

IV. CSR Management

1. CSR Activities at the Hitachi Metals Group

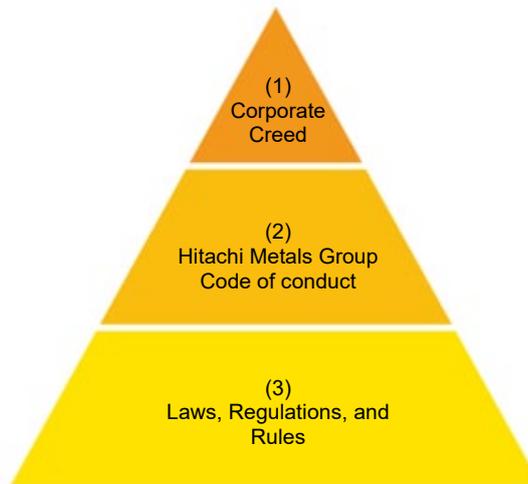
Since our independence from Hitachi, Ltd. in October 1956, we at Hitachi Metals have operated under our Corporate Philosophy of “Wa sureba tsuyoshi” (strength through harmony), and our Corporate Creed of contributing to society by being “the best enterprise.” Accordingly, we have worked to help solve social issues by utilizing our advanced technologies and capabilities.

CSR management, which calls on corporations not only to pursue profitability but also to meet stakeholders’ expectations and contribute to the development of society, is literally consistent with our aspiration declared in our Corporate Creed. It is fair to say that the guiding principles of CSR are the Corporate Creed that we have embraced since our independence.

We at the Hitachi Metals Group promote CSR activities based on our Corporate Creed, aiming to contribute to society through our business operations.

(1) Guidelines for CSR Activities

The Hitachi Metals Group systematically established guidelines for CSR activities as follows:



- (1) The Corporate Creed governs all corporate activities of the Hitachi Metals Group. It also functions as the guiding principles of our CSR activities.
- (2) The Hitachi Metals Group Code of Conduct defines the basis for the decision making and conduct carried out by all Hitachi Metals Group directors and employees in order to realize the Hitachi Metals WAY, based on our Corporate Creed and Corporate Philosophy, adhering to the principle of “obey the law and walk the path of virtue.” It is a declaration to society concerning in which direction our Group should move forward and it also serves as the standard of our corporate ethics.
- (3) Laws and regulations are the basic rules of corporate activity. It should be noted, however, that they stipulate minimum requirements only.

The Hitachi Metals Group aims to carry out its social responsibility and realize its Corporate Creed

through the observance and implementation of laws and regulations, as well as the Hitachi Metals Group Code of Conduct, by all Directors and employees in their daily duties.

(2) Hitachi Metals Group Stakeholders

The business of the Hitachi Metals Group is materialized through engagement with stakeholders. The Hitachi Metals Group considers stakeholders strongly associated with its business activities as “customers,” “shareholders and investors,” “suppliers,” “employees,” and “society and local communities,” and develops its CSR activities by responding to requests and expectations from those stakeholders and contributing to society’s connectivity.

(3) System for Promoting CSR

As the business domains of the Hitachi Metals Group have expanded rapidly on a global scale due to M&A and other activities, thorough compliance has assumed increasing importance as the management foundation that enables the Group to fulfill its social responsibility. The CSR Management Office, an organization that is independent from other corporate and business divisions, plays a central role in working with divisions involved in business activities and Group companies, in order to address compliance issues in response to the demands and expectations of stakeholders.

As an organization to achieve these goals, we have appointed a Hitachi Metals Group Risk Management Officer to supervise the compliance activities of the entire Group, and have also established compliance promotion departments at each of our business divisions and appointed risk management officers at all Group companies, thereby creating a structure that encourages business divisions and Group companies to carry out compliance activities autonomously. These departments cooperate with other corporate divisions to resolve socially important challenges such as human rights issues and environmental problems.

(4) CSR Activity Results and Plans

(a) Framework for CSR Activities

Every year since fiscal 2015, the Hitachi Metals Group has evaluated its activity results, set targets and measures for the upcoming fiscal year, and integrated the evaluation results into a road map. By repeating this cycle of setting and implementing road maps, the Group is continually enhancing the quality of management.

(b) Fiscal 2019 Initiative Results and Fiscal 2020 Plans

★★★ Achieved ★★ 90% achieved ★ Not achieved

Some of the FY2019 measures (planned) have been reviewed.

FY2019 Measures (Planned)	FY2019 Measures (Results)	Self-assessment	Measures Planned for FY2020
1. Recognition of Social Responsibility			
<ul style="list-style-type: none"> Seek advice on/assessment of the Company's CSR activities from outside experts (ongoing) 	<ul style="list-style-type: none"> Not implemented in FY2019. 	★	<ul style="list-style-type: none"> Seek advice on/assessment of the Company's CSR activities from outside experts (ongoing)
2. Organizational Governance			
<ul style="list-style-type: none"> Hold regular meetings regarding compliance, formulate preventative measures, and share information (ongoing) 	<ul style="list-style-type: none"> Hold compliance management meetings semiannually to analyze matters related to compliance and risks involving our businesses, formulate preventative measures, and share information 	★★★	<ul style="list-style-type: none"> Hold regular meetings regarding compliance, formulate preventative measures, and share information (ongoing)
<ul style="list-style-type: none"> Conduct compliance training at the Company and subsidiaries in Japan and overseas (ongoing) Conduct environmental education at the Head Office and each company (ongoing) Ongoing implementation of Hitachi Insights, the Hitachi Group employee satisfaction survey targeting all back-office workers 	<ul style="list-style-type: none"> Conduct compliance training (80 times at the Company and subsidiaries in Japan and overseas) Implement environmental auditor development training (twice) Conducted Hitachi Insights, the Hitachi Group employee satisfaction survey targeting all back-office workers in September and October (7,753 employees responded on a consolidated basis) 	★★★	<ul style="list-style-type: none"> Conduct compliance training at the Hitachi Metals Group (ongoing) Conduct environmental e-learning (100% of employees) and environmental auditor development training (at least once) Ongoing implementation of Hitachi Insights, the Hitachi Group employee satisfaction survey targeting all back-office workers
3. Human Rights			
<ul style="list-style-type: none"> All employees receive human rights training every three years, based on the Hitachi Metals Group Human Rights Policy, according to Hitachi Group's policies 	<ul style="list-style-type: none"> Systematically conducted human rights training throughout the entire Hitachi Metals Group (7,022 employees participated on a consolidated basis) 	★★★	<ul style="list-style-type: none"> Conduct human rights training systematically throughout the entire Hitachi Metals Group (ongoing)
4. Labor Practices			
<ul style="list-style-type: none"> Further reduce total annual working hours per back-office worker by improving operational efficiency (based on workflows, RPA, etc.) through the Back-office Operations Reform Project and measures such as increasing the ratio of annual leave taken Continue to set a target rate of 50% or more for employment diversity Set the target ratio of women in career-track positions (5%) 	<ul style="list-style-type: none"> Reduced total annual working hours per back-office worker by 54 hours from the previous year and increased the number of days of annual leave taken by 2.0 days through the implementation of the "work style reform" project, and saw the number of employees using telecommuting increasing greatly due to the COVID-19 pandemic. At 38%, fell short of the employment diversity target rate At 5.1% (up by 0.4% from the previous year), achieved the target ratio of women in career-track positions 	★★★	<ul style="list-style-type: none"> Further improve operational efficiency (based on workflows, RPA, etc.) through the Back-office Operations Reform Project and consider new work styles bearing in mind a society that coexists with COVID-19 and post-COVID society. Continue to set a target rate of 50% or more for employment diversity Continue to set the target ratio of women in career-track positions (5%)
<ul style="list-style-type: none"> Formulate an action plan integrating the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace, and continue to proactively disclose related figures to the public Increase the ratio of women in management positions Continue to hold Hitachi Metals Women's Forums for information exchange between women in career-track positions and strengthen coordination among them 	<ul style="list-style-type: none"> Formulate an integrated action plan and announced it to the public. Related figures were also disclosed as widely as possible Selected as "Nadeshiko Brand" in fiscal 2019 The ratio of women in management positions: 1.4% Held a Hitachi Metals Women's Forum, a networking event targeting all women in career-track positions 	★★★	<ul style="list-style-type: none"> Formulate an action plan integrating the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace, and continue to proactively disclose related figures to the public Increase the ratio of women in management positions Continue to hold Hitachi Metals Women's Forums for information exchange between women in career-track positions and strengthen coordination among them
<ul style="list-style-type: none"> Exceed the legal employment rate of employees with disabilities 	<ul style="list-style-type: none"> The actual figure for FY2019 was 2.26%, achieving the target 	★★★	<ul style="list-style-type: none"> Exceed the legal employment rate of 2.2%

4. Labor Practices			
<ul style="list-style-type: none"> Confirm activities regarding Hitachi Metals Group's key health and safety measures, as well as the state of legal compliance through health and safety audits of business offices, and implement health and safety training for supervisors Conduct stress checks throughout the Hitachi Metals Group and enhance feedback Take measures for health management Prepare for the launch of the Hitachi Group accident investigation system 	<ul style="list-style-type: none"> Conducted safety and health audits at 12 business offices in Japan. Confirmed mainly on-site work and chemical substance management status, and provided guidance Continued to conduct stress checks and result feedback throughout the Hitachi Metals Group Promoted measures against secondhand smoking as a measure for health management, establishing smoking areas and launching measures such as designated smoking times Prepared for the launch of the Hitachi Group accident investigation system and held explanatory workshops on the system 	★★★	<ul style="list-style-type: none"> Confirm activities regarding Hitachi Metals Group's key health and safety measures, as well as the state of legal compliance through health and safety audits of business offices, and implement health and safety training for supervisors (ongoing) Conduct stress checks throughout the Hitachi Metals Group and enhance feedback (ongoing) Enhance measures for health management (ongoing) Full-scale operation of Hitachi Group accident investigation system (strengthening disaster analysis and countermeasures)
<ul style="list-style-type: none"> Send individuals selected from among those at the general manager level to external training for executives Conduct training of individuals selected from among those at the manager level to develop global leaders In addition to securing a determined number of human resources by hiring new graduates, continue to conduct midcareer hiring in the interest of personnel rotation and adjusting the age composition 	<ul style="list-style-type: none"> Reduced the number of individuals who were selected from among those at the general manager level and sent them to external training for executives. Conduct training of individuals selected from among those at the manager level to develop global leaders Continued to conduct midcareer hiring proactively, in addition to securing human resources by hiring new graduates 	★★	<ul style="list-style-type: none"> Continue to send individuals selected from among those at the general manager level to external training for executives Continue to conduct training of individuals selected from among those at the manager level to develop global leaders Secure a determined number of human resources by hiring new graduates
5. The Environment			
<ul style="list-style-type: none"> Increase the sales ratio of key environmentally conscious products¹ (23%) 	<ul style="list-style-type: none"> Increased the sales ratio of key environmentally conscious products (20.2%) 	★	<ul style="list-style-type: none"> Increase the sales ratio of key environmentally conscious products (24%)
<ul style="list-style-type: none"> Reduce CO₂ emissions per production unit (5% compared to base year FY2010) 	<ul style="list-style-type: none"> Reduced CO₂ emissions per production unit (1.4% compared to base year FY2010) 	★	<ul style="list-style-type: none"> Reduce CO₂ emissions per production unit (6% compared to base year FY2010)
<ul style="list-style-type: none"> Reduce the ratio of waste and valuables generation per production unit (12% compared to base year FY2010) Waste landfill rate (14%) 	<ul style="list-style-type: none"> Reduced active mass per production unit of waste/valuables generation (17% compared to base year FY2010) Waste landfill rate (13.7%) 	★★★	<ul style="list-style-type: none"> Reduce the ratio of waste and valuables generation per production unit (13% compared to base year FY2010) Waste landfill rate (13%)
<ul style="list-style-type: none"> Reduce the ratio of chemical substance emissions per production unit (26% compared to base year FY2010) 	<ul style="list-style-type: none"> Reduced the ratio of chemical substance emissions per production unit (23% compared to base year FY2010) 	★	<ul style="list-style-type: none"> Reduce the ratio of chemical substance emissions per production unit (27% compared to base year FY2010)
6. Fair Operating Practices			
<ul style="list-style-type: none"> Continue to conduct audits related to compliance (including compliance with the Anti-Monopoly Act) 	<ul style="list-style-type: none"> Accompanied internal audits done by the Auditing Office and conducted compliance audits 	★★	<ul style="list-style-type: none"> Continue to conduct audits related to compliance (including compliance with the Anti-Monopoly Act)
<ul style="list-style-type: none"> Survey the status of CSR efforts by the Company's suppliers based on the Hitachi Group's CSR Procurement Guidelines 	<ul style="list-style-type: none"> Shared issues with suppliers based on the results of surveys conducted in accordance with the Hitachi Metals Group Supply Chain CSR Procurement Guidelines, using the CSR Procurement Check Sheet 	★★★	<ul style="list-style-type: none"> Raise awareness of the Hitachi Metals Group Supply Chain CSR Procurement Guidelines and continue to address issues
FY2019 Measures (Planned) <ul style="list-style-type: none"> Raise awareness of the Hitachi Metals Group Supply Chain CSR Procurement Guidelines and continue to address issues 	FY2019 Measures (Results) <ul style="list-style-type: none"> The Hitachi Group conducted a survey on the status of compliance with the CSR Guidelines for suppliers in China and North America. 	★★★	Measures Planned for FY2020 <ul style="list-style-type: none"> Disseminate the CSR Guidelines to suppliers not only in the countries and regions described at left, but also in the Asia and European regions, and conduct a survey on the status of compliance with the CSR Guidelines for suppliers in the above countries and regions

<ul style="list-style-type: none"> Conduct information security education (ongoing) Conduct information security self-audits (ongoing) Make an online pledge not to retain business information on privately-owned computers Conduct targeted e-mail attack simulations (ongoing) Implement measures against the sending of e-mails to unintended recipients (ongoing) Comply with personal information protection laws in relevant countries, including the EU General Data Protection Regulation (GDPR) 	<ul style="list-style-type: none"> Conducted information security education Conducted information security self-audits Made an online pledge not to retain business information on privately-owned computers Conducted targeted e-mail attack simulations Implement measures against the sending of e-mails to unintended recipients (ongoing) Comply with personal information protection laws in relevant countries, including the EU General Data Protection Regulation (GDPR) 	★★★	<ul style="list-style-type: none"> Conduct information security education (ongoing) Conduct information security self-audits (ongoing) Make an online pledge not to retain business information on privately-owned computers (ongoing) Conduct targeted e-mail attack simulations (ongoing) Implement measures against the sending of e-mails to unintended recipients (ongoing) Comply with personal information protection laws in relevant countries, including the EU General Data Protection Regulation (GDPR) (ongoing)
7. Customers (Consumer Issues)			
<ul style="list-style-type: none"> Implement tasks for the creation of new business and select ongoing themes Process research (develop industrial technologies using AI and robotics) Promote cooperation and collaboration with customers and research institutions in Japan and overseas (expand open innovation) 	<ul style="list-style-type: none"> Implemented tasks for the creation of new business (13 themes ongoing, 4 themes completed) Process research (promoted development of advanced inspection equipment, etc., using AI and robotics) Promoted cooperation and collaboration with customers and research institutions in Japan and overseas (conducted joint research with institutions in Japan and overseas and developed energy-saving products and technologies) 	★★★	<ul style="list-style-type: none"> Create new products/businesses that can contribute to a sustainable society (implement tasks in companywide research themes and select themes) Process research (promote development of industrial technologies using AI and robotics) Promote cooperation and collaboration with customers and research institutions in Japan and overseas (expand open innovation)
8. Community Involvement and Development			
<ul style="list-style-type: none"> Consider social contribution activities enabling a closer relationship with regional citizens and culture (ongoing) 	<ul style="list-style-type: none"> Conducted regional contribution activities mainly in regions where offices and factories are located (social contributions amounted to 150 million yen) 	★★★	<ul style="list-style-type: none"> Consider social contribution activities enabling a closer relationship with regional citizens and culture (ongoing)
<ul style="list-style-type: none"> Contribute to material science technical research through the support of Hitachi Metals' Materials Science Foundation (ongoing) Support <i>tatara</i> method of iron manufacture (ongoing) 	<ul style="list-style-type: none"> Contributed to material science technical research through support of Hitachi Metals' Materials Science Foundation Supported <i>tatara</i> method of iron manufacture (operations and personnel) conducted by the Society for Preservation of Japanese Art Swords at Nittoho Tatara in Okuizumo, Shimane Prefecture 	★★★	<ul style="list-style-type: none"> Contribute to material science technical research through the support of Hitachi Metals' Materials Science Foundation (ongoing) Support <i>tatara</i> method of iron manufacture (ongoing)
9. Review and Improvement of CSR Activities			
<ul style="list-style-type: none"> Improve management quality using CSR research (ongoing) 	<ul style="list-style-type: none"> Feedback on the scoring results of the CSR survey to related departments. Based on the results, each department implemented measures to improve management quality. 	★★★	<ul style="list-style-type: none"> Improve management quality using CSR research (ongoing)
<ul style="list-style-type: none"> Develop activities conforming to international standards for CSR and to requests from various research and assessment institutions (ongoing) Improve responses to the Carbon Disclosure Project (CDP)² 	<ul style="list-style-type: none"> Applied a PDCA cycle to CSR activity issues based on ISO 26000, social responsibility guidance of the International Standard for Organization (ISO) Improved scope of disclosure in accordance with sustainability reporting international guideline GRI Standards Responded to the Carbon Disclosure Project (CDP) 	★★★	<ul style="list-style-type: none"> Develop activities conforming to international standards for CSR and to requests from various research and assessment institutions (ongoing) Improve responses to the Carbon Disclosure Project (CDP) (ongoing)

*1. Products that are targeted for growth based on a management strategy and that make a significant contribution to resolving environmental issues such as climate change and resource recycling

*2. This project is promoted through collaboration among institutional investors and calls for information about climate change from major corporations

(5) Economic Performance

(a) Direct Economic Value Generated and Distributed

Please refer to the following pages.

WEB Financial closing information

<http://www.hitachi-metals.co.jp/ir/library/ifrs.html>

Social Contribution Activities V. Report on social aspects³. In Cooperation with Society and the
Local Community⁽²⁾ Our Social Contribution Activities in Fiscal 2019
Environmental Accounting VI. Report on Environmental Aspects 1. Environmental management⁽⁵⁾
Environmental Accounting

2. Compliance

(1) Basic Approach

To foster a deeper understanding of compliance, the Company has prepared and distributed the CSR Guidebook to all officers and employees of the Hitachi Metals Group, and provides compliance education in both lecture and e-learning formats on a regular basis. In addition, the Company has set October of each year as Corporate Ethics Month, and holds compliance lectures delivered by outside instructors, primarily for employees in management-level positions, as well as various other events to cultivate an awareness of compliance.

To ensure more thorough compliance, ongoing improvement activities were carried out by the corporate division at the Company and Group companies in Japan and overseas with regard to tasks to be addressed to prevent the occurrence of inappropriate issues.

(2) Compliance Education Activities

(a) Hitachi Metals Group Corporate Ethics Month

To thoroughly instill compliance, we designated October as the Hitachi Metals Group Corporate Ethics Month, as in past years, and carried out the following measures, in addition to conducting compliance training.

- i) The President prepared the “President’s Message for the Hitachi Metals Group Corporate Ethics Month” in his own words, calling for adherence to compliance. The message was simultaneously distributed to Group employees in Japan who have a Group e-mail address.
- ii) We held compliance lectures (led by outside instructors) for those in management-level positions.
(Targets were executive officers and other management members, and general managers working at the head office or regional offices.)
- iii) We distributed workplace compliance education materials for use in the workplace during morning assemblies and monthly meetings.
- iv) All employees checked their own compliance based on a check sheet regarding compliance awareness and measures taken.
- v) The Group companies conducted self-audits of their compliance.

(c) Compliance Training

Each year, the compliance department conducts compliance training for officers and employees of the Hitachi Metals Group. This training covers compliance with the Code of Conduct and the Antimonopoly Act, prevention of acts of bribery, and prevention of transactions with antisocial forces. Training related to compliance was included in the curriculum for new employees and in education for specific levels and positions, etc.

Ordinance number	Type	Substance	Target employees
0.1	Education for all members	Compliance training	Hitachi Metals Group employees
2		Compliance lectures for employees in management-level positions (led by outside instructors)	Executive officers and general managers working at the head office or <u>regional offices</u>
3		Hitachi Group compliance e-learning	Managers and professionals
4	Education for new employees	Training for new hires	New hires
5	Education for midcareer hires	Training for midcareer hires	Midcareer hires
6		Training for newly promoted managers	Newly promoted line managers
7		Training for employees on overseas assignments	Employees on overseas assignments

(3) Compliance Audits

(a) Compliance Audits

The Internal Auditing Office conducted internal audits of all of its offices. The compliance department joins this audit activity in order to conduct compliance audits to check whether there is any suspicion of practices that violate either laws or company rules.

(4) Export Controls

In its Code of Conduct, Hitachi Metals sets “Obey the law and walk the path of virtue” as the basis of its actions. Accordingly, our basic policy on export controls is to “Strictly observe export-related laws and contribute to the maintenance of international peace and security,” and under this policy, we formulated and resolutely apply a compliance program that includes Rules on Security Export Controls. Specifically, we scrutinize the destination countries and regions, applications, and customers of all exported goods and technologies as we perform procedures on the basis of relevant laws. We guide global Group companies in enacting export control rules and establishing systems to ensure that they control exports appropriately, in line with the policy. We also provide educational assistance and perform internal audits.

Hitachi Metals will make exhaustive efforts to carry out our social responsibility for the maintenance of international peace and security in the future.

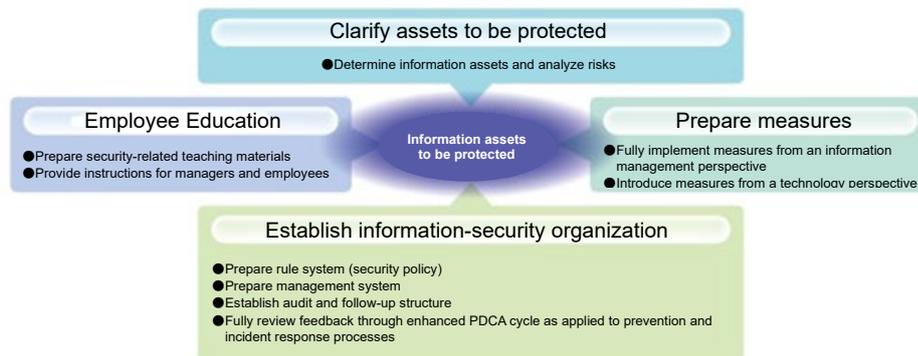
In fiscal 2019, the Hitachi Metals Group committed no major violations of export controls.

3. Information Protection and Management

(1) Basic Approach

The evolution and spread of IT, particularly in the form of the Internet and social networking services (SNSs), have resulted in an expanded litany of security risks. Managing and protecting corporate information, including personal information, is more important than ever as a corporate social responsibility. The Hitachi Metals Group established a “Basic Policy of Information Security” in April 2004, followed by a “Personal Information Protection Policy” in January 2005, establishing an organization of personal information protection/information security based on these policies. The Company has continued to update information security measures in line with these policies.

Basic concept of information asset protection >>



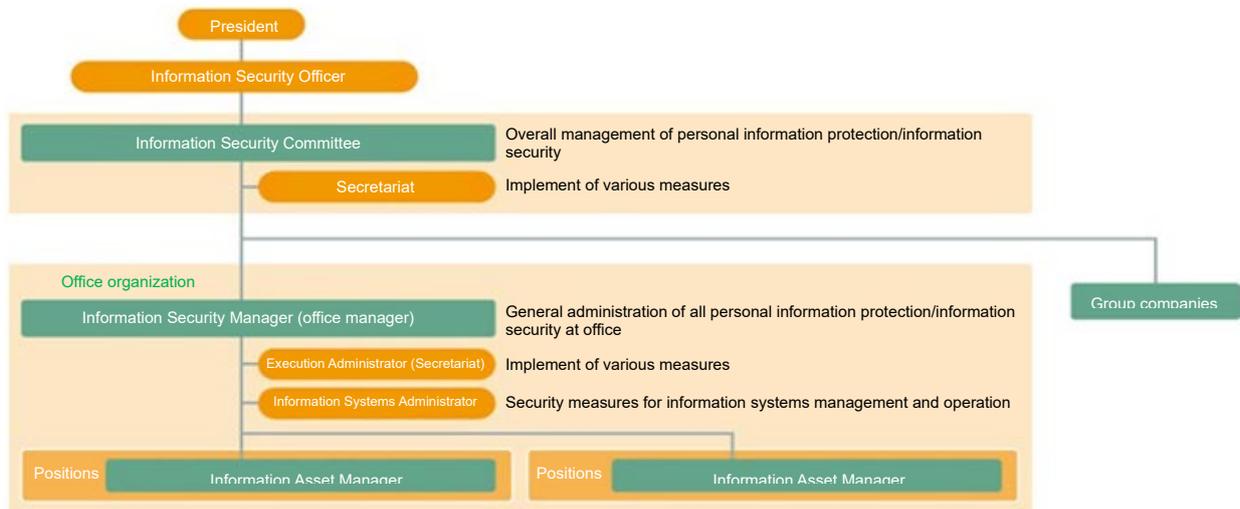
In January 2016, private companies along with local governments and other organizations across Japan began using the My Number system, a social security and tax information system for individuals. At corporations, human resources and general administration departments deal with employees’ My Number information, legal departments handle shareholders’ My Number information, and procurement departments collect My Number data on sole proprietors. Consequently, the My Number launch precipitated the need to amend personal information protection policy along with regulations on management of personal information as well as peripheral rules, detailed regulations, guidelines, and other administrative formalities. However, personal information, including that of the My Number system, is a valuable asset that companies must manage and safeguard. To date, Hitachi Metals has applied a two-pillared approach—rules pertaining to information security that hinged on basic policy for information security and rules pertaining to management of personal information that hinged on personal information protection policy. Two corporate structures—the Personal Information Protection Committee and the Information Security Committee—worked as one to expediently promote measures. Consequently, the introduction of My Number provided an opportunity to implement a system with a single set of rules and to integrate the corporate structures as well.

In December 2015, Hitachi Metals unified existing rules related to information security and rules related to management of personal information along with rules related to the handling of confidential documents, and then merged them into rules related to information security, which are the mainstay of information security management rules.

Hitachi Metals’ efforts to enhance information security are driven by four considerations: 1) establish an information security organization, 2) clarify assets to be protected, 3) educate employees, and 4) maintain various security measures. The Company works steadily to implement steps to achieve each one. Particular emphasis, however, is placed on prevention, responding quickly if a situation arises, heightening employees’ sense of ethics, and making them more security conscious. In addition, Hitachi, Ltd. leads the Hitachi Group, of which Hitachi Metals is a part, in promoting information security management and working toward a higher level of security throughout the wider group organization.

(2) Promotion Organization

Following the integration of related rules in December 2015, the Personal Information Protection Committee and the Information Security Committee were reorganized into a new Information Security Committee.



(3) Information System Security Measures

Hitachi Metals has systematically implemented measures against external risks such as targeted attacks and other unauthorized access and computer viruses, internal risks such as the unauthorized removal, loss, or theft of company information or the sending of e-mails to unintended recipients, and other risks including natural disasters, etc.

Since fiscal 2006, the Company has been continuously inspecting the personal computers of employees who have a Group e-mail address to find and delete business information, and this was done again in fiscal 2019. At the same time, the Company instructed its employees submit, through the website, a written pledge not to retain business information in personal computers and other devices which they own. Since fiscal 2007, the Company has also requested that its business partners deploy equivalent measures to prevent leaks of business information from personal computers owned by their employees. Since fiscal 2009, we have introduced a filtering system to monitor all e-mails sent externally to prevent external leaks of business information. Further efforts have also been made to enhance measures preventing information leaks, such as reviewing and improving our management system for portable information terminals to prevent losses of increasingly capable mobile phones, smartphones, and other devices. In addition, as a countermeasure against the sending of e-mails to unintended recipients, erroneous transmission prevention software has been installed on all business PCs of the Hitachi Group.

Despite these measures, in the Hitachi Metals Group in fiscal 2019, mobile computers, mobile phones, and other devices were reported lost or stolen, and some e-mails were sent to unintended recipients. Nevertheless, there were no incidents involving breach of customer privacy or leaked customer information.

(4) Employee Education

Each year, the Company provides information security education for all employees (including temporary staff, etc.) who use IT equipment. This education is designed to instill an understanding of rules related to the use of IT equipment, including the handling of information (including personal information) and the prohibition against using personal computers for work. During fiscal 2019, the Company conducted on-site training at Hitachi Metals Group locations (simultaneously with compliance training) and training using simulated e-mails about targeted attacks, as a means of countering targeted attacks on corporate information from outside the Company. Both initiatives were designed to improve the security awareness of every Hitachi Metals Group employee.

	On-site training at global offices	Training using simulated e-mails about targeted attacks
Implementation timing	September 2019–March 2020	February–March 2020
Target	Hitachi Metals Group employees	Employees at business offices connected to the Hitachi Metals Group network

(5) Self-audit

Each year, the Company conducts a self-audit of personal information protection/information security, confirming the status of the rules compliance, and improving any areas that need to be addressed. Our fiscal 2019 audit was performed between January and March 2020.

(6) Protection and Respect for Intellectual Property

Hitachi Metals practices the principle set forth in its code of conduct that reads: “We will protect our own intellectual property, respect third-party intellectual property, and use both effectively for smooth business operations.”

Specifically, to appropriately protect and effectively apply intellectual property created in such processes as research, development, and manufacturing, Hitachi Metals acquires the rights to inventions and ideas devised by employees in the course of their work, in accordance with the Company’s rules, which have been established through legally stipulated procedures. With the global expansion of our business, we acquire and maintain the rights to these inventions and ideas as intellectual property rights inside and outside Japan, forming assets that will support the sustainable growth of the Hitachi Metals Group. We take appropriate action against infringements of our own intellectual property rights, including exercise of our rights through legal action.

At the same time, we strive to prevent infringements of the intellectual property rights of others and smoothly advance our business. To that end, we investigate the intellectual property rights of others globally, in advance of all stages of research, development, design, etc., for new products and technologies, in accordance with Hitachi Metals rules. If that investigation reveals a need to use the intellectual property rights of others, we acquire licenses.

We also provide our employees with ongoing education and training about intellectual property, to instill awareness of the protection and respect of our intellectual property rights and those of others.

4. Respect for Human Rights and Compliance with International Norms

The Hitachi Metals Group stipulates respect for human rights in both the Hitachi Metals Group Code of Conduct and the supplementary Hitachi Metals Group Human Rights Policy. Our basic stance is to respect and work to refrain from infringing on the rights of all persons involved in our business operations. In December 2013, the Hitachi Metals Group formulated the Hitachi Metals Group Human Rights Policy. This Policy recognizes the human rights stated in the International Bill of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work as the minimum levels of these rights. Our policy clearly states that the Hitachi Metals Group pursues measures to observe the international principles of human rights. Specifically, we will implement human rights due diligence and appropriate education based on the UN Guiding Principles on Business and Human Rights, while strictly observing the laws of the regions and countries in which we do business. We put the Hitachi Metals Group Human Rights Policy into practice, and are continuously working on initiatives such as raising the awareness of our officers and employees, and establishing hotlines to promote the creation of a corporate culture in which human rights abuses do not occur.

We regularly utilize e-learning to conduct human rights education and training at each employee level, in order to systematically raise awareness of human rights (with a total of 7,022 employees, on a consolidated basis, receiving human rights-related training in fiscal 2019). In addition, we have established various harassment hotlines, in order to incorporate the Hitachi Metals Group Human Rights Policy into all of our activities.

As our business activities expand rapidly on a global basis, we will continue to enhance human rights awareness and support measures to prevent the occurrence of human rights abuses based on differences in religion or nationality, the presence or absence of disabilities, gender, or other factors.