engagement.

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ABAC Key Facts and Figures

Business Courtesies

1,396

Business courtesies requests (giving and accepting) reviewed by Compliance in FY25, representing a **33%** YoY increase. Some 1,324 requests, 95%, were approved.

$1.38M

Total value in U.S. dollars of business courtesies given, accepted or declined during FY25, of which **~$1.19M was approved** for giving.

4

The average number of business courtesies approval requests **processed globally, per day**, in FY25.

Donations and Sponsorships

+51%

FY25 saw more than **double** the count of donations and sponsorship requests compared to FY24.

$1.4M

Value of requests increased by 70% in FY25 compared to FY24 as Hitachi Rail **supported key initiatives in multiple regions**.

4

Requests pertaining to charitable donations in value that triggered a **CEO approval** at the SEC under Hitachi's Corporate Legal Directive and Hitachi Rail's CEO Shortlist.

Conflicts of Interests

2x

Increase in disclosures YoY; 5x increase from our Vehicles entities, and ~2x increase across our Rail Control entities, contextually working for a low baseline of disclosures in FY24.

19

Transparent disclosures related to **external business activities**, representing a significant increase compared to FY24.

16

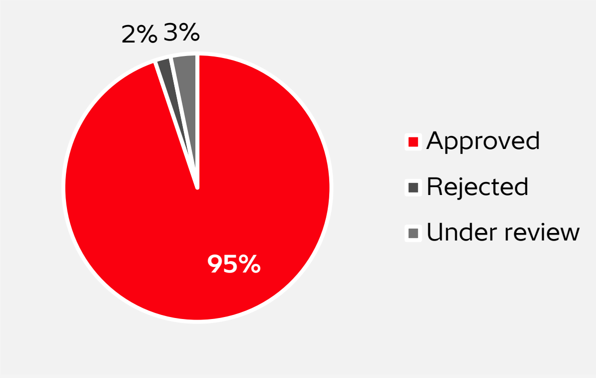
Transparent disclosures related to **external speaking engagements and publications** were reviewed, ensuring Hitachi's confidential information is protected.

Business Courtesies – Giving and Accepting

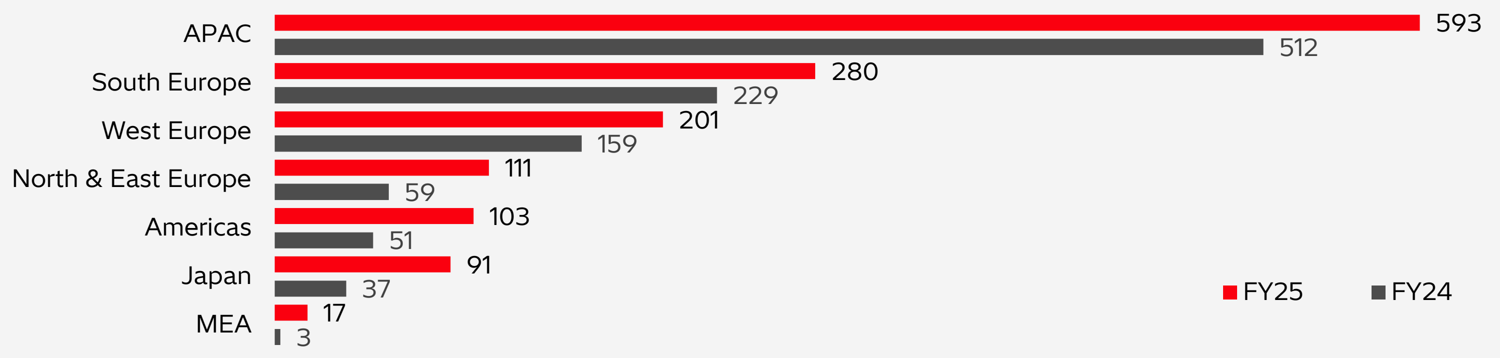
Key Insights

- Only **2% of requests were rejected** indicating that employees consistently demonstrate legitimate business purposes associated with their requests; 80% of 1,324 approved requests involve giving (vs. 20% accepting, <1% declining)
- 30 countries submitted requests; the top five **— Italy, UK, Australia, India and China** — drove ~60% of the FY25 approved requests aligned to clear business justifications and local customs
- Mid-list countries**,** with **dynamic markets**, saw most significant YoY growth: Singapore +1,850% **Thailand** +500%, **Korea** and **UAE** +400%, USA +185%, Hong Kong +130% and Germany +109%
- Eleven countries – including **Egypt, France, Mexico, Canada and Saudi Arabia** – logged five or **fewer requests**, aligned with slower market realities, local restrictions, or underreporting

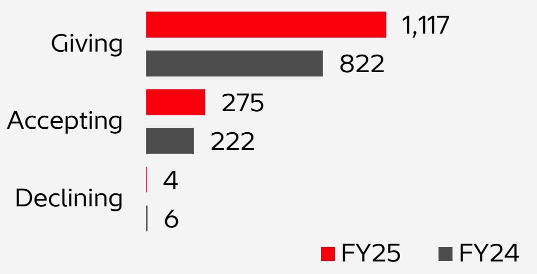
By Approval Status



Requests by Region — FY24 vs FY25



By Type of Courtesy



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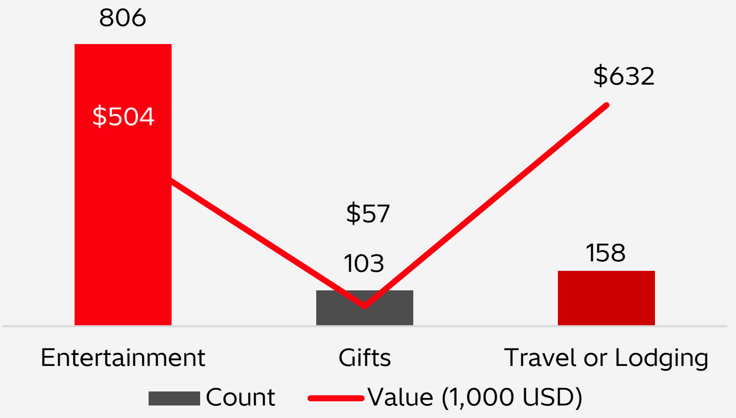
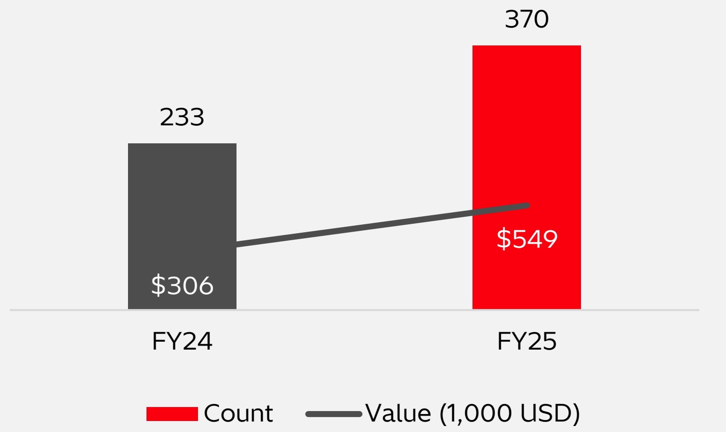
Business Courtesies – Our Giving Practices

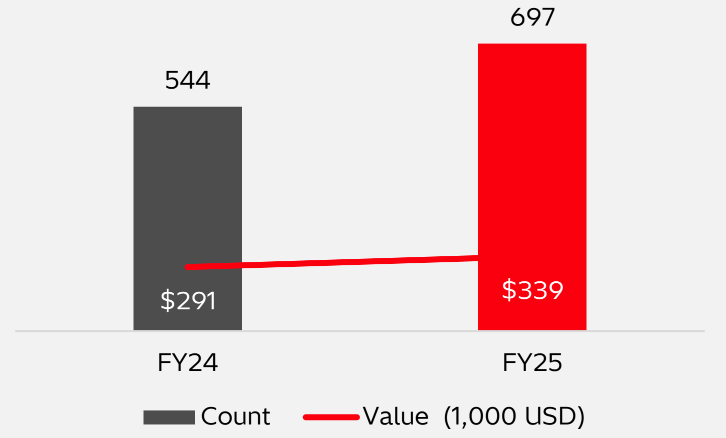
FY25 Approved Giving Requests



YoY to Public Officials



YoY Non-Public Recipients



- 1,067 giving requests were approved; **Entertainment** is 75.5% of approvals (806)
- Travel/Lodging carries the **highest per-request value** and is often mandated by contractual requirements which are carefully reviewed and scrutinized prior to approval

- YoY volume **to public officials rose ~60%** while their value nearly tripled
- Increase is driving by travel and lodging for **contractually required** factory acceptance tests with public customers
- Increased entertainment requests required **constant vigilance** for ABAC risk

- YoY volume to **non-public recipients grew by 20%** while the value rose by 16%
- **Entertainment** to non-public recipients accounts for **77% of all giving** to them
- Notably, **travel and lodging value fell** ~40% for this group

*The values above are not considered complete empirical financial data as the pre-approval process provides an estimate buffer and is not directly linked to financial systems

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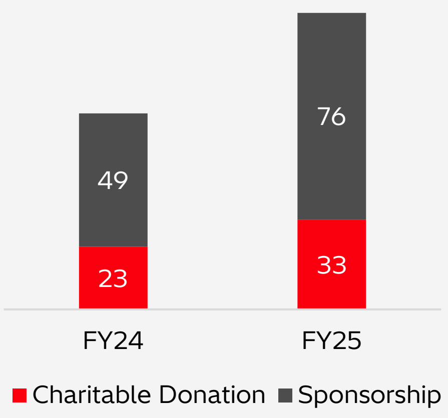
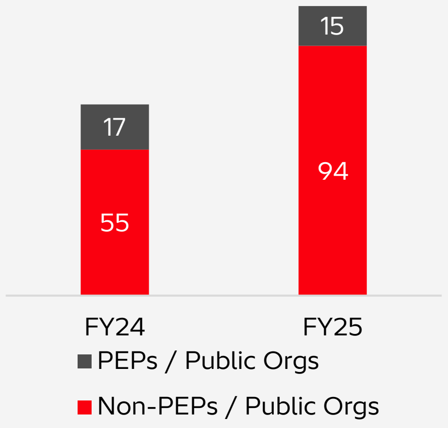
Donations and Sponsorships

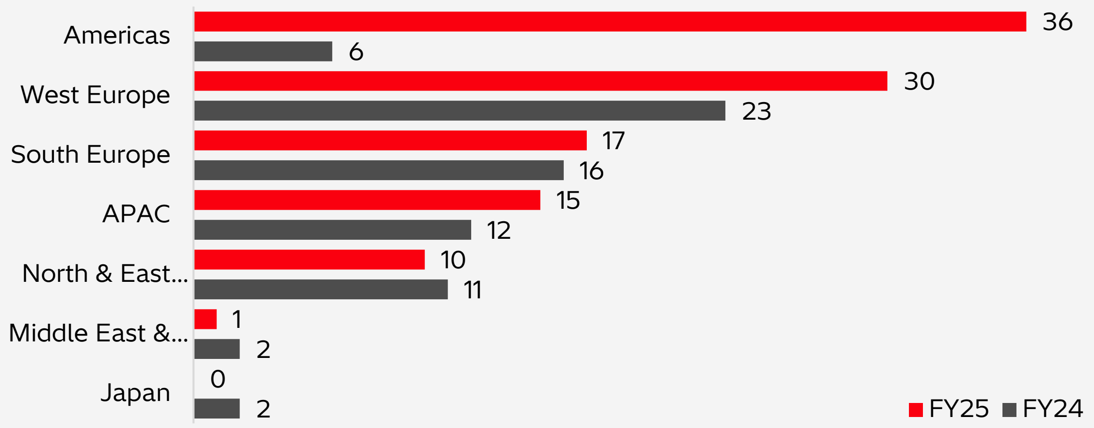
By Type



By Recipient



Requests by Region — FY24 vs FY25

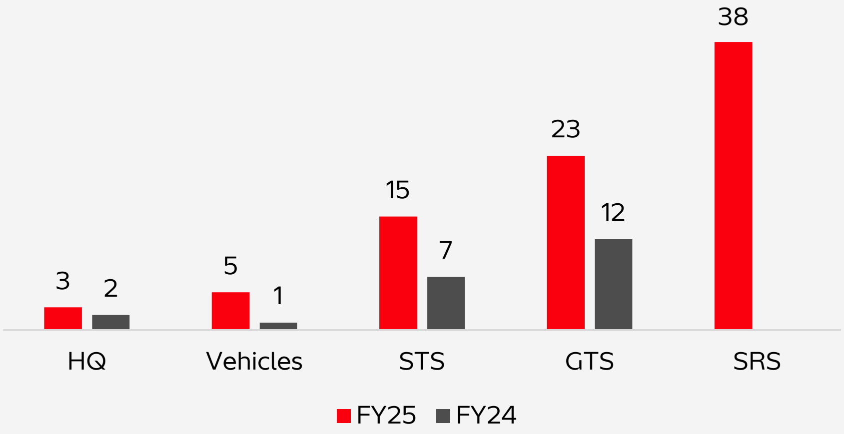


Key Insights

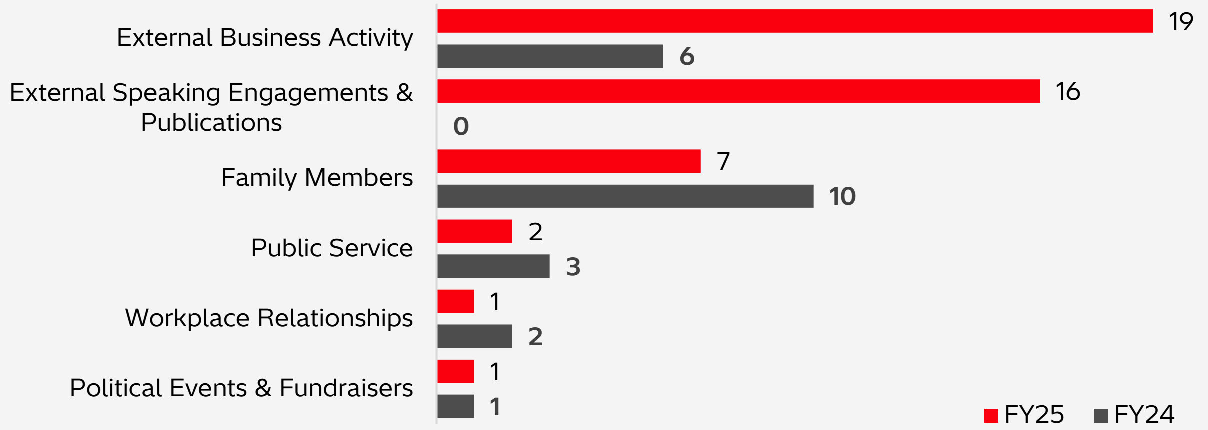
- Zero rejections in FY25 — employees consistently demonstrated legitimate business justification for donations and sponsorships **amplifying Hitachi's Values and our reputation in the communities we serve**
- **Top three locations** — UK ($681K, 28 requests), USA ($219K, 29) and Italy ($130K, 15) — **drove 71% of value and 66% of volume**
- Only **16 locations** logged requests — half the 30 seen for business courtesies; the Compliance team continues driving implementation as the process is not yet digitalized or fully linked to payment systems although allocation is correctly captured in the general ledger
- Total value of **charitable donations tripled** YoY, while sponsorships **value stayed largely** flat in FY25 vis-à-vis FY24
- There were **four high-value requests** that required CEO approval at the SEC: legally mandated corporate social responsibility donations in India, a donation to save the world's oldest railway station in the UK, a donation as directed by a UK government agency, and for a proposed transit funding measure in the US

Conflict of Interest

Disclosures by Line of Business*



Disclosures by Activity Disclosed



Key Insights

- **43% of requests (20 of 46) were approved with guidelines** in FY25 — down from 55% in FY24, reflecting **healthy disclosure habits** and effective Compliance training
- External speaking engagements and publications drew **16 disclosures in FY25 (none in FY24)**, while external business activity disclosures saw a **3x increase**
- Workplace relationships are usually disclosed to HR locally for privacy, but **2 FY25 cases** required disclosure to Compliance by local law
- The Compliance team continues driving implementation and sensitization, and with digitalization underway we expect higher reporting in the coming years and are exploring the optionality to run an annual digital disclosure campaign for all employees

*The STS and GTS lines of business combined in June 2025 to form the Signaling and Rail Solutions (SRS) line of business.

Business Partner Due Diligence Management

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Due Diligence – Towards a Unified Compliance Culture

Business Partner Due Diligence

- Business partners include external companies, organizations, and individuals with whom Hitachi Rail has, or intends to establish, a commercial relationship
- Hitachi Rail conducts due diligence on business partners to **identify, assess, and manage risks** from external relationships, supporting responsible conduct and preventing engagement with unlawful, unethical, or high-risk parties
- Scope and depth follow a **risk-based methodology**, reflecting the nature of the relationship, operating context, and level of potential exposure

Regional Compliance Assessments

- Reviews follow Hitachi Rail's **regional operating structure**, coordinated by the region responsible for project execution rather than the partner's country of origin
- This supports consistent application of the risk-based methodology, **assessing risks in the context in which projects are delivered**
- The regional distribution reflects Hitachi Rail's **diversified operational footprint** and gives visibility over third-party risks across its markets

Strengthening Practices through a Group-Aligned Framework

- During the reporting period, Hitachi Rail continued to strengthen its business partner due diligence framework, aligning practices across Hitachi Rail and legacy GTS operations
- In FY26, a new **Compliance Due Diligence Policy** will establish a **harmonized framework** aligned with Hitachi Group protocols for identifying, assessing, and managing business partner risks
- Developed to Hitachi Rail governance requirements, it will be embedded in the existing compliance and control framework and built into relevant policies, procedures, and standards for **clear accountability and consistent implementation** across the organization
- It will apply across **all Lines of Business and geographies**, replacing legacy practices and reinforcing a unified compliance culture, supported by governance controls, communication, and training
- This marks an **important milestone in post-merger integration**; a single, risk-based approach is expected to improve decision-making consistency, **enhance oversight of third-party relationships, and support integrity and transparency with speed**

Due Diligence Key Facts and Figures

Agents

5

Agents receive the **most stringent due diligence** given their higher inherent risk profile, and their use is limited wherever possible. In FY25, **one resulted in a recommendation not to proceed.** Agents are rescreened annually.

Customers

157

In FY25, Hitachi Rail's Compliance team conducted screening on 157 customers, with **new customers accounting for over 55%.**

Partners

83

In FY25, the Hitachi Rail Compliance team conducted full-scope due diligence on 83 partners, with more than **47% identified as new partners.**

Suppliers and Subcontractors

1,600+

Suppliers and subcontractors were screened at onboarding and escalated to full-scope due diligence where required. In FY25, Hitachi Rail conducted due diligence on **more than 1,600 suppliers and subcontractors.**

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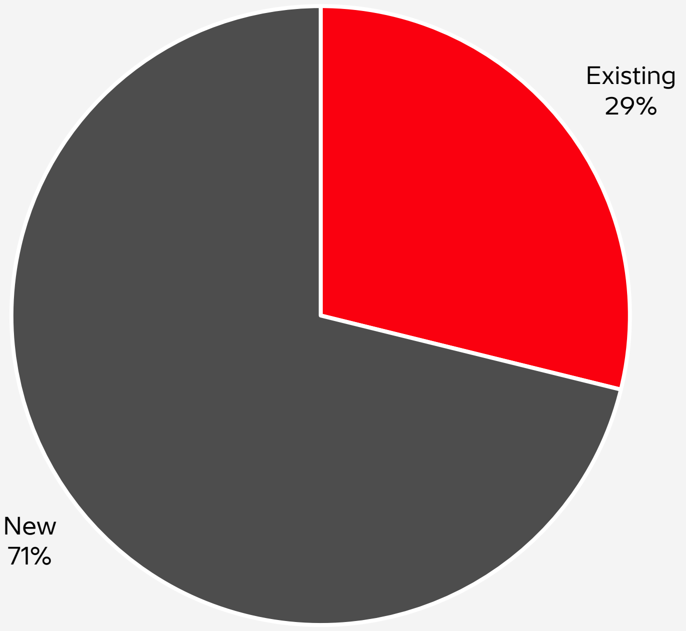
Customer Due Diligence

Key Insights

- Customer due diligence helps us make informed decisions about who we do business with before a relationship begins; **managing risk while enabling business**
- **156 customer relationships** were evaluated in FY25 across **34 countries and 5 regions** — reflecting the breadth of our international business footprint
- **71% were new relationships**, demonstrating robust commercial growth while maintaining rigorous compliance standards
- **Risk-based screening** of prospective customers prevents engagement with unlawful or unethical entities in a proportionate, disciplined way
- Outcomes are **routed through clear compliance, finance and business approvals**, letting deals progress with clarity, recommendations or escalation
- Discipline reinforces **integrity, transparency and responsible business conduct** across our unified compliance culture; that discipline supports confident engagement decisions and helps opportunities progress with fewer downstream issues

Customer Distribution by Type



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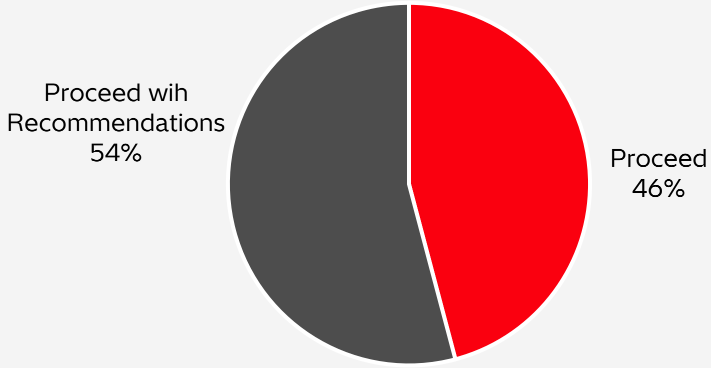
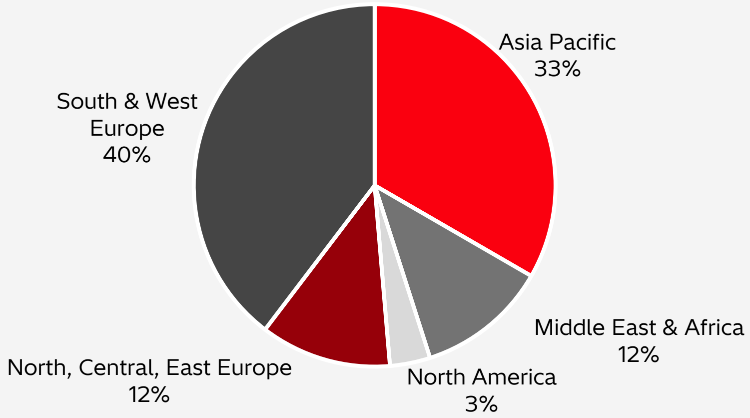
Customer Due Diligence cont.

Customer Due Diligence Outcomes



New Customers by Region



Key Insights

- **54% received conditional approval** with specific compliance recommendations to implement and monitor — a balanced approach that enables business while managing risk
- Conditions often included **reminders to project teams on internal controls** when working with public customers, e.g., filing business courtesies
- **New relationships spanned five major regions** in FY26, reflecting strong geographic diversity
- **Germany (18), Malaysia (9) and the UK (8)** led new-customer onboarding, reflecting strategic market development with consistent compliance standards

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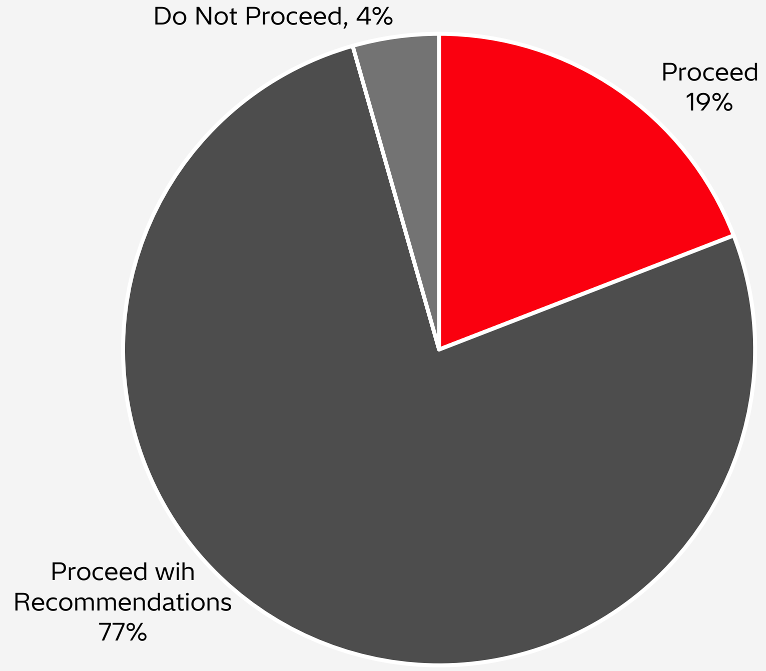
Partner Due Diligence

Key Insights

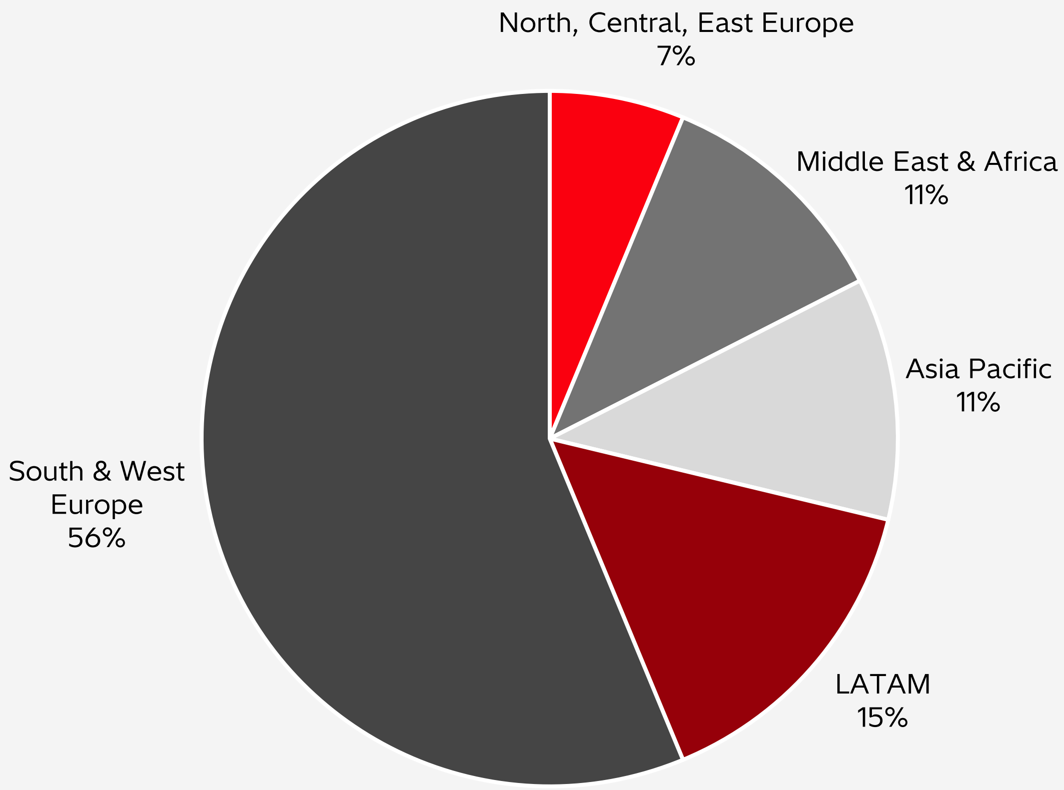
- Partners jointly bid or execute projects, including joint venture, consortium, co-development, or as special purpose partners and entities; partnerships undergo **rigorous due diligence** to protect Hitachi Rail's interests
- Some **83 partnerships across 24 countries** were evaluated in FY25 under a rigorous, comprehensive assessment framework
- **71.6% underwent formal screening** using existing tools and open-source intelligence searches
- **85.4% completed Full Scope Due Diligence** for higher-risk relationships
- These completion rates demonstrate the robustness of our compliance framework and the organization's commitment to thorough third-party risk assessment before entering business relationships
- The **96% partner approval rate during FY25** reflects the effectiveness of our due diligence processes and the quality of prospective partners identified by business development teams
- **Three partners were declined** due to unacceptable risk profiles identified during due diligence
- In some instances, subcontractors that meet a specific percentage or scope of total contract value are also elevated for partner equivalent due diligence

Partner Due Diligence Outcomes



Partner Due Diligence cont.

Partners Assessments by Region



Geographic Distribution

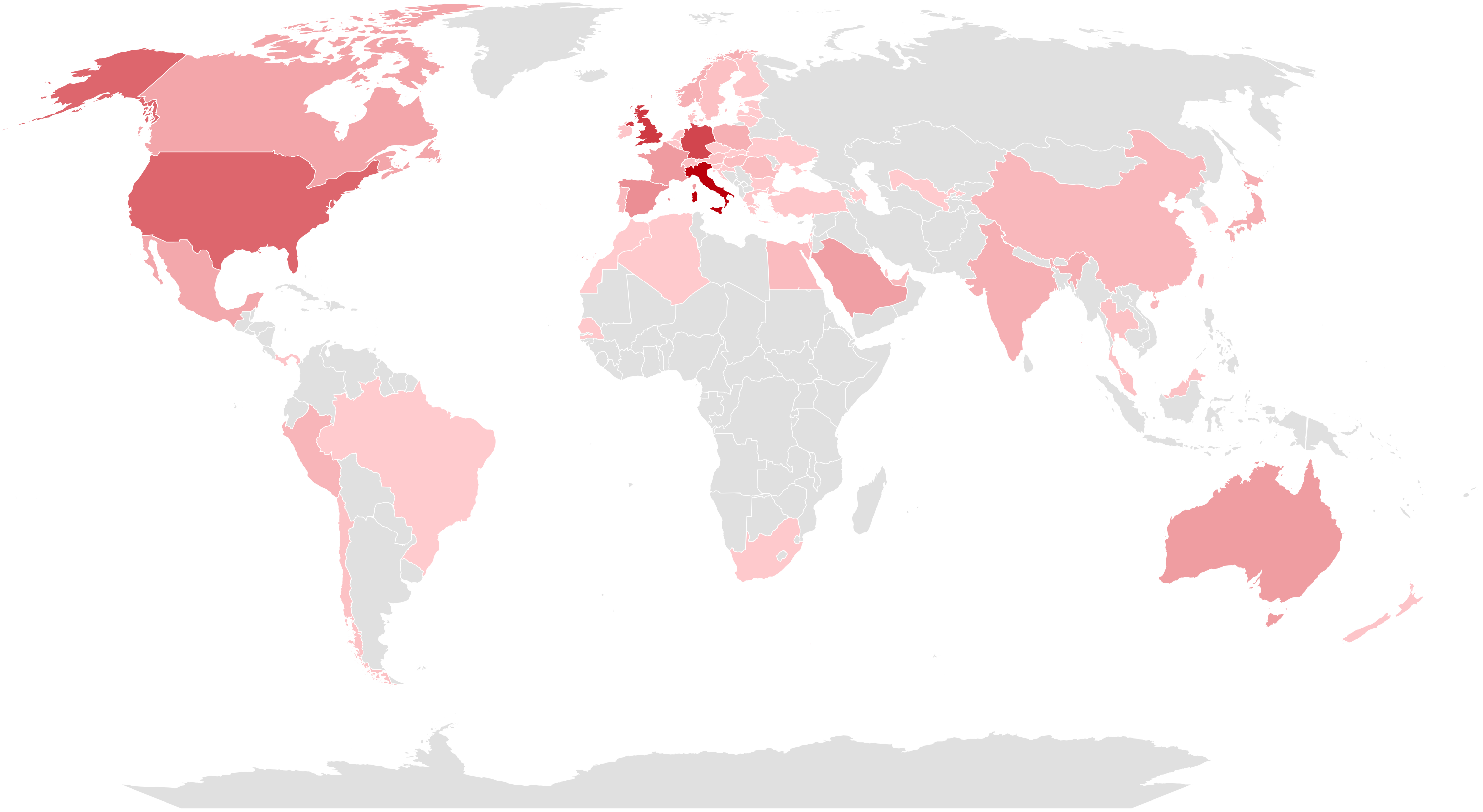
- **Partner relationships span 24 countries** across six continents, reflecting Hitachi Rail's global reach
- **Italy leads with 27 potential partners (32.9%)** that were reviewed to support Hitachi Rail signaling operations including Naples Line 10 and Metro Turin Line 2
- The potential partners reviewed in **France (8) and Germany (5)** potential partners reviewed anchor European operations, from Grand Paris Express to Deutsche Bahn signaling contracts
- **Middle East** engagement continue to expand with potential partners screened across Saudi Arabia (4), the UAE (2) and Jordan (1), supporting Riyadh Metro L7 and Etihad Rail
- **Latin America** spans Mexico (6), Chile (3), Argentina (1) and Panama (1), demonstrating commitment to the region’s infrastructure development
- This **geographic** diversification supports our strategic growth objectives while requiring tailored compliance approaches appropriate to each region's regulatory environment and risk profile

Our Suppliers

Our Global Supplier Network

Our global supplier network reflects our commitment to responsible sourcing and operational resilience. With approximately **1,660 suppliers onboarded in FY25 across 60 countries**, we have built a geographically diverse supply chain that leverages the regulatory strength of developed markets while maintaining meaningful engagement in emerging economies.

Over **three-quarters of our suppliers operate in jurisdictions with well-established compliance frameworks**, and we apply consistent due diligence standards across all regions. This approach supports both business continuity and our broader commitment to ethical, transparent, and sustainable supplier relationships.



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Supplier Due Diligence

Transitional Due Diligence Framework in FY25

- During FY25, supplier onboarding within Hitachi Rail and the legacy GTS business continued under their respective frameworks, driven by technical constraints and the ongoing transition toward a fully integrated procurement organization
- Maintaining these parallel processes **ensured the continuity and reliability of screening activities, safeguarding compliance standards** and business operations during integration
- It also enabled the work towards the **definition of a harmonized process and common tool**, supporting a **more consistent, efficient risk-based due diligence** framework going forward

Consistent Screening Criteria

Both Hitachi Rail's supplier onboarding processes assess supplier risk across a **consistent set of criteria**, including:

- **Compliance and reputational risks** (e.g., adverse media, regulatory enforcement, active investigations, and litigation);
- **Export controls, trade sanctions, and blacklisting**;
- **Corruption risk indicators** (including corruption perception, financial secrecy, and tax haven exposure); and
- **Human rights risks** (including EcoVadis scores and workers' rights indicators)

This ensures a comprehensive and **risk-based evaluation** of suppliers **prior to onboarding**

Overall, approximately **1,660 supplier** screenings were conducted in FY25, with **over 700** medium and high-risk suppliers **escalated** to Compliance for review

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Supplier Due Diligence cont.

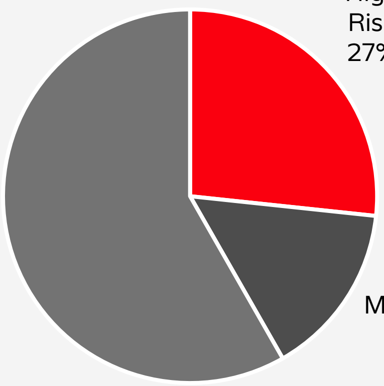
FY25 Snapshot

1,660
Suppliers assessed

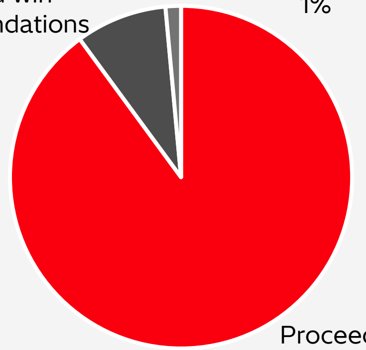
58%
Rated Low Risk

1%
Do Not Proceed

Overall Supplier Risk Distribution



Compliance Escalation Outcome

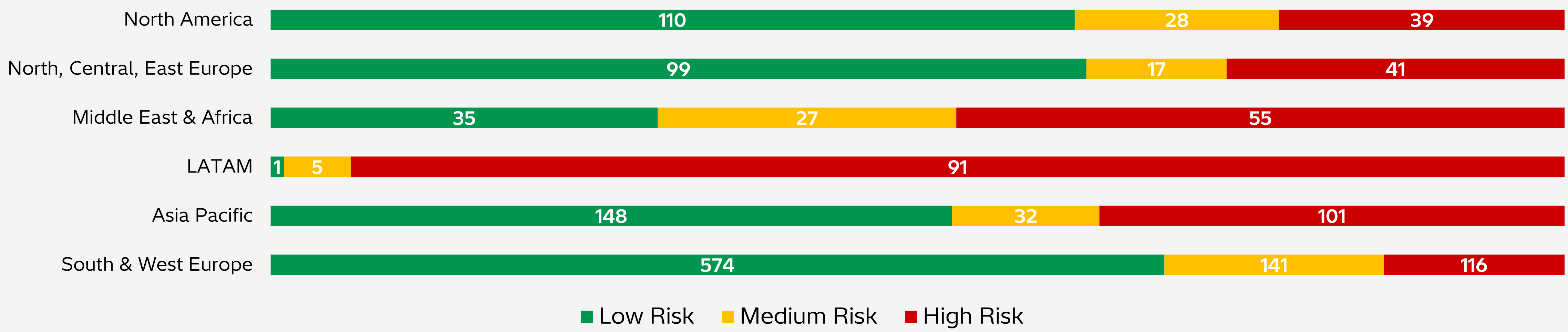


Key Insights – Risk Distribution

- The supplier portfolio shows a favorable risk profile: **58% of suppliers are Low Risk**, reflecting effective pre-qualification and screening
- **The remaining 42%**, rated Medium (15%) or High Risk (27%) are **subject to Compliance team review** , may be subject to active mitigation and, in some instances, ongoing monitoring
- Where integrity issues arise, the Compliance team records an outcome of **Proceed with Recommendations** or **Do Not Proceed** — about 10% of suppliers were escalated in FY25; protective contractual language is applied to **all suppliers escalated for review**
- **Do Not Proceed decisions stayed low at 1%;** overall, the results **reflect a balanced, risk-based approach** that remediates concerns while holding firm on unacceptable risk

Supplier Due Diligence cont.

Supplier Risk Distribution by Region



Geographic Distribution of High-Risk Suppliers

- **Latin America** presents the **highest risk concentration** with 93.8% of suppliers located in the region classified as high risk
- **Middle East and Africa** shows **47% of suppliers rated high risk,** with Saudi Arabia representing the largest concentration
- **Asia Pacific reports 35.9% high-risk suppliers,** with notable concentrations in China, India, and the Philippines; the region's diverse regulatory landscape necessitates country-specific compliance approaches
- **South and West Europe** maintains the strongest risk profile at only 14.0% high-risk suppliers, reflecting mature compliance frameworks in established European markets; Germany and Italy represent the largest supplier concentrations.

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Compliance Programs

4

Speak-Up and Investigations

Program Design and Resourcing

Continuously building and reinforcing a trusted and effective speak-up culture is a top priority

At Hitachi Rail, we encourage all individuals, whether internal or external to the Company, to raise concerns in good faith about actual or suspected breaches of laws, regulations, our Code of Ethics and Business Conduct, or internal policies. **We do not tolerate retaliation.** Concerns can be reported through **multiple Speak-Up channels**, including the Hotline, Managers, Legal and Compliance, Human Resources or Supervisory Bodies.

The investigations team operates independently within the Compliance function, with sufficient autonomy from business decisions and pressure to **conduct investigations fairly, consistently, and independently** from intake through case closure, in line with the Whistleblowing and Speak-Up Policy.

The team includes a Global Head of Investigations, three full-time investigators, and a case management associate. **Growing case volume remains an important factor** to consider and ensure the team remains appropriately resourced across all regions and risk areas.

The team also provides training to Speak-Up channels, including managers and Human Resources.

Governance and Oversight

Trends, insights and risks highlighted through the speak-up program are regularly reviewed.

Top Management commitment to a speak-up culture remained clear in FY25. The CEO used business reviews, townhalls, and Ask Me Anything sessions to promote the program, reinforce expectations for ethical and respectful conduct, and underline Hitachi's zero-tolerance approach to retaliation.

Speak-Up and investigations metrics are reported regularly to the SEC, ACC, CEO, auditors, and regional leadership teams through Compliance Heads of Regions. Trend, insight, and risk analysis is tailored to each audience.

Although Hitachi Rail is not an outlier in the proportional volume of harassment, bullying, discrimination, and labor-related concerns, these areas received **management focus and intervention** in FY25.

Confirmed misconduct has consequences, including disciplinary action and targeted training or communications. **Inclusive leadership workshops,** BeWell initiatives, and Employee Resource Groups **supported tone-from-the-top and reinforced an inclusive, respectful workplace throughout the year.**

Speak-Up Key Facts and Figures

Volume and Vitality

222

Concerns reported in FY25. Volume and vitality (concerns per 100 employees) has seen **consistent YoY growth**, with a 192% volume increase since FY23

Anonymity

39%

Anonymity is outperforming global benchmarks, indicating trust. YoY, **anonymity has steadily decreased**; with a 10% decrease since FY23 (49%)

Speak-Up Channels

90+%

Of all concerns are consistently reported through three channels since FY23: For FY25, **Hotline 61%, Legal and Compliance 18% and HR 13%**

Average Days to Close

87

Working days for the average to close a matter in FY25, an **improvement of 17 days** compared to the FY24 metric of 104 days

Issue Types

70+%

Of all concerns are consistently captured across five top issue types since FY23: **harassment / discrimination, labor-related, conflicts of interest, misuse or theft of assets, and fraud**

Countries

5

Countries consistently report the highest volume which is aligned and proportionate to employee population size: **Italy, UK, Japan, Canada, and Germany**

Confirmation

36%

Of FY25 closed cases were **substantiated***, a **~14% decrease** compared to prior years. The program is being tested with concerns that are not upheld when independently assessed

Corrective Actions

119

Corrective actions applied in FY25. Distribution is **training and communication 37%, discipline 35%, and policy/control or other actions 28%**

* Some 29 FY25 cases open and pending outcomes at time of reporting

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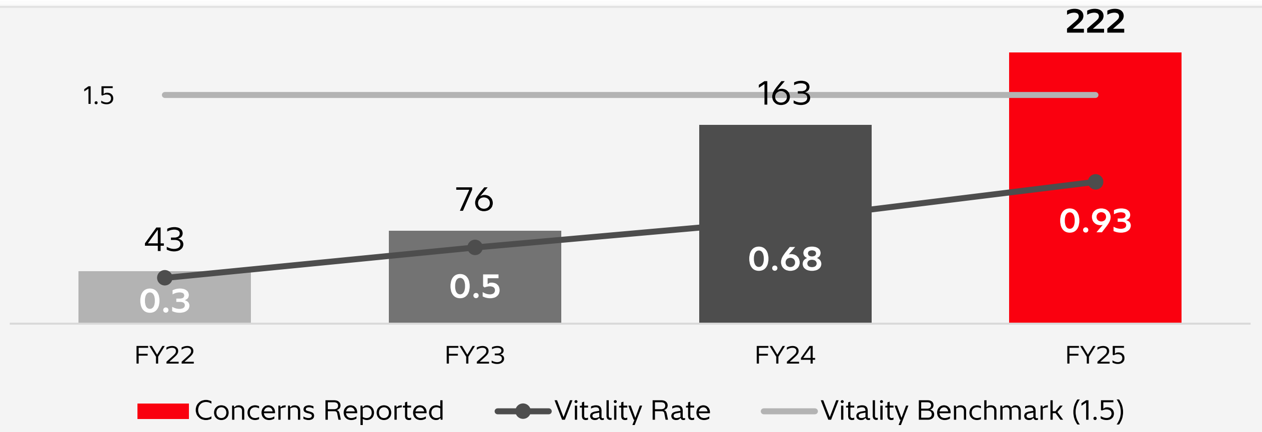
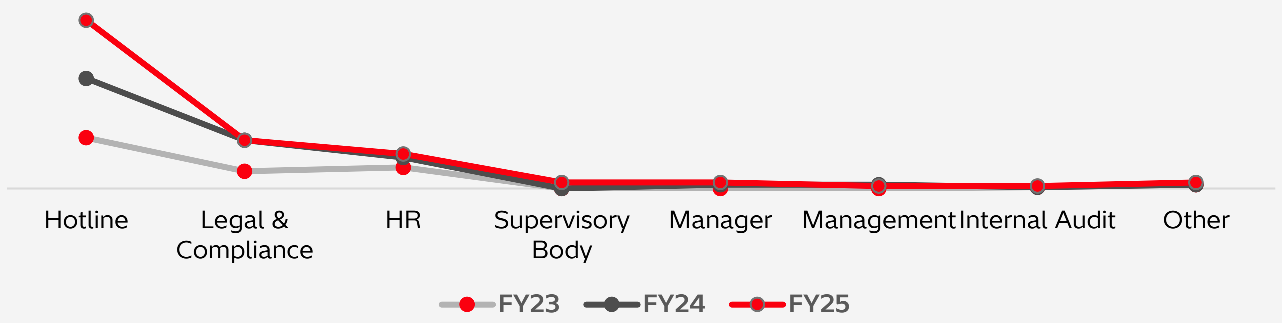
YoY Volume, Vitality and Channels

Concerns Reported and Vitality Rate



Speak-Up Channels Used



Key Insights

- **222 concerns reported in FY25** — up 36% YoY and 192% versus FY23, when the Compliance team assumed direct case management of Rail's whistleblowing matters
- **Vitality rate rose from 0.68 to 0.93** concerns per 100 employees, narrowing the gap to the 1.5 benchmark
- **The Hotline** consistently remains the preferred speak-up channel for reporting
- **Impact of multiple initiatives** drove the growth — management messaging, targeted training, focused communications, and a consistent, structured approach to investigations
- **Strengthened trust** in the system reflects these combined efforts and increases across volume and vitality
- Strengthened trust was also reflected in **significant positive increases in ethical perceptions survey**, including a **15% increase in the organizational justice**, and **14% improvement in perceptions of pressure** to compromise standards or behavior to achieve results

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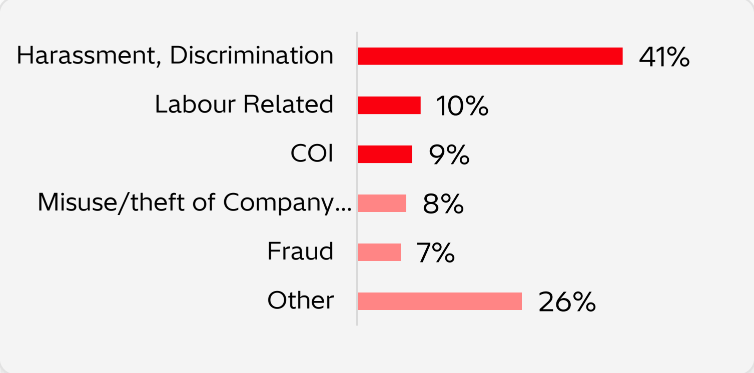
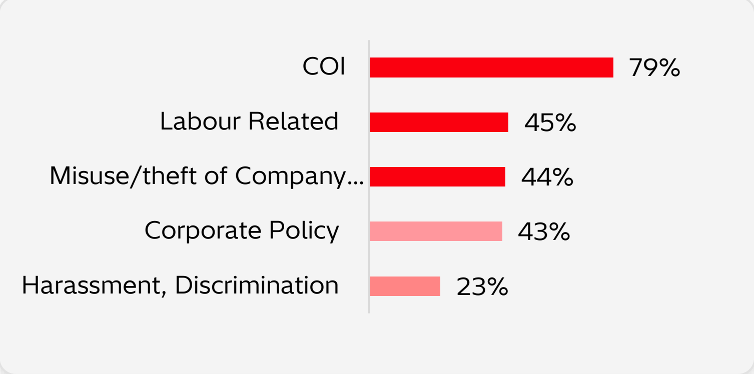
Issue Types

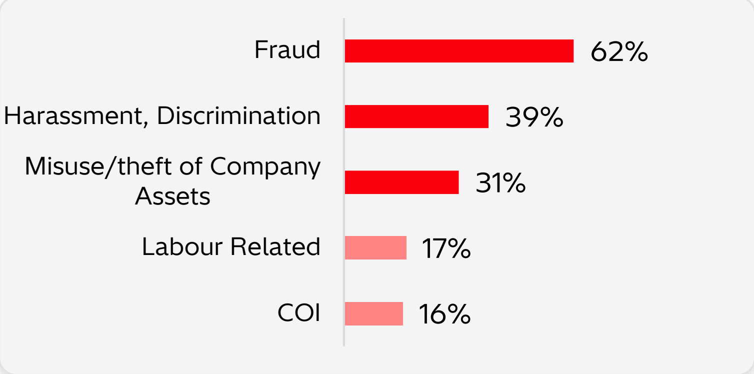
Top Five Reported Issues



Anonymity by Top Issues



Confirmation by Top Issues



Key Insights

- **Harassment and discrimination account for ~41%** of total reported concerns — by far the most prevalent category, reflecting sustained willingness to raise workplace-conduct issues; labor-related matters (10%), conflicts of interest (9%) and misuse or theft of assets (8%) and fraud (7%) round out the top five categories; wider spread of reports spanned confidential-information disclosure, legal and contractual issues, HSE, product quality, procurement and data privacy issues, plus eight hotline inquiries
- On **anonymity**, employees are less likely to want to be known or engage in the process if they are **reporting COI concerns**
- While there were **13 fraud cases** reported, 8 were substantiated, representing ~62%; fraud matters cover financial and non-financial fraud
- Overall, the distribution of concerns confirms continued **engagement with Speak-Up channels across a wide spectrum of topics**
- This reinforces the role of the **framework as both a compliance tool and a key indicator of organizational culture, supporting early identification of risks and fostering a transparent and accountable working environment**

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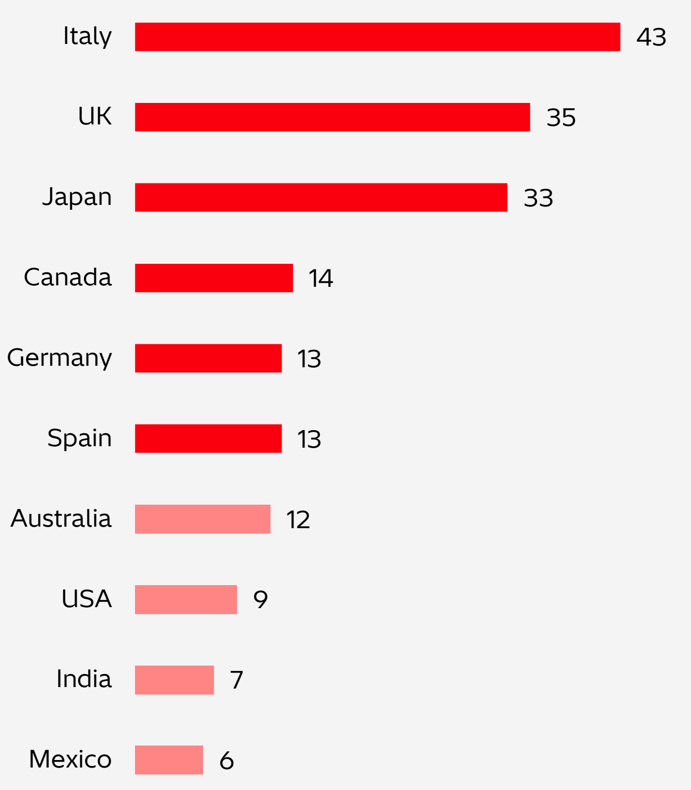
Reporting by Location

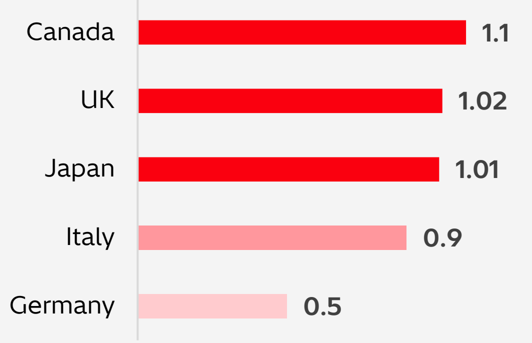
Key Insights

- **Reporting is relatively concentrated by geography** across the Group's footprint
- **Italy accounts for ~19%** of total concerns, followed by the UK (16%) and Japan (15%)
- **Around 50% of overall reporting volume** comes from these three countries, reflecting footprint and Speak-Up maturity
- **All three continue to trend upward** on volume YoY
- The top three reporting locations have shown variance in engagement over the past three fiscal years; with Italy showing consistent YoY increases in reporting
- When accounting for **vitality**, concerns per 100 employees, acquired entities in **Canada and Germany are actively engaged** and reporting concerns, presenting a unique opportunity to drive improvements in these geographies

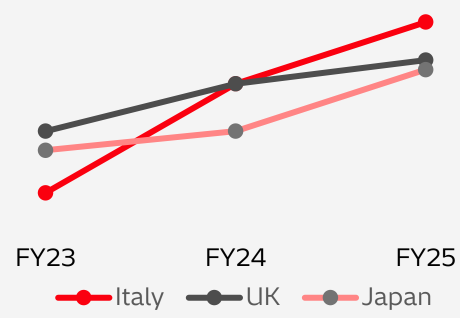
Concerns Volume by Country (Top 10)



Reporting Vitality



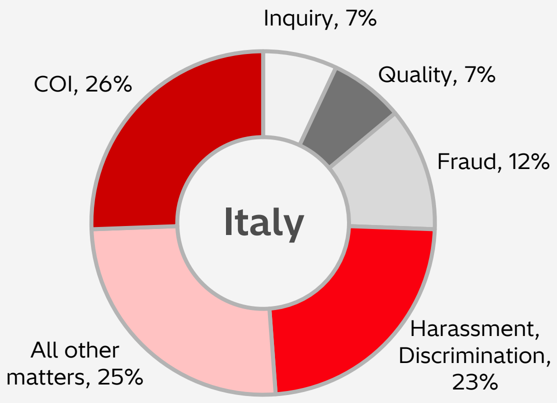
Top 3 - YoY Reporting



Top Reporting Locations

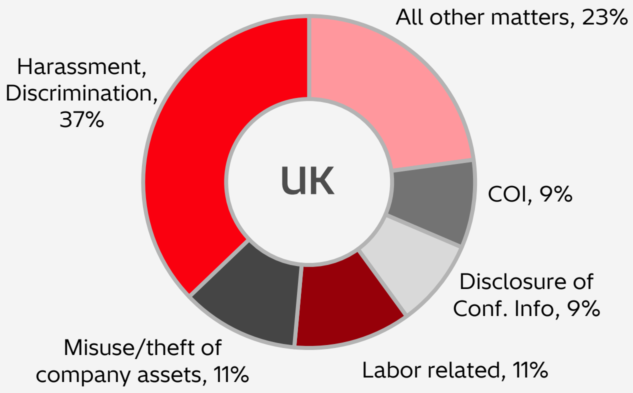
A more granular review of the top three reporting countries highlights distinct risk profiles:

Italy



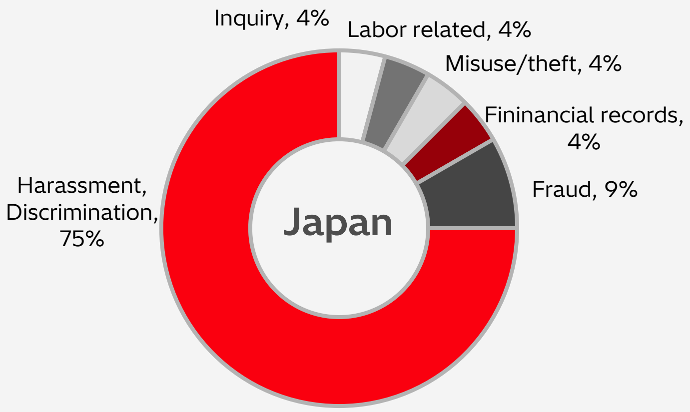
- **More evenly distributed** — conflicts of interest (26%), harassment and discrimination (23%) and fraud (12%) lead
- **COI concerns,** internal and external, indicate employee focus seeking independent verification on **fair and unbiased business decisions**

United Kingdom



- **Concentrated on workplace conduct** — harassment and discrimination (~37%), followed by labor-related and asset-related at 11% each
- **Labor related concerns** differ from H/D concerns as they relate violation of employment or labor law, or improper employment or disciplinary actions

Japan



- **Almost exclusively harassment and discrimination** — 75% of issues raised
- Indicates an **opportunity for the business to engage with employees** and drive an inclusive and respectful workplace free from all forms of harassment and discrimination

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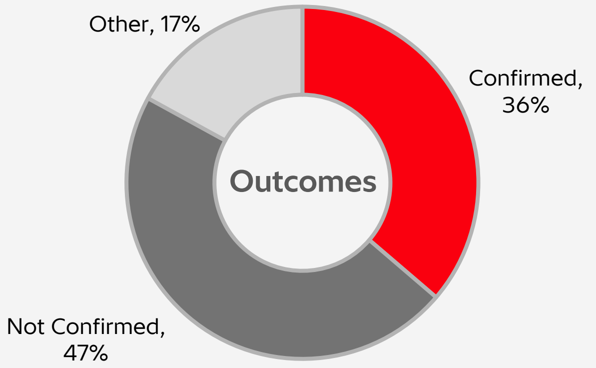
Outcomes and Actions*

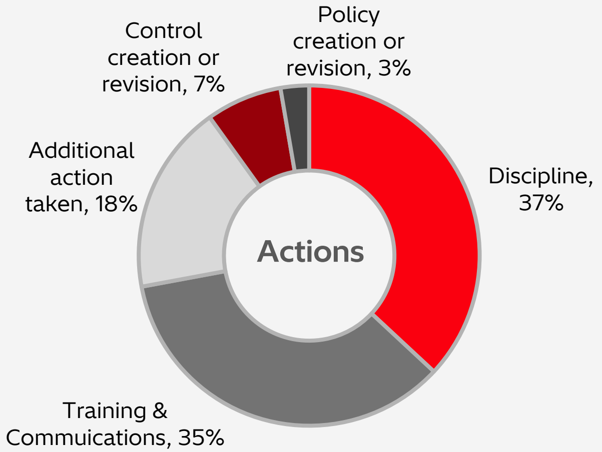
Analysis of case outcomes indicates a balanced and robust investigation framework:

Outcomes



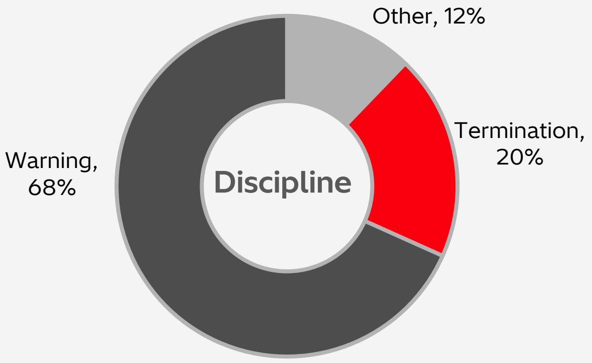
- **~36% of closed matters confirmed**, 46% not confirmed and 17% other — including matters outside scope
- **In line with expected benchmarks** — supports the objectivity and consistency of the investigative process

Corrective Actions



- **Balanced approach** between accountability and prevention
- **Disciplinary measures (~37%)** followed by training and communication initiatives (35%)

Disciplinary Measures



- **Warnings account for ~68%,** followed by terminations (20%) and other measures (12%)
- **Proportionate, graduated approach** — measures calibrated to the seriousness and context of the conduct

* Some 29 FY25 cases open and pending outcomes at time of reporting

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Speak-Up and Investigations

Key Takeaways

36%
Substantiation rate
46% unconfirmed, consistent with benchmarks

37% and 35%
Discipline vs. prevention
Near-even, root-cause focused and balanced

68%
Warnings issued
Terminations 20% for serious conduct

74%
Corrective actions closed
26% ongoing, tracking through closure

Objective and evidence-led

A healthy, well-functioning investigations program is evident across FY25 outcomes, with substantiation* and unconfirmed rates reflecting an objective process consistent with benchmarks

Balanced accountability

Disciplinary action (37%) and preventive trainings and communications (35%) are near-evenly split, **balancing accountability with a root-cause focus** indicating focus on improving behavioral, procedural, and strategic issues

Proportionate and closing the loop

A graduated disciplinary response — warnings (68%), terminations (20%) — **confirms proportionality**, and 74% of corrective actions are complete with the remaining 26% being tracked to timely closure

* Some 29 FY25 cases open and pending outcomes at time of reporting

Privacy

Privacy as a Strategic Priority

Five reasons why privacy is a strategic priority across Hitachi Rail:

1 Legal and Regulatory Readiness

- **Comply with privacy laws** where we operate
- Map data and **tackle privacy risks**
- Embed **privacy by design into products**

2 Customer Trust and Growth

- Show **customers** we handle data responsibly
- Clients increasingly want **privacy assurance**
- A market **differentiator**, ISO 27001 aligned

3 Privacy Engineering

- Early privacy focus **avoids future costs**
- Stronger **data governance** for Hitachi Rail
- Enhances the **value of our data**

4 Best Practices at Hitachi Rail

- Harmonize and centralize **privacy response**
- Keep pace with **evolving regulation** and tools
- **Partner** with lines of business and regions

5 Breach Response and Reputation

- Meet **legal requirements on breaches**
- **Protect** the business from reputational harm
- Build **employee trust** in how we handle data

Program Design and Resourcing

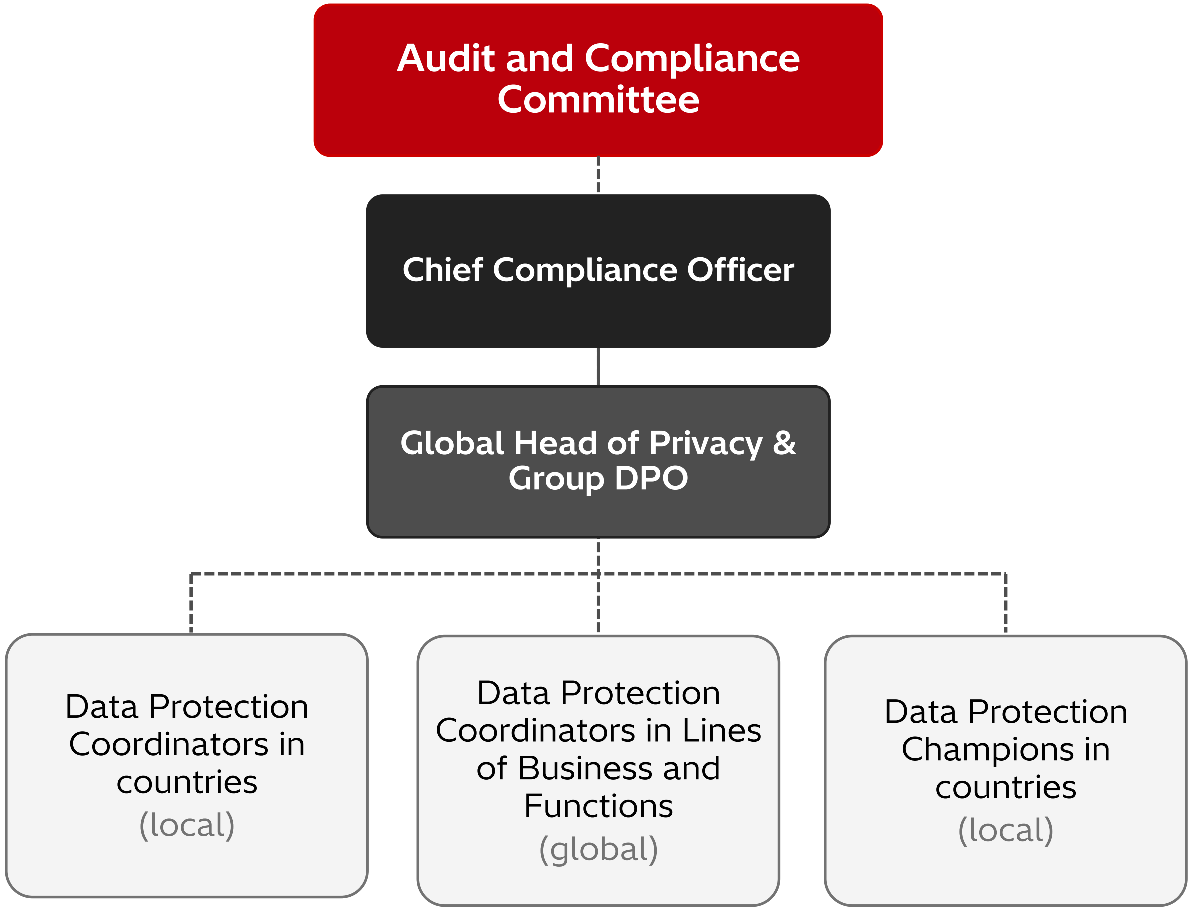
Reinvigorating Hitachi Rail's Privacy Program to be fit-for-purpose in a fast-changing landscape.

In FY25, Hitachi Rail **reassessed and realigned its Privacy Program** to reflect the post-merger operating environment, meet legal requirements, and support consistent best practice across the business. A new program leader, The Global Head of Privacy and Group DPO, was appointed in September 2025, reporting to the CCO.

A refreshed **governance model, based on the three lines of defense framework**, was presented to the Audit and Compliance Committee (ACC) in January 2026. The first line—business and operational or functional teams—acting as coordinators or champions are the initial point of contact to address privacy topics. The second line—Privacy, Compliance, and Risk—provides oversight, guidance, and challenge. The third line—the ACC—holds quarterly updates with the CCO and Global Head of Privacy & Group DPO and provides independent assurance to senior management and the Board.

Continuous improvement of the Program is underway, including the launch of a Global Privacy Office staffed by the Global Head of Privacy & Group DPO and one global privacy manager. This office will coordinate a strengthened global network of data protection coordinators, with improvements **delivered through a multi-year roadmap.**

Governance Structure



Privacy Key Facts and Figures

Key Takeaways

100%
Completion
Hitachi Data Protection Survey for 72 entities

88%
Privacy maturity
Score in the Survey, up from 72% in FY23, and 84% in FY24

50
Countries
Covered by Data Protection Coordinators (DPCs)

29
Assessments
Data Protection Impact Assessments (DPIAs) conducted

New privacy leadership

Appointed a Global Head of Privacy and Group Data Protection Officer to lead the framework and strengthen compliance across all operations

Global Privacy Office launched

Centralizes oversight, drives strategy, design and roll-out of the program, manages network of DPCs

Gap analysis and digitalization

Digitalization of privacy processes (Records of Processing, DPIAs) is underway as is a review of framework documents (policies, procedures, templates)

Governance and awareness

Regular reporting to the Audit and Compliance Committee, plus Data Privacy Day and unified training across Hitachi Group

FY25 Key Milestones

Sept 25	Nov 25	Dec 25	Jan 26	Jan 26	Mar 26	Mar 26
Appointment of Group DPO	Program gap and maturity assessment	Privacy program strategy design	Privacy governance set-up	Country-level network launched	Privacy budget approved	Launch of multi-year improvement roadmap

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Privacy Operations

Key Insights

- FY25 was a **pivotal year** in terms of **strategically re-positioning Hitachi Rail's Privacy Program**; the team executed on key deliverables
- **Multiple global DPIAs** were completed to ensure new or evolving global projects were adequately assessed and deployed in a secure and controlled environment
- Operations were reviewed to progress towards centralized registers and unified templates and terms for **contracts**, work that will continue into FY26
- Data Subject Access Requests (DSARs) were managed compliantly and on time
- The CCTV Program was reviewed to ensure **legal compliance in deployment**

FY25 Privacy Operations in Numbers

1 Impact Assessments

- **29 DPIAs** completed in FY25
- Support for key **global technology or software deployments**
- Assistance for **new laws,** including India

2 Standardized Operations

- Development of **centralized registers** and unified templates
- **Targeted training** for the DPC network
- **Consistent** breach and data-request handling

3 UK Rights Requests

- **16 Data Subject Rights Requests** handled
- **6 third-party disclosure requests**
- Timely, compliant responses across FY25

4 Global CCTV Program

- **Global CCTV DPIA** delivered
- Covering **30 countries**
- More than **1,200 CCTV systems**

Privacy Program Roadmap

Multi-year improvement roadmap underpinned by a simple mission – **simplify, globalize, harmonize:**

Leadership and Governance

Establish clear, accountable governance

- Three lines of defense with accountability built in across Hitachi Rail

Privacy Policies and Procedures

Centralize global policies and procedures

- Consistent and centralized, with local deviations only where legally required

Privacy Notices and Templates

Standardize notices and templates

- Consistent internal and external notices with unified privacy templates

Tooling

Deploy a unified privacy tool

- User-friendly tool covering all privacy activities including risks (deployment in progress)

Data Mapping

Map personal data across the group

- Refreshed in 30 countries (where required) over two years, across businesses and functions

Data Sharing and Contracts

Streamline contract reviews

- Easy-to-find templates with clear guidelines and escalation for contract reviews

Security and Data Breaches

Strengthen security and breach response

- Reviewed information asset classification with a simple, central breach reporting process

Privacy Intranet page and mailbox

Create one privacy hub and mailbox

- One intranet page for all documentation and one mailbox for all Hitachi Rail

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Competition, Regulatory and Trade

5

Introduction to Competition, Regulatory and Trade

Fair competition, regulatory adherence, and trade controls are our license to operate across increasingly complex highly regulated markets.

Together, they **safeguard the integrity of our commercial conduct,** ensure **adherence to evolving regulatory obligations**, and enable lawful and **responsible international trade** of our products.

Recognizing the strategic importance and interdependencies of these areas, in 2025 they were brought together under **a unified leadership** model. The new Competition, Regulatory and Trade organization continues to oversee and further strengthen the Fair Competition compliance program, while expanding the function to integrate dedicated subject matter expertise in Regulatory Affairs – with a focus on Digital Regulation – and Export and Trade Control.

This **integrated approach enhances consistency, risk identification, and the effectiveness of compliance oversight**, supporting the business in **navigating regulatory complexity** while maintaining the highest standards of ethical conduct and accountability.

Francesco Savino, Senior Director – Competition Law, Regulatory and Trade

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Fair Competition Key Facts and Figures

Training

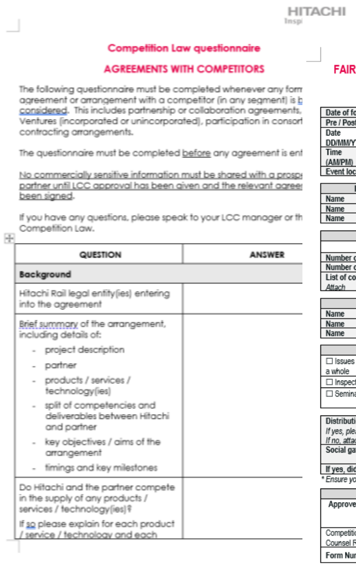
- **16 dedicated competition law training sessions** delivered in multiple regions by the Head of Competition Law
- Focus **on practical "dos and don'ts"**, high-risk scenarios, and real-world application across bids, competitor interactions, pricing, marketing and M&A

Risk Management

- Over **50 competitor agreement questionnaires and over 30 industry event applications** reviewed as part of the Fair Competition approval process
- Active identification and mitigation of competition law risks across regions and functions

M&A

- **Omnicom** – responded to UK Competition and Markets Authority enquiry into acquisition, avoiding merger control notification.
- **Clever Devices** – successfully obtained merger control clearance. Further obtained CFIUS clearance in the US and FDI clearance in Italy and Canada.



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Competition Law questionnaire

AGREEMENTS WITH COMPETITORS

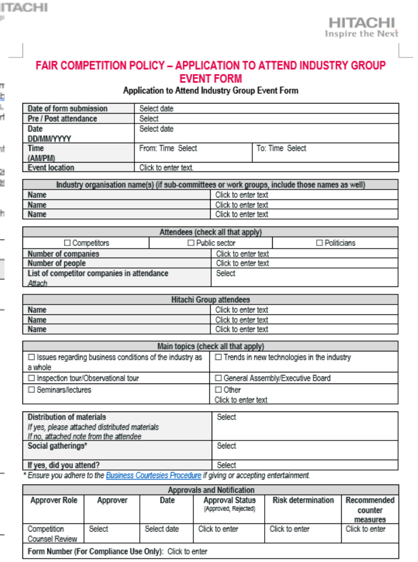
The following questionnaire must be completed whenever any form agreement or arrangement with a competitor (in any segment) is b considered. This includes partnership or collaboration agreements, Ventures (incorporated or unincorporated), participation in consort contracting arrangements.

The questionnaire must be completed before any agreement is ent

No commercially sensitive information must be shared with a prosp partner until LCC approval has been given and the relevant agree been signed.

If you have any questions, please speak to your LCC manager or th Competition Law.

QUESTION	ANSWER
Background	
Hitachi Rail legal entity(ies) entering into the agreement	
Brief summary of the arrangement, including details of: - project description - partner - products / services / technology(ies) - split of competencies and deliverables between Hitachi and partner - key objectives / aims of the arrangement - timings and key milestones	
Do Hitachi and the partner compete in the supply of any products / services / technology(ies)? If so please explain for each product / service / technology and each	



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Inspire the Next

FAIR COMPETITION POLICY – APPLICATION TO ATTEND INDUSTRY GROUP EVENT FORM

Application to Attend Industry Group Event Form

Date of form submission	Select date	
Pre / Post attendance	Select	
Date DD/MM/YYYY	Select date	
Time (AM/PM)	From: Time Select	To: Time Select
Event location	Click to enter text.	

Industry organisation name(s) (if sub-committees or work groups, include those names as well)	
Name	Click to enter text
Name	Click to enter text
Name	Click to enter text

Attendees (check all that apply)		
☐ Competitors	☐ Public sector	☐ Politicians
Number of companies	Click to enter text	
Number of people	Click to enter text	
List of competitor companies in attendance *Attach*	Select	

Hitachi Group attendees	
Name	Click to enter text
Name	Click to enter text
Name	Click to enter text

Main topics (check all that apply)	
☐ Issues regarding business conditions of the industry as a whole	☐ Trends in new technologies in the industry
☐ Inspection tour/Observational tour	☐ General Assembly/Executive Board
☐ Seminars/lectures	☐ Other Click to enter text

Distribution of materials *If yes, please attached distributed materials* *If no, attached note from the attendee*	Select
Social gatherings*	Select
If yes, did you attend?	Select

* *Ensure you adhere to the Business Courtesies Procedure if giving or accepting entertainment.*

Approvals and Notification					
Approver Role	Approver	Date	Approval Status (Approved, Rejected)	Risk determination	Recommended counter measures
Competition Counsel Review	Select	Select date	Click to enter	Click to enter	Click to enter
Form Number (For Compliance Use Only): Click to enter					

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Regulatory Affairs

2025 saw the establishment of the new **Regulatory Affairs** function, with centralized oversight of regulatory impacts across the business:

Product Data

EU Data Act

- Comprehensive data-mapping June–Sept 25 with 60+ stakeholders across all functions, identified **24 connected products, 21 related services** in our product portfolio
- Compliance roadmap to manage governance, product, contractual and marketing obligations, while minimizing impact and capitalizing on opportunities

Cyber

Cyber Resilience Act

- Compliance roadmap to manage **product cybersecurity** requirements and lifecycle obligations

NIS2 Directive

- Coordination of incident reporting and governance structures across IT footprint
- Launch of **Cyber Incident Response** program and **Cyber Steering Committee**

AI

AI Act

- Partnering with Digital and AI Centre of Excellence to **manage regulatory impacts on AI-enabled solutions** and developing early-stage compliance strategy

Coordination

- Embedded **cross-functional coordination** with Digital and AI, Government Affairs, Strategy and Risk, IT, Engineering and Product teams
- Specific focus on emerging regulation impacting **Digital**, **AI**, and **Cybersecurity**

Proactive Approach

- Transform from a **reactive** compliance model to a **proactive** approach that minimizes risk and disruption and allows for opportunities to influence and benefit from regulation
- Centralize data related to current and upcoming applicable regulations and disseminate across the organization

Engagement and Advocacy

- Advocacy through **UNIFE** Cyber Working Group, and Digitalization Committee and within **Digital Europe**, **Business Europe** and others
- Interface with regulators through **Consultations**, events, and bilateral communications
- Partnering with **Government Affairs** function

Export and Trade Control (ETC)

Hitachi Rail is committed to complying with regulations on the export, import, re-export, and re-transfer of Dual-Use products (tangible and intangible), technologies, information, and services.

12

Active individual and general **French** export licenses maintained by Hitachi Rail.

4

Active individual and general **German** export licenses maintained by Hitachi Rail.

17

Active individual and general **Italian** export licenses maintained by Hitachi Rail.

2

Active **Australian** export permits held by Hitachi Rail.

Overview

Hitachi Rail does not trade in military products and **conducts export and trade compliance due diligence to prevent products or transactions reaching prohibited countries, entities, or end uses.**

In FY25, we integrated the programs into a single Export and Trade Compliance function, led by the Hitachi Rail ETC Office and supported by regional resources across North America, EMEA, and APAC. A **cornerstone ETC Playbook will roll out in FY26** with stakeholder training.

We strengthened **Dual-Use product classification** for signaling hardware and are extending the process to the Vehicles business.

In FY26, we will explore **further automation**, building on the model currently deployed in Germany.

Hitachi Rail holds **more than 34 active export licenses for Dual-Use classified hardware** and submitted license usage reports to European regulators in July 2025 and January 2026.

Hitachi Rail UK also made a **voluntary self-disclosure to the UK regulator** regarding exports of Dual-Use controlled items to a subcontractor in Italy.

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Dual-Use Exports

Hitachi Rail exports dual-use items to 25 countries globally:

Exports to the Asia-Pacific region:

- Australia, India, Japan, Hong Kong, Philippines, Taiwan, Thailand, and Vietnam

Exports to **Europe, Middle East, and Africa** region:

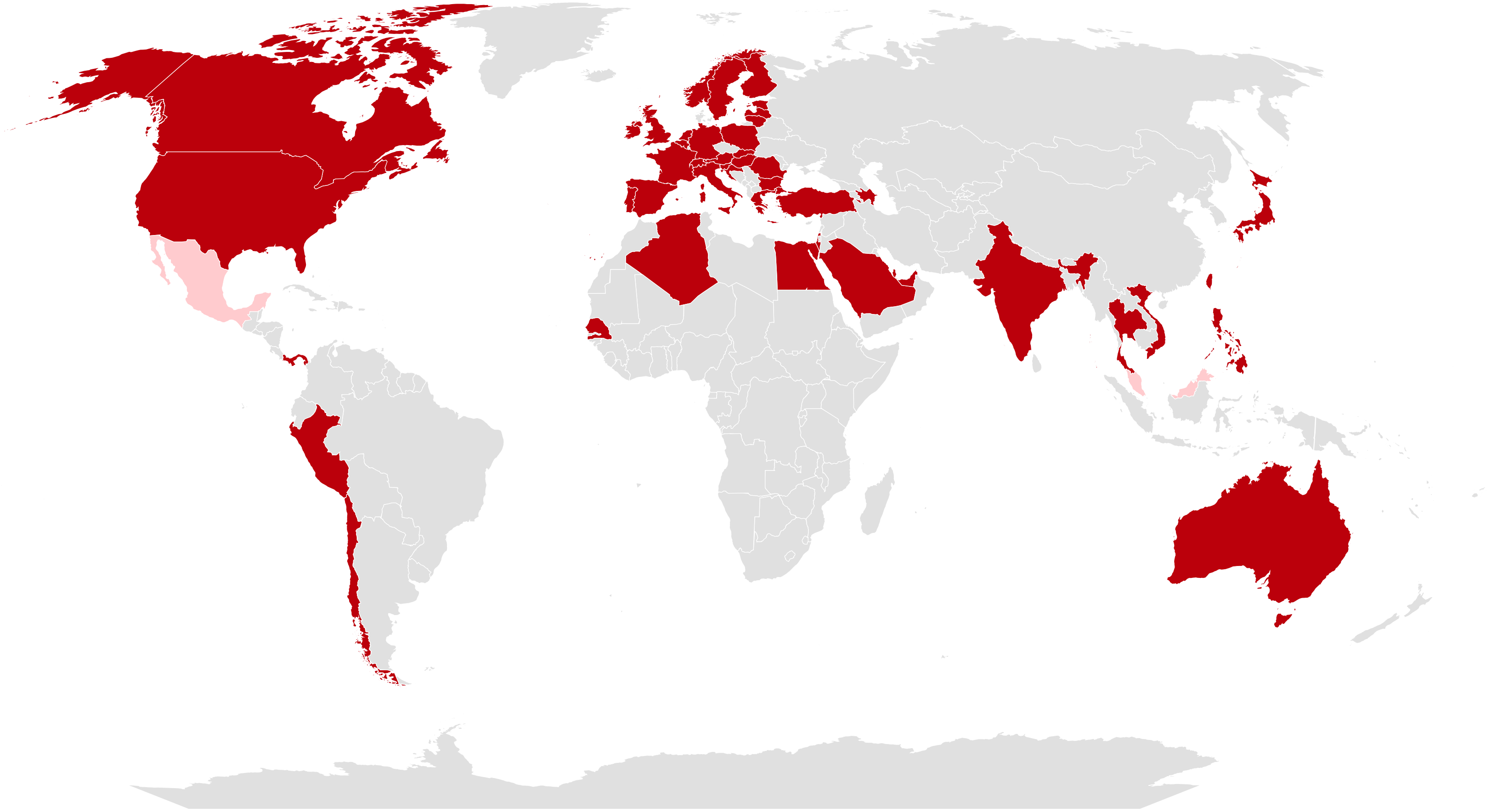
- Algeria, Azerbaijan, Egypt, Israel, Norway, Qatar, Saudi Arabia, Senegal, Switzerland, Türkiye, UAE, UK, and intra-EU

Exports to the **Americas** region:

- Canada, Chile, Panama, Peru, and USA

Expected **future exports** to:

- Malaysia and Mexico



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Engagement – Ethical Perceptions, Training and Communications

6

Ethical Perceptions

We measure, assess and improve based on feedback from our employees.

In FY23, Hitachi Group launched its first **ethical perceptions assessment survey**, conducted by Ethisphere, a U.S.-based institute specializing in global corporate ethics. In FY24, business units, including Hitachi Rail, received direct insight into their performance against the survey pillars.

In FY25, **Hitachi Rail showed positive progress for the third consecutive year, improving both participation and overall score.** YoY, perceptions of organizational justice and pressure improved by more than 10%, while perceptions of leadership and the Compliance function improved by more than 5%.

Among **the eight pillars assessed, Hitachi Rail scored highest on perceptions of the Compliance function**, reflecting the output of sustained communication, training, and engagement by Management and the Compliance team over the past three years.

Our focus remains on driving YoY improvement and **building employee trust in a pragmatic, accessible Compliance Program with clear requirements**. Hitachi Rail's **action plan** reflects this commitment.

The Eight Pillars

Pillar 1 – Awareness of the Program and Resources
Familiarity with the assets and efforts of the Compliance function

Pillar 2 – Perceptions of the Function
Perceived quality and effectiveness of the function's efforts in communicating, training and support on compliance topics

Pillar 3 – Observing and Reporting Misconduct
Comfort in reporting perceived misconduct, the reason for doing so, and potential reporting barriers

Pillar 4 – Pressure
Intensity and source of pressure employees may be experiencing to compromise standards to hit goals

Pillar 5 – Organizational Justice
Perception of whether the company holds wrongdoers accountable and the awareness of discipline

Pillar 6 – Manager Perceptions
Perceptions of supervisor/manager's conduct and communication; comfort approaching with concerns

Pillar 7 – Perceptions of Leadership
Perceptions of the conduct, values and communications of senior leadership

Pillar 8 – Perception of Peers and Environment
Perceived priorities of coworkers, the organization and willingness to share opinions

Ethical Perceptions: Improvement Plan

Hitachi Rail is working to implement these measures to improve ethical perceptions among employees:

Leadership Engagement: Tone from the Top

- Continue **promoting a speak-up culture with senior leadership and middle managers**
- Continue to **support direct CEO messaging** on ethics and compliance which has amplified significantly in FY25
- Train middle managers to engage more meaningfully with their teams, setting a positive tone and modeling ethical behavior, using a tailored '**manager toolkit**' resource built by the Compliance Team

Speak-Up: One Hitachi Compliance Hotline

- Continue promoting the Hitachi Hotline through posters and regular training on speak-up channels
- Provide **specific guidance and practical tools to middle management for greater listening** of their teams and better decision making, including non-retaliation and concerns management, consistent with the Whistleblowing and Speak-Up Policy
- Continue to transparently share anonymized disciplinary actions in the Annual Compliance Report and other communication channels where appropriate

E&C Trainings and Engagement

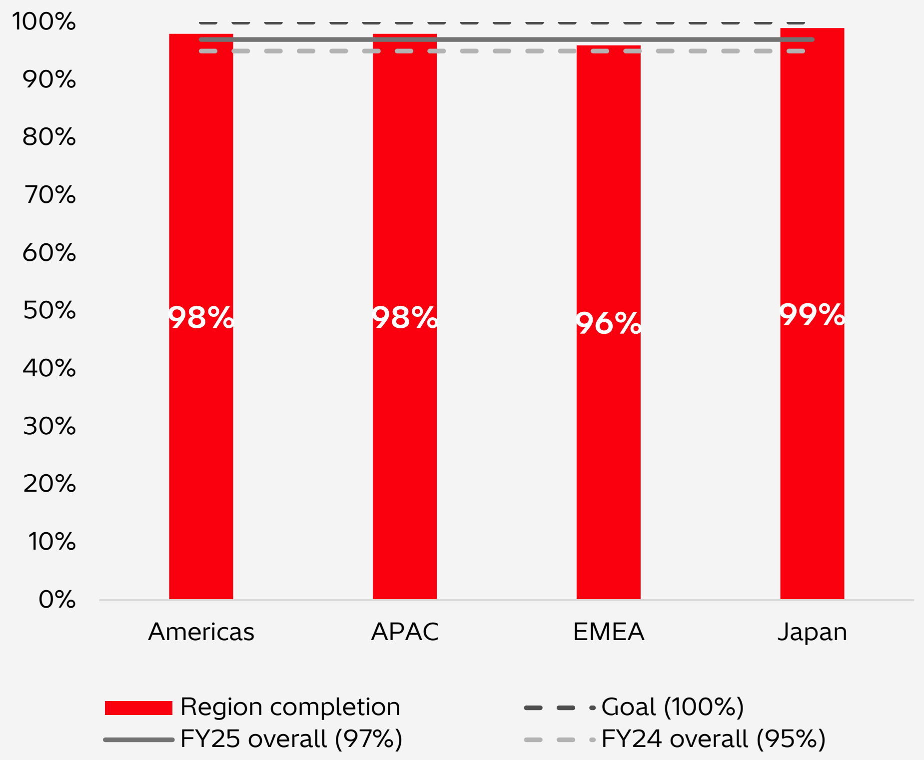
- **Drive completion rates for Annual Code training** with a multi-faceted engagement and communication strategy
- Deploy our **New Joiners Initiative** that reinforces the 'basics and ethics' with early, direct engagement with the Compliance Team to supplement Code training
- Continue implementing Hitachi Group Compliance Office E&C initiatives, plus Hitachi Rail initiatives such as **Playbooks** on Policies and Procedures and function-specific Compliance responsibilities

Ethics and Compliance Month

Overview

- **Ethics and Compliance Month runs every October**, when all Hitachi employees complete the annual Code training
- **Training window** runs throughout October and November
- **In FY25**, we achieved a **97% completion rate**, up from 95% in 2024 against a 100% target
- **More than 23,000 employees trained**, with several regions near full completion
- Increased and **sustained leadership promotion and communication** throughout the month, and indeed across all of FY25, across multiple channels, yielded more engagement and completion from our employee base for annual training and the ethical perceptions survey's voluntary participation
- The Compliance Team supplements top management messaging throughout the year with **targeted training, sensitization and briefing sessions** to managers and employees globally across all functions, targeting higher-risk or lower-performing areas accordingly

Completion rates (%) by Regions



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Strategic Communications Alignment

Key messages

- **Leaders set the tone** – the CEO and leaders opened ethics and compliance month and reinforced the mandatory Code training requirement
- **One clear call to action** – every message urged colleagues to complete the Code of Ethics and Business Conduct training by the deadline
- **Leading by example** – senior leaders shared that they had finished their own training and asked teams to follow
- **Compliance framed as culture** – posts tied ethics to safety, integrity, trust and operational excellence, not a tick-box
- **Peer momentum** – colleagues thanked each other and rallied to close the gap toward 100% completion
- **One message, many channels** – leadership emails, intranet news and internal social posts carried a consistent voice

In their own words

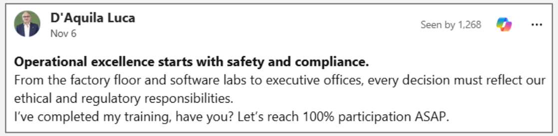

A Message from Giuseppe Marino: Ethics & Compliance Starts with Us

"As we begin Ethics & Compliance Month, I would like to ask each of you to give this month your full commitment. During this month we each need to complete our Mandatory Code Training and by doing this we are not only showing our personal commitment to integrity, respect, and accountability, but also reinforcing Hitachi's commitment to putting ethics and compliance first in everything we do.

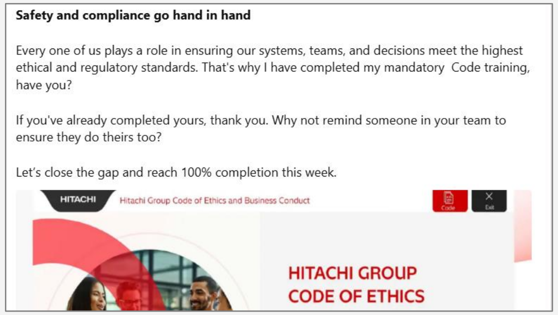
Ethics and Compliance month presents each of us with an opportunity to reflect on how we make decisions, how we support one another, and how we earn the trust of our customers and communities every day.

I kindly ask you to complete your training early and use this month to start conversations with our teams and colleagues about what ethics and compliance means, and what best practice really looks like.

This year why don't we give ourselves 100% completion rate to actively demonstrate that at Hitachi Rail doing the right thing **all the**


D'Aquila Luca
Nov 6
Seen by 1,268

Operational excellence starts with safety and compliance.
From the factory floor and software labs to executive offices, every decision must reflect our ethical and regulatory responsibilities.
I've completed my training, have you? Let's reach 100% participation ASAP.


Safety and compliance go hand in hand

Every one of us plays a role in ensuring our systems, teams, and decisions meet the highest ethical and regulatory standards. That's why I have completed my mandatory Code training, have you?

If you've already completed yours, thank you. Why not remind someone in your team to ensure they do theirs too?

Let's close the gap and reach 100% completion this week.

Tuesday 4 November 2025

Dear Managers,

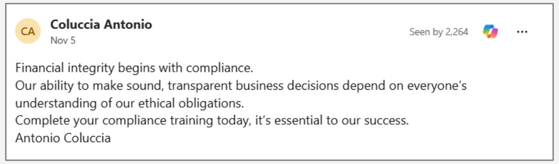
As you know, it is mandatory for everyone in Hitachi to complete their **Code of Ethics and Business Conduct Training** annually. Tokunaga-san and Giuseppe Marino kicked off that process at the beginning of October, and the final deadline to do your training is **14 November**.


SM SHIBASAKI, Maiya
Nov 6
Seen by 1,165

Many of you have taken the Compliance Training already – thank you for doing so!!

Compliance is a key element of a sustainable and inclusive culture. When we act with integrity, we build trust, fairness, and long-term value for everyone.

I've completed my training and it helped me to refresh my memory.
If you have not taken it, please do so!


CA Coluccia Antonio
Nov 5
Seen by 2,264

Financial integrity begins with compliance.
Our ability to make sound, transparent business decisions depend on everyone's understanding of our ethical obligations.
Complete your compliance training today, it's essential to our success.
Antonio Coluccia


What you need to do

Complete the training between 1 October – 30 November 2025.

The short, focused training (around 15 minutes) is required for all eligible employees worldwide and is key to keeping our workplace safe, fair, and aligned with Hitachi's values

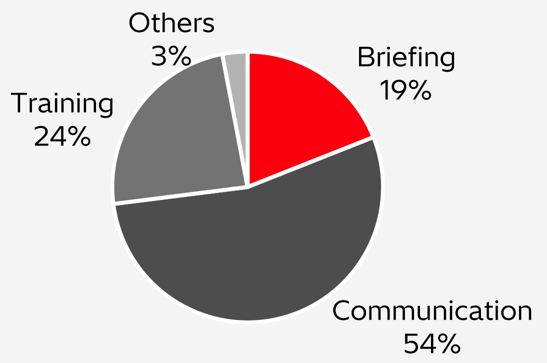
Most of us will take the training online via our usual learning platform. We will receive an email remining us to complete it. Those who work in our factories or manufacturing sites will have a session scheduled by their manager, so they can complete the training as well.

Let's do the right thing and complete the training as soon as we are asked.

Compliance-led Engagements

Compliance Engagement Topics

Types of Engagement



Key Insights

- The Compliance Team delivered Compliance instructor-led **communications, trainings, quick guides, and briefings** to raise awareness on ethics and compliance topics throughout FY25 Awareness was driven through our intranet news feed and **Hitachi Rail Global Community on Viva Engage**, giving high-visibility engagement with all employees, regardless of location
- The **variety of topics** and **methods of delivery** – global/local, remote/in-person, general/specific, wide/targeted – all raised managers' and employees' understanding of ethics and compliance issues

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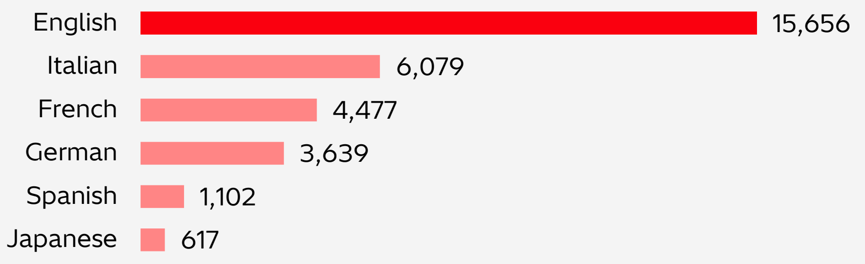
Accessible Compliance Resources – Our Intranet

Our dedicated Intranet Ethics and Compliance pages are a resource hub for employees:

Ethics and Compliance Home Page Visits by Language



Key Insights

- **31,000+ Ethics and Compliance home page visits** since the January 2024 launch of the site, up from 23,000 in FY24 across all language versions
- **English, Italian, and French** account for ~80% of home page visits, mirroring the core languages of our workforce
- **Policies and Procedures** is the most-visited sub-page (20,147), ahead of the Code of Ethics (11,735)
- **46,500+ sub-page visits** span the Code, policies, Speak-Up, resources, and team contacts

Sub-Page Visits by Language

Sub-Page	English	French	German	Italian	Spanish	Japanese	Total
Code of Ethics	5,887	1,707	1,879	1,311	856	95	**11,735**
Policies and Procedures	9,371	3,995	2,425	3,457	591	308	**20,147**
Whistleblowing and Speak-up	1,739	486	868	630	155	67	**3,945**
Compliance Resources	2,980	1,966	1,820	494	—	78	**7,338**
Compliance Team	2,429	—	—	709	—	208	**3,346**
Total	**22,406**	**8,154**	**6,992**	**6,601**	**1,602**	**756**	**46,511**

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