

# CSR Initiative Results and Plans

The Hitachi Group has defined the Hitachi Group CSR Policy, based on ISO 26000, the global standard for corporate social responsibility, with the aim of furthering the integration of management and CSR. In accordance with this policy, the Company uses the PDCA cycle to further reinforce its activities, by steadily implementing CSR activities and continually improving its management quality.

## CSR Initiative Results and Plans

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

FY2017 Measures (Planned)	FY2017 Measures (Results)	Self-assessment	Measures Planned for FY2018
<b>1. Recognition of Social Responsibility</b>			
• Seek advice on/assessment of the Company's CSR activities from outside experts (ongoing)	• Received advice on/assessment of the Company's CSR activities from a professor in Hosei University's Faculty of Sustainability Studies	★★★	• Seek advice on/assessment of the Company's CSR activities from outside experts (ongoing)
<b>2. Organizational Governance</b>			
• Hold compliance management meetings semiannually to analyze matters related to compliance and risks involving our businesses, formulate preventative measures, and share information (ongoing)	• Continuously followed up on the execution and results of preventative measures and shared information regarding the status of compliance activities and incidents	★★★	• Hold regular meetings regarding compliance, formulate preventative measures, and share information (ongoing)
• Conduct CSR and compliance training at the Company and subsidiaries in Japan and overseas (ongoing)	• Conducted CSR and compliance training (150 times at the Company and subsidiaries in Japan and overseas)	★★★	• Conduct compliance training at the Company and subsidiaries in Japan and overseas (ongoing)
• Conduct environmental education at the Head Office and each company (ongoing)	• Conducted environmental e-learning (100% of employees) and environmental auditor development training (3 times)	★★★	• Conduct environmental e-learning (100% of employees) and environmental auditor development training (once)
• Ongoing implementation of Hitachi Insights, the Hitachi Group employee satisfaction survey targeting all back-office workers	• Conducted Hitachi Insights, the Hitachi Group employee satisfaction survey targeting all back-office workers in September (6,468 employees responded on a consolidated basis)	★★★	• Ongoing implementation of Hitachi Insights, the Hitachi Group employee satisfaction survey targeting all back-office workers
<b>3. Human Rights</b>			
• All employees receive human rights training every three years, based on the Hitachi Metals Group Human Rights Policy, according to Hitachi Group policies	• Systematically conducted human rights training throughout the entire Hitachi Metals Group (5,416 employees in total)	★★★	• Conduct human rights training systematically throughout the entire Hitachi Metals Group (ongoing)
<b>4. Labor Practices</b>			
• Set KPIs and work to achieve them through the project "work style reform" (reduction in total annual back-office working hours), the foundation of the Company's diverse human resources	• Launched the companywide "work style reform" project in May 2016, set KPIs, implemented measures to reduce total annual working hours companywide and improve productivity, etc.	★★★	• Further promote "work style reform" through awareness-raising for those in management positions, measures to improve operational efficiency (reduce paperwork and meetings, etc.), a reduction in total annual working hours, and providing support through systems
• Set a diversity employment target rate (the Company's own indicator) of 50% or more and actively hire diverse human resources	• Achieved the diversity employment target rate of 60%	★★★	• Continue to set a target rate of 50% or more for diversity employment
• Establish an intranet dedicated to diversity promotion	• Set up a dedicated website for diversity management on the intranet	★★★	• Set the ratio of women in career-track positions (4%)
• Formulate an action plan integrating the Act for Measures to Support the Development of the Next Generation and the Act on Promotion of Women's Participation and Advancement in the Workplace, and announce the plan to the public. Also, disclose related figures	• Formulated an integrated action plan and announced it to the public. Related figures were also disclosed as widely as possible	★★★	• Formulate an action plan integrating the Act for Measures to Support the Development of the Next Generation and the Act on Promotion of Women's Participation and Advancement in the Workplace, and proactively disclose related figures to the public
• Create opportunities for coordination and information exchange for women in career-track positions	• Held a networking event targeting all women in career-track positions	★★★	• Increase the ratio of women in management positions
• Exceed the legal employment rate of employees with disabilities	• The actual figure for FY2017 was 2.43%, achieving the target	★★★	• Continue to create opportunities for information exchange between women in career-track positions and strengthen coordination among them
• 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	• Conducted health and safety audits at 15 domestic business offices. These audits were carried out at one overseas business office (China)	★★	• Exceed the legal employment rate of 2.2%
• Conduct stress checks throughout the Hitachi Metals Group	• Conducted stress checks throughout the Hitachi Metals Group	★★	• 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
• Formulate a human resources development plan for employees representing the next generation and conduct systematic personnel rotation and training programs	• Identified outstanding human resources at the manager level and conducted training programs to develop global leaders	★★★	• Conduct stress checks throughout the Hitachi Metals Group
	• Focused on securing human resources through midcareer hiring to revitalize systematic personnel rotation	★★★	• Carry out a health and safety diagnostic program as part of Hitachi Group's safety activities
<b>5. The Environment</b>			
• Increase the sales ratio of key environmentally conscious products*1 (19% or more)	• Increased the sales ratio of key environmentally conscious products (20.7%)	★★★	• Examine and implement a selective development program for management candidates, targeting human resources at the general manager level
• Reduce active mass per production unit of energy consumption (11.5% compared to base year FY2005)	• Reduced active mass per production unit of energy consumption (6.6% compared to base year FY2005)	★	• In addition to securing a certain number of human resources by hiring new graduates, continue to conduct midcareer hiring in the interest of personnel rotation and to adjust the age composition
• Reduce active mass per production unit of waste/valuables generation (7.5% compared to base year FY2005)	• Reduced active mass per production unit of waste/valuables generation (11% compared to base year FY2005)	★★★	• Increase the sales ratio of key environmentally conscious products (21%)
• Increase the recycling rate (72%)	• Increased the recycling rate (79%)	★★★	• Reduce the ratio of waste generation per production unit (8% compared to base year)
• Reduce chemical substance emissions per production unit (32% compared to base year FY2006)	• Reduced chemical substance emissions per production unit (19% compared to base year FY2006)	★	• Increase the recycling rate (74%)

FY2017 Measures (Planned)	FY2017 Measures (Results)	Self-assessment	Measures Planned for FY2018
<b>6. Fair Operating Practices</b>			
• Conduct extraordinary compliance (Anti-Monopoly Act) audit (ongoing)	• Conducted extraordinary compliance (Anti-Monopoly Act) audit (document review, hearing with sales department managers)	★★★	• Continue to conduct audits related to compliance (including compliance with the Anti-Monopoly Act)
• Survey the status of CSR efforts by the Company's suppliers based on the Hitachi Group's CSR procurement guidelines	• Distributed the Hitachi Metals Group Supply Chain CSR Procurement Guidelines, collected CSR Procurement Checksheets, and confirmed the status of CSR promotion by suppliers	★★★	• Provide feedback on the results of the CSR Procurement Checksheet survey to suppliers, and share issues
• Conduct Corporate Ethics Month in October (ongoing)	• Carried out various measures to ensure thorough legal compliance and ethical behavior, such as the lectures of management executives by external instructors, during Corporate Ethics Month in October	★★★	• Conduct Corporate Ethics Month in October (ongoing)
• Audit the compliance status of compliance-related laws and regulations (ongoing)	• Confirmed the compliance status of compliance-related laws and regulations during an internal audit	★★★	• Audit the compliance status of compliance-related laws and regulations (ongoing)
• Conduct information security education (ongoing)	• Conducted a risk survey of major overseas Group companies, identified risks, and developed countermeasures	★★	• Conduct information security education (ongoing)
• Conduct information security self-audits (ongoing)	• Conducted information security education	★★	• Conduct information security self-audits (ongoing)
• Confirm that business information has been erased from privately owned computers (ongoing)	• Confirmed that business information had been erased from privately owned computers	★★	• Make an online pledge not to retain business information on privately-owned computers
• Conduct targeted e-mail attack simulations (ongoing)	• Conducted targeted e-mail attack simulations	★★	• Conduct targeted e-mail attack simulations (ongoing)
• Conduct a survey and analysis of the status of virus elimination and disclose the information	• Conducted a survey and analysis of the status of virus elimination and disclose the information	★★	• Implement measures against missent e-mails and expand said measures throughout the Group
<b>7. Customers (Consumer Issues)</b>			
• Conduct gleaning meetings*2 at consolidated companies (ongoing)	• Conducted gleaning meetings at consolidated companies as planned	★★★	• Comply with EU General Data Protection Regulation (GDPR)
• Expand company-sponsored mini gleaning meetings at business offices in Japan and overseas (ongoing)	• Held company-sponsored mini gleaning meetings at eight business offices in Japan and overseas	★★★	• Conduct gleaning meetings at consolidated companies (ongoing)
• Implement tasks for the creation of new business (ongoing)	• Implemented tasks for the creation of new business (16 themes; promotion ongoing)	★★	• Expand company-sponsored mini gleaning meetings at business offices in Japan and overseas (ongoing)
• Expand new product sales ratio (new product sales ratio: 30% or higher)	• Expanded new product sales ratio and developed strategic new products (new product sales ratio: 29%)	★★	• Implement tasks for the creation of new business and select ongoing themes
• Promote cooperation and collaboration with customers and research institutions in Japan and overseas (carry out open innovation)	• Promoted cooperation and collaboration with customers and research institutions in Japan and overseas: Opened the "3DAM Open Laboratory"	★★	• Process research (develop industrial technologies using AI and robotics)
<b>8. Community Involvement and Development</b>			
• Consider social contribution activities enabling a closer relationship with regional citizens and culture (ongoing)	• Conducted regional contribution activities mainly in regions where offices and factories are located (social contributions amounting to 250 million yen)	★★★	• Promote cooperation and collaboration with customers and research institutions in Japan and overseas (expand open innovation)
• Contribute to material science technical research through support of Hitachi Metals-Materials Science Foundation (ongoing)	• Contributed to material science technical research through support of Hitachi Metals-Materials Science Foundation (4 million yen)	★★★	• Consider social contribution activities enabling a closer relationship with regional citizens and culture (ongoing)
• Support <i>tatara</i> method of iron manufacture (ongoing)	• Supported <i>tatara</i> method of iron manufacture (operations and personnel) conducted by the Society for Preservation of Japanese Art Swords at <i>Nittoho Tatara</i> in Okuizumo, Shimane Prefecture	★★★	• Contribute to material science technical research through support of Hitachi Metals-Materials Science Foundation (ongoing)
<b>9. Review and Improvement of CSR Activities</b>			
• Improve management quality using CSR research (ongoing)	• Provided feedback from the CSR research results to relevant divisions. Implemented measures to improve management quality in each division based on these results	★★★	• Support <i>tatara</i> method of iron manufacture (ongoing)
• Develop activities conforming to international standards for CSR and requests from various research and assessment institutions (ongoing)	• Applied the PDCA cycle to CSR activity issues based on ISO 26000, social responsibility guidance of the International Standard for Organization (ISO)	★★★	• Improve management quality using CSR research (ongoing)
• Improve responses to the Carbon Disclosure Project (CDP)*3	• Improved scope of disclosure in accordance with sustainability reporting international guideline GRI-G4	★★★	• Develop activities conforming to international standards for CSR and requests from various research and assessment institutions (ongoing)
	• Provided responses to the Carbon Disclosure Project (CDP)	★★★	• Improve responses to the Carbon Disclosure Project (CDP) (ongoing)

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

\*2 Meetings conducted from the customers' perspective to determine the primary causes of product accidents and deliberate preventative measures

\*3 Project in which institutional investors request information about climate change from major corporations