

Hitachi Ltd. (Hitachi)

TICKER
 6501

MARKET CAPITALIZATION
 US\$56.8 billion

HEADQUARTERS
 Japan

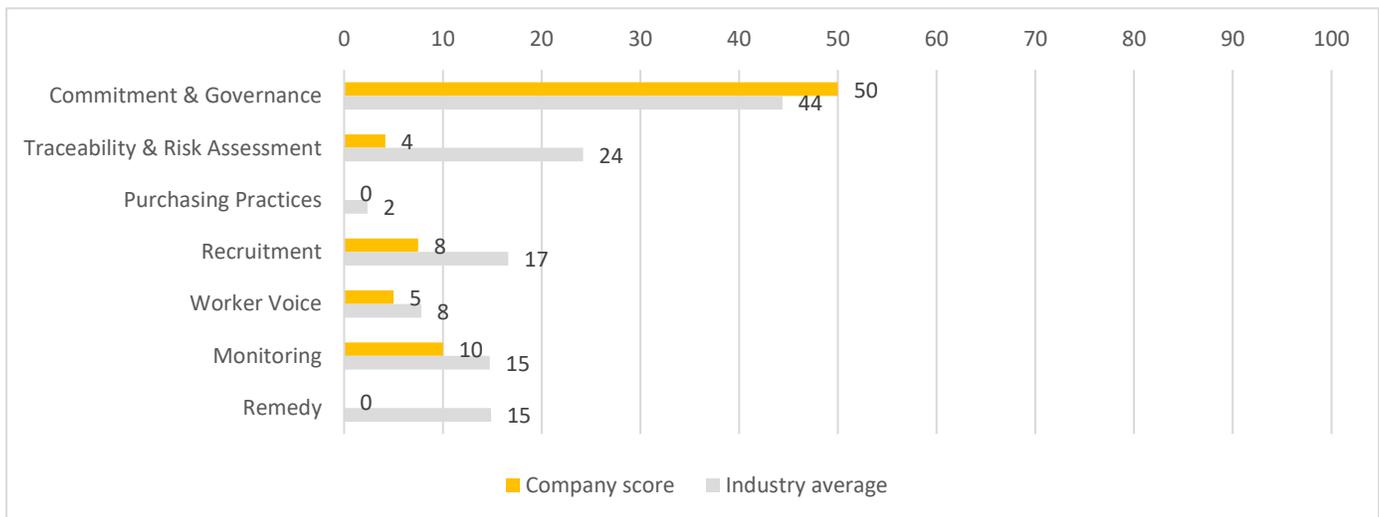
DISCLOSURES
[UK Modern Slavery Act](#): Yes (Disclosure of Subsidiary)

[California Transparency in Supply Chains Act](#): Yes (Disclosure of Subsidiary)

[Australia Modern Slavery Act](#): Yes (Disclosure of Subsidiary)

OVERALL RANKING
35 out of 60

(2020 Rank: 25 out of 49)

OVERALL SCORE
12 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
SUPPLIER LIST

No

RISK ASSESSMENT

Yes

ENGAGED WITH KNOWTHECHAIN¹

Yes

ALLEGATIONS OF FORCED LABOUR

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

No

HIGH-RISK SOURCING COUNTRIES

China

SUMMARY

Hitachi Ltd. (Hitachi), a supplier to companies such as Amazon and Hewlett Packard Enterprise, ranks 35th out of 60 companies. Since 2020, the company improved on the theme of Traceability & Risk Assessment by disclosing the use of a risk questionnaire designed to focus on forced labour and migrant labour risks at its suppliers. However, the company did not improve across other themes. It performed particularly poorly on the themes of Purchasing Practices and Remedy, scoring zero. As such, the company's rank dropped by 10 places since 2020.² KnowTheChain identified one allegation of forced labour in the company's supply chains.³ The company has an opportunity to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Remedy.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company discloses the use of a risk questionnaire for suppliers which focuses on forced labour and migrant labour risks. The company is encouraged to adopt and disclose a comprehensive human rights risk assessment process for its supply chains, including detail on sources used and stakeholders engaged to assess risk. The company is further encouraged to disclose forced labour risks across different tiers of its supply chains, and disclose how it engages with relevant stakeholders to address forced labour risks identified.

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labour and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

² KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See [here](#) for more information.

³ For more information on the allegations, and the disclosures the company made about its response to those allegations, see the full dataset [here](#).