

# IV. CSR Management

## 1. CSR Activities at the Hitachi Metals Group

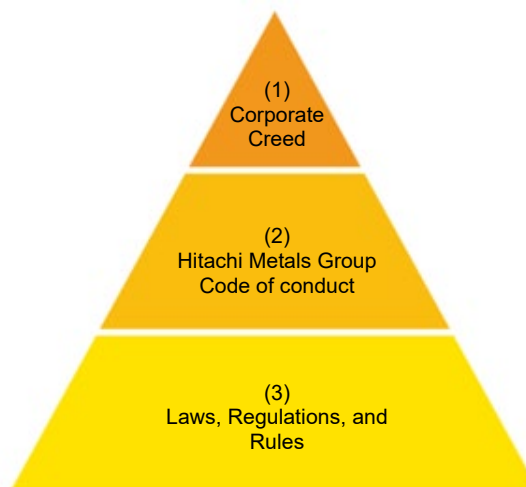
Since our independence from Hitachi, Ltd. in October 1956, we at Hitachi Metals have operated under our Corporate Philosophy of “Wa sureba tsuyoshi” (strength through harmony), and our Corporate Creed of contributing to society by being “the best enterprise.” Accordingly, we have worked to help solve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