

Achieving a Fair and Equitable Work Environment

Hitachi's Approach

Ensuring that hiring and promotions, as well as worker assessment and compensation, are fair is not only a duty that companies must fulfill toward their employees but also an important means of building a healthy relationship with outstanding human capital. Hitachi has a human resource strategy that emphasizes the concept of “decent work” (that is, work that is humane and fulfilling). This concept has taken on increased importance globally as a standard for labor practices, with the International Labour Organization, for example, positioning the concept as an important objective of its activities. Companies are expected to ensure decent work through policies appropriate to their businesses.

Hitachi's policies toward realizing this ideal of decent work go beyond promotion of diversity and inclusion among our human capital around the world to include a variety of other initiatives reflecting the globalization of business, from worldwide implementation of fair employee evaluation systems and working conditions to ensuring that executive positions are open to employees from all regions. We will continue to promote the creation of open, fair work environments that provide greater job satisfaction, in accordance with the business conditions and economic environment of each individual country and region.

Decent Work

Hitachi's Thinking on Decent Work

Human resources are key to Hitachi's ability to adapt to rapid social and environmental change and continue providing new value to customers. Diversity and inclusion are crucial to our strategy, and throughout the Hitachi Group we promote HR management practices that maximize the strength we can draw from a diverse, highly engaged workforce transcending national and corporate boundaries. Our globally shared leadership development program fosters leaders who champion our Social Innovation Business around the world, while a range of other training programs help employees obtain the knowledge and skills they need to provide innovative solutions to our customers.

Hitachi also views it as crucial to create a work environment in which each employee can engage meaningfully in productive work. As part of our efforts in this area, we have unified performance review standards worldwide in a highly transparent and fair system for evaluating each employee's achievements. We have also enacted safety policies that apply across the entire Hitachi Group and continue striving globally to create workplaces that offer safety and peace of mind to those who work there. Other initiatives aim to make it easier to achieve work-life balance, reduce work hours, and promote healthy lifestyles among employees. Additionally, we conduct an annual survey of employee engagement levels across the Group, using the results as the basis for further improvement in management practices.

Ensuring Fair Evaluation and Compensation

With the globalization of business, business frameworks with a global outlook have become increasingly important. Hitachi is working to establish management systems based on consistent

principles across all areas, including compensation, so that our diverse human capital around the world can engage at a high level.

We are developing Group-wide compensation systems that are fair and competitive in the context of each country or region's labor market. Individual performance is also assessed against evaluation criteria that are disclosed to all employees. Every year, the individual achievements of all employees are reviewed to set their compensation, and feedback on their evaluation results is provided to inspire them to develop and grow even further.

We ensure compliance with the laws and regulations of each country in which we operate when determining compensation. In Japan, starting pay for new graduates—representing about half of all new graduates recruited each year across the Group's global operations—was roughly 20% higher than the weighted average of Japan's regional minimum wages.



Advancing Global Human Capital

Recruiting Human Capital in Europe

The railway business is an important business field for which growth is expected in overseas markets, particularly Europe and Asia. To further solidify our position in this industry, we shifted the primary site of our railway business to London in 2014 and built a global operations framework managed by Hitachi, Ltd. and several other Group companies, with 40% of senior management positions held by European personnel. The CEO of global operations is a London local who previously served as president of a Group company in the United Kingdom and has since become an executive officer at Hitachi, Ltd. as well. Our railway business is a crucial one, driving Hitachi's growth, and we have grown it steadily through M&A and other strategic activities.