

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

FY2015 Measures (Planned)	FY2015 Measures (Results)	Self-assessment	Measures Planned for FY2016
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) Begin review aimed at materiality analysis 	<ul style="list-style-type: none"> Conducted lectures on the Company's CSR activities at Hosei University's Faculty of Sustainability Studies, and received advice and evaluation from a university professor regarding the Company's CSR activities Attended workshops held by Hitachi, Ltd. as an observer. Learned about the objectives of materiality analysis and methods for identifying key issues (overview) 	<ul style="list-style-type: none"> ★★★ ★★ 	<ul style="list-style-type: none"> Seek advice on/assessment of the company's CSR activities from outside experts (ongoing) Perform materiality analysis, identify key issues specific to the Company's business from the perspectives of medium-term risk and opportunity, and begin to integrate CSR concepts into management
2. Organizational Governance			
<ul style="list-style-type: none"> Compliance Management Committee meets quarterly to analyze social and environmental risks, formulate preventative measures and share information Conduct traveling CSR training at all business offices (ongoing) Conduct environmental education at the Head Office and each company (ongoing) Ongoing implementation of “Hitachi Insights” Hitachi Group employee satisfaction survey 	<ul style="list-style-type: none"> Compliance Management Committee met quarterly to analyze social and environmental risks, formulated preventative measures and shared information Conducted traveling CSR training at all 181 business offices Conducted traveling environmental e-learning (100% of employees) and environmental auditor development training (once) Conducted “Hitachi Insights” Hitachi Group employee satisfaction survey targeting all back office workers (6,249 employees on a consolidated basis) 	<ul style="list-style-type: none"> ★★★ ★★★ ★★★ ★★★ 	<ul style="list-style-type: none"> Compliance Management Committee meet quarterly to analyze social and environmental risks, formulate preventative measures and share information (ongoing) Conduct traveling CSR training at all business offices (ongoing) Conduct environmental education at the Head Office and each company (ongoing) Ongoing implementation of “Hitachi Insights” Hitachi Group employee satisfaction survey targeting all back office workers
3. Human Rights			
<ul style="list-style-type: none"> Further inculcation of the “Hitachi Metals Group Human Rights Policy” among Group companies Standardize human rights due diligence according to Hitachi Group policies Conduct human rights training systematically throughout the entire Hitachi Metals Group (ongoing) 	<ul style="list-style-type: none"> Made all employees aware of the “Hitachi Metals Group Human Rights Policy” through training, etc., held at Group companies Participated in human rights due diligence workshops of the Hitachi Group's procurement divisions, and began revising procurement CSR guidelines to reflect developments in human rights issues Systematically conducted human rights training throughout the entire Hitachi Metals Group (4,503 employees in total) 	<ul style="list-style-type: none"> ★★★ ★★★ ★★★ 	<ul style="list-style-type: none"> Carry out human rights due diligence according to Hitachi Group policies at the human resources & general administration division Conduct human rights training systematically throughout the entire Hitachi Metals Group (ongoing)
4. Labor Practices			
<ul style="list-style-type: none"> Conduct diversity training (ongoing) Begin operation of a manager and professional evaluation system that incorporates diversity management as an assessment criterion 	<ul style="list-style-type: none"> Established the Diversity Promotion Department with dedicated staff members, and conducted interviews with women engaged in corporate planning and their superiors. Assessed company support needs and management initiative status Diversity-related measures and systems were integrated into the Human Resources & General Administration Division's medium-term plans, and defined individual indices Began operation of a manager evaluation system that incorporates diversity management as an assessment criterion 	<ul style="list-style-type: none"> ★★★ 	<ul style="list-style-type: none"> Set KPIs and work to achieve them through the “workstyle reform” (reduction in total annual back office working hours) project, the foundation of the Company's diverse human resources Set the diversity employment rate and actively hire diverse human resources Establish an intranet dedicated to diversity promotion
<ul style="list-style-type: none"> Launch initiatives to acquire the “Kurumin” mark and other certifications Conduct review of systems promoting equal opportunities for women 	<ul style="list-style-type: none"> Prepared basic materials for acquiring the “Kurumin” mark Established a telecommuting system, leave program for spouse transfers abroad, etc. 	<ul style="list-style-type: none"> ★★ 	<ul style="list-style-type: none"> Formulate an action plan integrating the Act for Measures to Support the Development of the Next Generation and the Act of Promotion of Women's Participation and Advancement in the Workplace, and announce the plan to the public. Also, disclose related figures Create opportunities for coordination and information exchange between women engaged in corporate planning
<ul style="list-style-type: none"> Aim to increase ratio of employees with disabilities above the legal rate to 2.2% Review countermeasures based on risk assessment results focused on health and safety management in non-routine work In addition to annual safety education, conduct education focused particularly on foreman training and working with hazardous materials 	<ul style="list-style-type: none"> Met our goal, with an actual figure of 2.3% for FY2015 Reduced risk of 270 items out of the 334 level IV risk items in the risk evaluation results. Improvement rate of 83% Implemented health and safety training for foremen and supervisors; total of 664 people were trained (23 business offices) 	<ul style="list-style-type: none"> ★★★ ★★ 	<ul style="list-style-type: none"> Exceed the legal employment rate of 2.0% and maintain the current employment rate of 2.3% Perform routine and non-routine risk assessments, including risk assessments that have not yet been performed, and continue to review improvements Continue implementing health and safety education. As the risk assessment of 640 chemical substances has been made mandatory, add health-related education
<ul style="list-style-type: none"> Begin sequential application of minimum safety standards at each business base, in line with Hitachi Group policies 	<ul style="list-style-type: none"> Introduced the Hitachi Group's minimum safety standards at 40 domestic and 32 overseas business offices and completed self-checking 	<ul style="list-style-type: none"> ★★ 	<ul style="list-style-type: none"> Domestic business offices assess the application conditions of the Hitachi Group's minimum safety standards through health and safety audits, etc. Overseas business offices aim for three offices to assess the local application conditions of the Hitachi Group's minimum safety standards
<ul style="list-style-type: none"> Promote horizontal deployment of activities conducted in FY2014 (including education of next-generation leaders in Group companies outside Japan) 	<ul style="list-style-type: none"> Met with overseas Group company management candidates and considered training plans (dispatch of personnel for outside training, etc.) Conducted interviews regarding personnel labor management conditions at individual companies from the perspectives of the Hitachi Metals Group's overall management levels and efficiency improvement 	<ul style="list-style-type: none"> ★★ 	<ul style="list-style-type: none"> Formulate a human resources development plan for employees representing the next-generation, and conduct systematic personnel rotation and training programs (including for overseas Group companies)

*1 For some business offices, the definition of a production unit was reviewed and revised, and target management scopes were expanded (including the companies Waupaca Foundry, Inc. and Hitachi Metals MMC Superalloy, Ltd. which merged during FY2014).

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

*3 Project that works with institutional investors to disclose climate change of major corporations.

FY2015 Measures (Planned)	FY2015 Measures (Results)	Self-assessment	Measures Planned for FY2016
5. The Environment			
<ul style="list-style-type: none"> Control CO₂ emissions of applicable products (1.50 million tons) Increase eco-product sales ratio (90%) 	<ul style="list-style-type: none"> Controlled CO₂ emissions of applicable products (1.52 million tons) Increased eco-product sales ratio (99%) 	<ul style="list-style-type: none"> ★★★ ★★★ 	<ul style="list-style-type: none"> This activity ended in FY2015 Increase the sales ratio (ratio of sales to consolidated revenue) of key products in harmony with the environment to 17% or more
<ul style="list-style-type: none"> Reduce active mass per production unit of energy consumed 10% (compared to base year FY2005) Reduce active mass per production unit of waste/valuable generation 18% (compared to base year FY2005) Reduce active mass per production unit of VOC emissions 22% (compared to base year FY2006) 	<ul style="list-style-type: none"> Reduced active mass per production unit of energy consumed 10.5% (compared to base year FY2005) Reduced active mass per production unit of waste/valuable generation 27.8% (compared to base year FY2005) Reduced active mass per production unit of VOC emissions 18.2% (compared to base year FY2006) 	<ul style="list-style-type: none"> ★★★ ★★★ ★ 	<ul style="list-style-type: none"> Improvement ratio of energy consumption per production unit of 10% (compared to base year)*1 Improvement ratio of waste generation per production unit of 7% (compared to base year)*1 Recycling rate of 70%*1 Reduce chemical substance emissions per production unit by 30% (compared to base year)
6. Fair Operating Practices			
<ul style="list-style-type: none"> Conduct extraordinary compliance (Anti-Monopoly Act) audit (ongoing) Analyze results of FY2014 CSR survey administered to suppliers and conduct CSR survey among suppliers outside Japan Conduct Corporate Ethics Month in October (ongoing) Review audit of corruption-related laws and status of legal compliance 	<ul style="list-style-type: none"> Conducted extraordinary compliance (Anti-Monopoly Act) audit (document review, hearing with all sales department managers) Participated in human rights due diligence workshops of the Hitachi Group's procurement divisions, and began revising procurement CSR guidelines to reflect developments in human rights issues Conducted various measures to ensure thorough legal compliance and ethical behavior during Corporate Ethics Month in October Confirmed corruption-related laws and the status of legal compliance during an internal audit. Revised “Rules on the Prevention of Corruption” by integrating the latest information into the rules at all domestic and international Group companies 	<ul style="list-style-type: none"> ★★★ ★ ★★★ 	<ul style="list-style-type: none"> Conduct extraordinary compliance (Anti-Monopoly Act) audit (ongoing) Issue a revised version of the Hitachi Group's CSR procurement guidelines and plan to expand said guidelines to suppliers Conduct Corporate Ethics Month in October (ongoing) Conduct audit of corruption-related laws and status of legal compliance
<ul style="list-style-type: none"> Conduct information security education (ongoing) Conduct information security self audits (ongoing) Confirm that business information has been erased from privately-owned computers (ongoing) Conduct targeted e-mail attack simulations (ongoing) 	<ul style="list-style-type: none"> Conducted information security education among everyone with a company e-mail address Conducted information security self-audits to check status of compliance with rules at the Hitachi Metals Group business offices Confirmed that business information had been erased from privately-owned computers among everyone with a company e-mail address Conducted targeted e-mail attack simulations among everyone with a company e-mail address Revised rules on personal information protection and information security, and formulated detailed regulations and procedures for specified personal information 	<ul style="list-style-type: none"> ★★ 	<ul style="list-style-type: none"> Conduct information security education (ongoing) Conduct information security self audits (ongoing) Confirm that business information has been erased from privately-owned computers (ongoing) Conduct targeted email attack simulations (ongoing) Consider measures against missent e-mails and expand said measures throughout the Group
7. Customers (Consumer Issues)			
<ul style="list-style-type: none"> Conduct gleaning meetings*2 at consolidated companies (ongoing) Expand company-sponsored mini gleaning meetings at business offices in Japan and overseas (ongoing) Expand new product sales ratio and develop strategic new products (new product sales ratio: 30% or higher) Formulate technological development medium-term roadmap in light of technological mega trends 	<ul style="list-style-type: none"> Conducted gleaning meetings at consolidated companies as planned Held company-sponsored mini gleaning meetings at 2 additional locations Expanded new product sales ratio and developed strategic new products (new product sales ratio: 35%) Formulated technological development medium- to long-term roadmap in light of technological mega trends 	<ul style="list-style-type: none"> ★★★ ★★★ 	<ul style="list-style-type: none"> Conduct gleaning meetings at consolidated companies (ongoing) Expand company-sponsored mini gleaning meetings at business offices in Japan and overseas (ongoing) Implement tasks for the creation of new businesses Expand new product sales ratio and develop strategic new products (new product sales ratio: 30% or higher) (ongoing) Update our technological development medium- to long-term roadmap in light of technological mega trends
8. Community Involvement and Development			
<ul style="list-style-type: none"> Consider social contribution activities enabling a closer relationship with regional citizens and culture Support the Material Science Foundation research assistance fund (ongoing) Support “tatara” method of iron manufacture (ongoing) 	<ul style="list-style-type: none"> Conducted regional contribution activities mainly in regions where offices and factories are located (social contributions amounting to 350 million yen) Contributed to material science technical research through support of the Material Science Foundation research assistance fund (4 million yen) Supported “tatara” 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"> ★★★ ★★★ 	<ul style="list-style-type: none"> Consider social contribution activities enabling a closer relationship with regional citizens and culture (ongoing) Support the Material Science Foundation research assistance fund (ongoing) Support “tatara” 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) Develop activities conforming to international standards for CSR and various research and assessment institutions (ongoing) Improve responses to carbon disclosure project (CDP)*3 	<ul style="list-style-type: none"> Conducted activities linked to next steps based on feedback from the CSR research results of relevant divisions (improved to 64th place) Applied the 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-G4 Provided responses to carbon disclosure project (CDP) 	<ul style="list-style-type: none"> ★★★ ★★★ 	<ul style="list-style-type: none"> Improve management quality using CSR research (ongoing) Develop activities conforming to international standards for CSR and various research and assessment institutions (ongoing) Improve responses to carbon disclosure project (CDP) (ongoing)