

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