

CSR Management

As a global company, we share our stakeholders' values and pursue sustainable growth by integrating management strategies and CSR. We align our CSR activities with our Mid-term Management Plan to realize the Hitachi Group Vision, creating both social and economic value.

Management Strategies and CSR

Hitachi's Vision

We created our Group Vision in May 2013, at the start of the 2015 Mid-term Management Plan, with the aims of delivering innovations that help to answer society's challenges and of building a safe, secure, comfortable, and fair society. The Group Vision indicates the path to the next stage of growth.

Hitachi delivers innovations that answer society's challenges. With our talented team and proven experience in global markets, we can inspire the world.

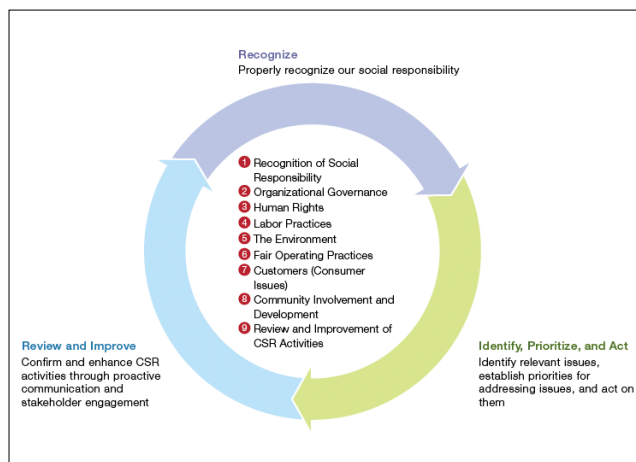
For Hitachi, CSR is about realizing the world we envision in our Group Vision.

Hitachi's CSR Activities

To realize the Hitachi Group Vision, which draws on our Corporate Credo and Founding Spirit that form the core of our CSR, we have been sharing throughout the Group our CSR policy, created in 2005, as the basis of our CSR activities. Looking toward the next Mid-term Management Plan that will start from fiscal 2016, we have shifted the CSR policy to a framework based on ISO 26000 to further integrate management and CSR strategies. From fiscal 2014, we have been further improving communications with our stakeholders to recognize and fulfill our social responsibilities. We will also reinforce the PDCA

cycle to ensure execution of our activities and to improve the quality of our management.

CSR Management Framework



2015 Mid-term Management Plan and Non-financial Performance

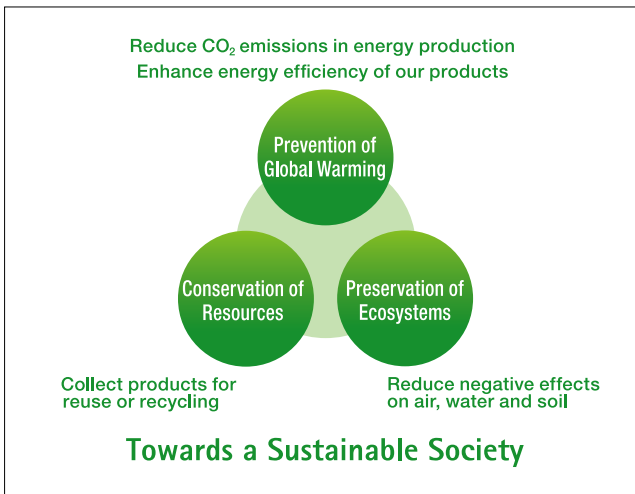
In addition to financial activities, improved non-financial performance aimed at addressing Hitachi's key issues plays a crucial role in achieving the 2015 Mid-term Management Plan goals. We set targets for non-financial activities related to key management policies and started these activities in fiscal 2013.

Management Focus	Material Issues for Hitachi	
	Fiscal 2015 Targets	Fiscal 2014 Results
Innovation: Strengthen service businesses that maximize IT utilization and bring about innovation	Sustainable Business	
	Expand R&D centers	Promoted R&D in 7 areas globally (as of June 2015)
	Increase R&D staff by 500 people	Japan: about 200 people Outside Japan: about 300 people
	Strengthen Open Innovation	Japan: 246 cases Outside Japan: 85 cases
Global: Deliver innovation to customers and society globally	Caring for the Environment	
	Eco-Product sales ratio: 90%	93%
	Diversity Management	
	Diversity among directors	Outside directors: 8 Non-Japanese: 4 (of which 2 are women) (as of June 2015, out of 12 directors)
Transformation: Transform Hitachi: To deliver innovation by standardized and speedy operation	Respect for Human Rights	
	Female senior executives	Appointed female head of CSR and Environmental Strategy Division as senior executive-level director on April 1, 2015. Complete appointment by fiscal 2015
	Female managers (Hitachi, Ltd.) Fiscal 2020 target: 1,000 women	434 women
	Implement due diligence on business and human rights	Created guide for conducting human rights due diligence and shared with Group companies
Transformation: Transform Hitachi: To deliver innovation by standardized and speedy operation	Public Policy Initiatives	
	Engage in dialogue with government officials	Policy council participation
	Provide forums for stakeholder dialogue	Events held in Europe and Australia
	Diversity Management	
Transformation: Transform Hitachi: To deliver innovation by standardized and speedy operation	Respect for Human Rights	
	Promotion of global human capital management strategy	Introduction of Global Grading System, which applies to all managers in the Hitachi Group worldwide, as a common platform for job evaluations, assessing the value of management duties against a common standard
	Sustainable Business	
	Promotion of Hitachi Smart Transformation Project	Total up to fiscal 2014: 320 billion yen
	Target outcome (aggregated fiscal 2011-15): 400 billion yen	

Environmental Activities

Accompanying economic and social development around the world, a range of environmental problems, such as climate change, resource depletion, and ecosystem destruction, are becoming increasingly severe. At Hitachi, we aim to achieve the environmental management described in our Environmental Vision—which in turn aspires to help create a sustainable society—by employing our company's resources to reduce the burden of human activities on the environment. We are committed to global warming prevention, resource conservation, and ecosystems preservation as the three pillars of our vision. Our goal is to achieve a more sustainable society by promoting global production that reduces the environmental burden of a product throughout its life cycle.

Hitachi's Environmental Vision



Environmentally Conscious Products and Services

We develop environmentally conscious products called Eco-Products as part of our initiative to reduce the environmental burden of our products and services as much as possible. Eco-Products must meet criteria used in the design and development stages, when we evaluate the extent to which their environmental burden can be reduced. To promote their development, we have set targets for raising the Eco-Product sales ratio, a figure measuring Eco-Product sales against total product sales. Eco-Products that meet even more demanding requirements are designated as Eco-Products Select. We are also working to produce more of these products.

In fiscal 2014, our Eco-Product sales ratio reached 93% and we increased the number of Eco-Products Select models by 133, bringing the total to 343 products.

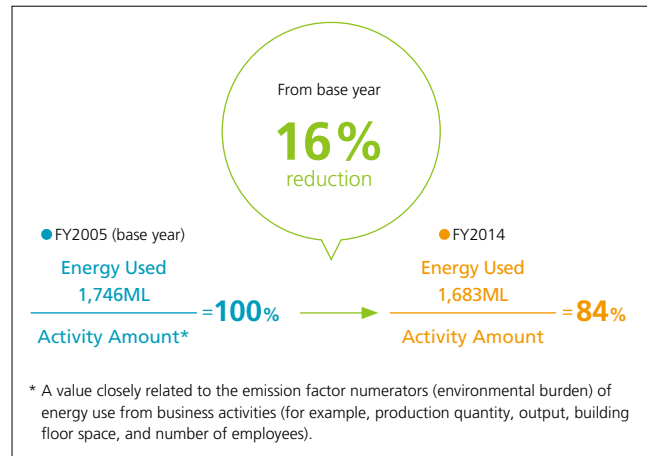
Environmentally Conscious Production

We have set targets for efficient energy use, waste amounts, chemical substance emissions, and water use to reduce the environmental burden of our business activities.

Promoting Global Warming Countermeasures

Hitachi is working to reduce the energy use per unit as one way to use energy more efficiently to reduce the environmental burden of our business activities. To achieve further reductions, we are systematically installing high-efficiency equipment and devices, from LED lighting to inverter air conditioners, and increasing the efficiency of our energy usage by improving manufacturing processes.

Reduction in Energy Use per Unit



Waste Reduction Initiatives

Hitachi has set targets for waste and valuables generation in factories and offices around the world.

Reduction in Waste and Valuables Generated per Unit

