

BUSINESS COMPLIANCE MODEL

How we do business in accordance with the principles of Compliance

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The ethical sustainability in Hitachi Rail S.p.A.



THE BUSINESS COMPLIANCE MODEL of HITACHI RAIL S.p.A.

HITACHI
Inspire the Next

MESSAGE FROM THE CEO, Mr. MANFELLOTTO

Dear colleagues,

In dealing with important business commitments every day, each of us contributes to enhancing the value of everyone's work. Every decision, every action, every activity, like pieces of a huge jigsaw puzzle, is part of being Hitachi and the image we project outside our company.

And this is why the intentions that drive the actions of each of us must always be based on "sound principles", and these principles, although already inherent to our corporate culture and to ourselves, must be *clear, explicit, and shared by all of us*. And now they are also summarized in HRIT's Business Compliance Model, which *represents the way we do business in full compliance with the Rules*. No new rules, therefore, but rather a *clear statement of the ethical principles that inspire our actions*.

The sole purpose of formally adopting a Business Compliance Model is to express our ethics to third parties, so that they may become shared ethics, and to ensure *that the ethical actions of Hitachi employees are reflected in all our actions and are always visible to our external stakeholders*.

I wish you the best in your work.

Ethics
Honesty
Value
Competence
Fairness
Collaboration
Safety
Environmental Protection
Courage
Integrity

What does BUSINESS COMPLIANCE mean for HITACHI RAIL S.p.A.?

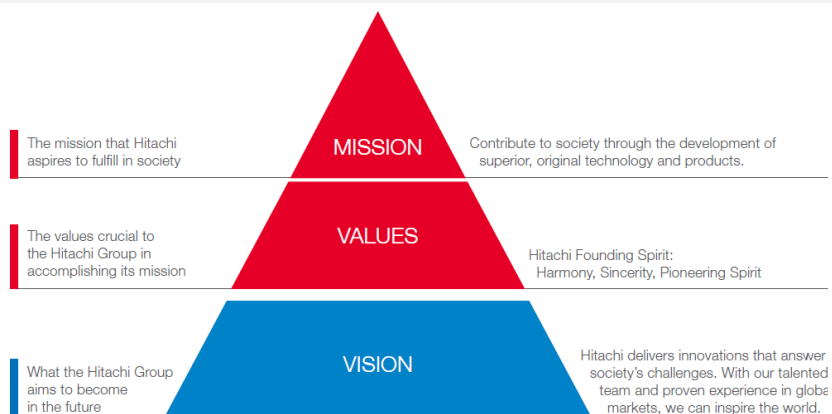
- Attention to, and consolidation of, the corporate image to ensure full compliance with laws and regulations.
- Compliance is not the responsibility of a specific person, department, or division: it is the **shared** responsibility of each employee.

Why a Manual on BUSINESS COMPLIANCE?

- To understand Hitachi Rail S.p.A.'s commitment to the Group's ethical principles set out in the HITACHI GLOBAL COMPLIANCE PROGRAM.
- It sets out all the principles and values that inspire Hitachi Rail S.p.A.'s actions.
- It is a guide for clearly and unequivocally identifying the company procedures defined by Hitachi Rail S.p.A. for each compliance principle, indicated in the book icon.

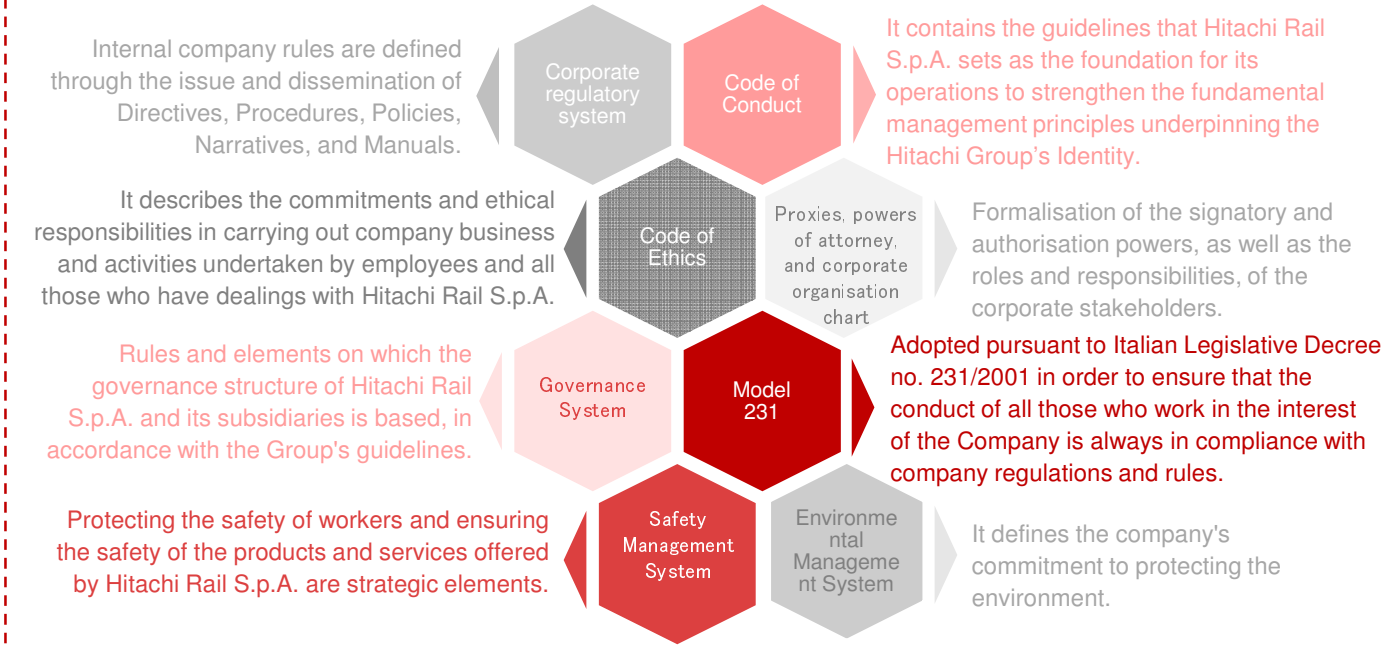


HITACHI
Group
Identity



The elements of the BUSINESS COMPLIANCE Model

Hitachi Rail S.p.A.'s Business Compliance consists of the following REGULATORY ELEMENTS:



The COMPANY PERSONNEL who oversee Hitachi Rail S.p.A.'s Business Compliance:

MANAGEMENT	COMPLIANCE OFFICER	COMPLIANCE COMMITTEE	SUPERVISORY BOARD pursuant to It. Leg. Decree 231/2001	BOARD OF DIRECTORS
<ul style="list-style-type: none"> Is responsible for ensuring that operational activities are carried out in accordance with the principles of compliance. Is committed to creating and supporting a corporate culture of integrity throughout the company. Informs all employees about the wide range of key compliance policies. Is committed to preventing misconduct. 	<ul style="list-style-type: none"> Is responsible for defining operational guidelines, in accordance with the Group's compliance rules, in coordination with the Legal Department and the corresponding Compliance Function created by the Division. Collaborates with the HR Function to define business processes. Verifies and monitors that policies, procedures, and controls are adopted and implemented to ensure compliance activities. 	<ul style="list-style-type: none"> Is involved in the analysis of reports of misconduct, in accordance with the Company Guidelines on handling misconduct. Identifies the members of subsidiaries' Compliance Committees. Is composed of: <ul style="list-style-type: none"> Head of the Legal Department; Head of HR Function; Compliance Officer. 	<ul style="list-style-type: none"> Is appointed pursuant to Italian Legislative Decree no. 231/2001 on the administrative liability of entities. Has the duty of overseeing the functioning, observance, and updating of the Organisation, Management, and Control Model pursuant to Italian Legislative Decree no. 231/2001 (known as "Model 231"). At Hitachi Rail S.p.A. it is composed of the Head of the Legal Department and two external members with specific expertise in this field. 	<ul style="list-style-type: none"> Monitors the compliance activities carried out by the company personnel checking compliance risks. Is periodically informed of the progress of Compliance activities and their outcomes. May take action with specific requests for further information or clarification where it deems it appropriate.

Quality Compliance

The quality of our products, services, and processes is one of the key points of our corporate strategy.

At Hitachi Rail S.p.A., therefore, the term "quality" does not just mean compliance with the requirements imposed by current laws and quality standards: it means proactive management of all quality elements, which translates into particular attention to every aspect of our products, services and processes in order to achieve the highest levels of safety, in accordance with the principles of competition and sustainability in conformity with company procedures.



Design Authority

Over the years Hitachi Rail S.p.A. has deservedly distinguished itself for its high technical and engineering value, also through the continuous and constant development of our intellectual assets.

The protection of our intellectual property, and the efficient use thereof, are core values at Hitachi Rail, which ensures management in compliance with applicable laws and internal regulations, as well as full respect for the intellectual property rights of third parties, through constant efforts to avoid infringing the rights of others.

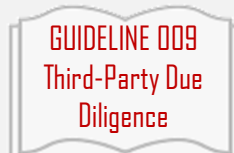


Our concept of Compliance in Business Relationships

Relationships with Third Parties Relations with competitors

Hitachi Rail S.p.A. is aware of the value of working with its Customers, Suppliers, and Partners and acts to create an optimal network of links within the framework of its social responsibilities.

The initiation of business relations with Third Parties is subject to prior verification of their integrity and reliability, the maintenance of which is also monitored during the course of the relationship by means of specific checks.



National and international laws and regulations on free competition are incorporated into the company's regulatory system and guide all actions by Hitachi Rail S.p.A.

We build appropriate relationships with all competitors, preserving the spirit of competition in the free market, avoiding business activities under conditions that are unjustifiably contrary to our terms of sale and collecting market information using only appropriate means.



Our concept of Compliance in Business Relationships

Relations with the Public Administration

In our business, relations with the Public Administration are frequent and constant, and it is therefore essential for Hitachi Rail S.p.A. to ensure the transparency and fairness of all relations, rejecting any practice of corruption of public officials or any action of a similar nature aimed at proposing, promoting, or providing illegal or dishonest profit. Relations with public bodies are therefore tracked and maintained by at least two employees, where possible.

POLICY 010
Relations with the
Public Administration

Intragroup relations

Hitachi Rail S.p.A., as part of the Hitachi Group, has always promoted cooperation and collaboration with other Group companies. The sharing of experience and expertise distinguishes our work, in order to work together for a common goal and jointly manage business challenges, while respecting the specific individuality and peculiarities of each company, as well as in compliance with specific local rules, customs, and traditions.

GUIDELINE 007
Governance
structure

External communications

Hitachi Rail S.p.A. avoids inappropriate expressions in its promotional and advertising activities and handles all external communications by making only statements and communications in accordance with social justice, public order, and morality. The communication activity is also carried out by protecting customers, partners, suppliers and other stakeholders, in order to avoid the dissemination of slanderous information or a misrepresentation of reality.

POLICY 001
Corporate Social
Media

COMPLIANCE IN THE MANAGEMENT OF DONATIONS

PROCEDURE 009
Sponsorships and
contributions

PROCEDURE 022
Gifts, hospitality, and
entertainment

Donations and Sponsorships

As a sensitive operator, Hitachi Rail acts within its own frame of reference in order to support the community, including through donations and social promotion actions, as well as sponsorships, managed transparently and in accordance with company rules, requiring beneficiaries to undergo a preliminary assessment of their integrity and reputation.

Gifts and Entertainment Expenses

Relations with Third Parties, whether Clients, Suppliers, or Partners, are based on professional ties of mutual respect and trust, and cannot therefore be influenced through business practices such as providing entertainment or giving gifts. All gifts shall be given in compliance with the approval process provided for in the company procedures.

Compliance as a Protection Tool

Protection of personal data

In accordance with the GDPR and internal company regulations, Hitachi Rail S.p.A. is committed to properly managing all processes relating to the life cycle of personal data and confidential information, including its creation, acquisition, confidentiality, sharing, disclosure, storage, maintenance, use, and destruction, as well as to protecting it and making appropriate use of computer equipment to prevent problems due to its leakage and misuse.

GUIDELINE 008
Personal data -
Privacy

Cyber Security

Hitachi Rail S.p.A. implements appropriate measures to ensure its employees' safety and the continuity of its business activities in the event of disasters and threats, such as cyber attacks.

The company's IT assets are protected in accordance with our information security policy to prevent cyber attacks and protect company data, as well as the data of our third parties.

Procedures 021, 022
IT and accounting
J-Sox procedures

Authenticity of accounting data

Hitachi Rail S.p.A. adopts proper accounting practices that comply with applicable accounting standards, ensuring that activities and controls are in place to record and present all information appropriately in the financial statements.

Similarly, we are committed to clearly and accurately recording and representing the results of analyses, evaluations, post-inspection results, information on the performance of activities and other documents in order to provide a true and fair picture.

IT and Functional
procedures
pursuant to J-Sox

Protection of corporate assets

All activities of Hitachi Rail S.p.A. are carried out in full observance of the company's tangible and intangible assets, including financial assets and expertise, whilst penalising any action which, through improper use or in a personal capacity, may damage their value. Intellectual works created in relation to projects carried out by our companies belong to them, in accordance with applicable laws, we comply with the provisions of internal regulations for the protection and use of these rights.

Compliance as a Protection Tool

Protection of employees

Hitachi Rail S.p.A. contributes to the creation of workplaces where each employee can operate with a sense of their own usefulness, also promoting a work-life balance, in compliance with current labour regulations governing recruitment, personnel matters, working conditions, salaries, and any related terms and conditions.

We also emphasise the value of our staff through investments in training programmes to expand their capabilities and strengths.

Hitachi Rail
Employees
Handbook

Safety

Every possible effort is made to pursue the highest level of safety of our products, systems, and services, and we are also committed to incorporating superior and reliable functions and performance into our products.

Hitachi Rail S.p.A. implements appropriate measures to ensure safety in the working environment, giving the highest priority to the well-being and safety of our staff.

OHSAS 18001 and
Safety Management
System

Environmental protection

Reducing the environmental impact throughout the entire product life cycle – from the procurement of materials to production, distribution, use, and disposal – by actively developing environmentally friendly products and services is one of the goals that Hitachi Rail S.p.A. is pursuing.

We carry out our work in compliance with the laws and regulations on environmental protection, but also by independently implementing specific standards, set out in the company's system of procedures.

Environmental
Management
System



Cross-cutting compliance principles

Transparency

All Hitachi Rail S.p.A. activities and decision-making processes are carried out with the utmost respect for the principle of transparency, with the intention of making every action and its purpose clear, in order to build a more ethical environment.

Traceability

Every operation carried out shall be adequately documented so that the process of decision, authorisation, and control can be traced and verified ex post, through the examination of documentary evidence.

Separation of activities

Separation of activities between those who authorise, those who execute, and those who check. This separation, within the same business process, is ensured by the involvement of several parties in the decision-making, executive, and control process in order to guarantee the independence and objectivity of the processes.

Roles and responsibilities

Hitachi Rail S.p.A. ensures a clear definition of roles, responsibilities, and controls within the internal decision-making and approval process.

Authorising and signatory powers

Clear definition of the delegate's powers and of the limits in exercising powers of attorney, in line with the company's objectives;
Formal identification of those who are authorised to manage relations with the Public Administration.

Policies / Procedures

Existence of company regulations and formalised procedures that provide principles of conduct and operating procedures for carrying out activities.

Conflict of interest

Absence of personal interests or interests of a close relative, which could in fact result in exposure to the risk of a lack of impartiality and independence in carrying out company activities.

- Issue of a specific declaration certifying the absence of conflicts of interest
- Disclosure of an existing conflict of interest
- Abstention from activities / decisions in case of a conflict of interest

Reporting

Anyone can report the occurrence of illicit, illegal, wrongful, or improper acts concerning conduct in violation of the corporate regulatory system.

Hitachi Rail S.p.A. examines the reported facts and implements the necessary corrective measures, ensuring the protection of whistleblowers, in compliance with current regulations.

