



Management Approach

**Activities**

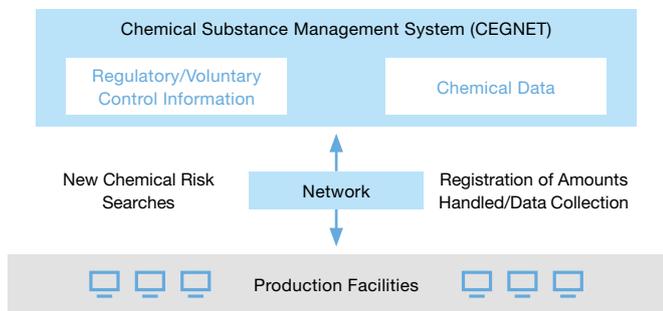
Performance Data

Environment Reducing the Environmental Burden of Our Business Operations (Fiscal 2015 Results), Preserving Ecosystems

**The CEGNET Chemical Substance Management System**

To ensure the proper management of chemical substances used in its business operations, since 1998 Hitachi has operated a database for chemical substance management called CEGNET to keep track of the latest laws and regulations and the company's own voluntary regulations.

CEGNET also collects and aggregates data on the amount of chemical substances handled, emitted, and transferred in our operations, helping to reduce the volume of chemicals that we handle.



**Managing Storage of Equipment Containing PCBs**

In Japan, we gather and manage information on storing and handling equipment that uses polychlorinated biphenyls (PCBs) every year and promote the efficient and thorough treatment of these units. Waste materials with high PCB concentrations are subject to a treatment program based on requirements set by the national government of Japan, and waste materials with low PCB concentrations are also processed by treatment companies that have been certified and have the capacity to handle them. Thanks to these efforts, we are successfully reducing the stored amount of

PCB-containing waste. Waste materials containing PCBs stored at 39 business sites were treated in fiscal 2015; we are aiming to complete the treatment process ahead of the 2027 deadline set by Japan's Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes.



Disposing of waste materials (large transformers) containing PCBs.

**Next Steps**

In fiscal 2016, with our shift to a new Environmental Action Plan, we will review our list of targeted substances and continue with our emission-reduction initiatives.

In connection with Europe's REACH regulation, we will continue our checks and preparations in the lead-up to the next round of notification deadlines.

**Preserving Ecosystems**

**Hitachi's Approach**

Various forms of development accompanying economic growth and urbanization around the world have led to environmental degradation and pollution, the overuse of natural resources, and threats to biodiversity. Hitachi believes that preserving ecosystems for diverse living organisms is vital to ensuring that biodiversity—a precious asset—will remain intact for future generations. We are reducing the burden on the ecosystem from the perspective of the entire life cycle of products and striving to produce things in a way that does not damage the ecosystem. We are also promoting Group-wide activities that contribute to preserving ecosystems.

**Preserving Ecosystems**

**Initiatives to Preserve Ecosystems**

An important aim of our Environmental Action Plan for 2013 to 2015 was to carry out the Business Assessment on the Preservation of Ecosystems. We were also active outside the company, such as participating in the biodiversity working group of four Japanese electrical and electronic industry associations\*1 and the Japan Business Initiative for Biodiversity (JBIB). We continue to raise awareness and knowledge within Hitachi and to promote ecosystem



preservation throughout the entire Group while laying the groundwork for environmental programs through activities outside the company.

\*1 The Japan Electrical Manufacturers' Association (JEMA), Japan Electronics and Information Technology Industries Association (JEITA), Communications and Information Network Association of Japan (CIAJ), and Japan Business Machine and Information System Industries Association (JBMI).

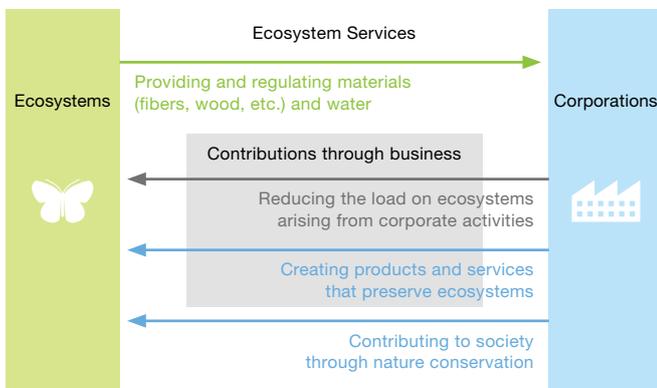
The biodiversity working group

Japan Business Initiative for Biodiversity

**Corporate Relationship with Ecosystems**

Corporations depend on “ecosystem services,” including the natural supply of materials like fibers and wood, and the ability of ecosystems to maintain the quality and quantity of air, water, and soil. Contributing to ecosystem preservation through both business and social activities enables companies to continue receiving these benefits and to restore ecosystems. Through its business activities, Hitachi is promoting designs and production methods that reduce the impact on ecosystems throughout the product life cycle. We are also increasing the number of products and services for direct preservation of ecosystems, such as water purification measures. We view chemical substance management as part of ecosystem preservation and continually ensure that it is carried out correctly. To contribute to society, we encourage employee volunteer programs, such as tree planting and ecological surveys of rare plants and animals, as well as other programs that preserve ecosystems.

**Corporations and Ecosystems**



- Production dependent on ecosystems
- Minimizing negative impacts (reducing burden on ecosystems)
- Expanding positive impacts (contributing to ecosystem preservation)

**Encouraging Action to Preserve Ecosystems**

The *Hitachi Group Guide to Preservation of Ecosystems* is a guidebook issued to employees that outlines the relationship between corporate activities and ecosystems, introduces trends and examples of initiatives being taken around the world, and makes recommendations. Since fiscal 2013, we have also been implementing the Business Assessment on the Preservation of Ecosystems every year in order to deepen employee understanding. The aim is to promote initiatives that help to preserve ecosystems from a variety of perspectives by conducting an assessment based on a total of 53 criteria in eight different categories (such as “communication/education” and “design/development”), as specified in the table. In fiscal 2015, the assessment was conducted at around 211 Hitachi business sites (excluding the headquarters of each company) both within and outside Japan, with the participants conducting a self-assessment regarding the results of activities over a three-year period.

**Main Criteria and Overview of Assessment**

No	Category	Assessment Overview	Share of Business Sites that Enhanced Initiatives Over 3-Year Period
1	Communication/ Education	Understanding the gist and goals of preserving ecosystems through business activities	40%
2	Design/ Development	Products that take ecosystems into consideration	17%
3	Procurement	Encouraging and educating suppliers regarding initiatives to preserve ecosystems	20%
4	Production	Reducing the environmental burden of the manufacturing process	42%
5	Site management	Surveying ecosystems at business sites and taking environmental issues into consideration when building or renovating structures at those sites	13%
6	Transportation/ Sales	Conserving energy use for transportation and reducing use of printed materials	20%
7	Collecting/ Recycling	Encouraging and educating waste-treatment firms regarding initiatives to preserve ecosystems	16%
8	Engagement	Contributing to society through partnerships with stakeholders	20%

**Next Steps**

In fiscal 2016, we created the “Ecosystem Preservation Activities Menu” including the pioneering efforts being carried out at companies and organizations outside the Hitachi Group. We will continue with existing preservation efforts and systematically add activities in accordance with the new menu. As demonstrated by the addition of the number of new ecosystem preservation initiatives as a major indicator in the Environmental Action Plan for 2018, the Hitachi Group as a whole will make further efforts to promote ecosystem preservation.