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Key Indicators

The Key Indicators of Hitachi's CSR activities are listed below. Comparative tables with the GRI Standards Content Index, as well as our Policy, Vision, and Guidelines, are only available on our website.



Comparative Tables with GRI Standards Content Index



Policy, Vision, and Guidelines

Recognition of Social Responsibility

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Realizing Sustainable, Innovative Management					
Ratio of R&D expenditure to revenue (%)	3.8	3.7	3.4	3.3	3.5
Patent application ratio outside Japan (%)	57	59	59	59	57

Scope of Data

Hitachi, Ltd. and consolidated subsidiaries (including variable interest entities).

Number of companies: FY 2012: 964; FY 2013: 948; FY 2014: 996; FY 2015: 1,057; FY 2016: 865.

Labor Practices

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Promoting Diversity and Inclusion					
Ratio of male and female employees*1 (%)	84:16	83:17	84:16	84:16	83:17
Global number and ratio of female managers ✓	—	3,415	3,670	3,727	3,365
Employment ratio of people with disabilities*1 (%) ✓	2.02	2.02	2.03	2.08	2.15
Promoting Occupational Health and Safety*2					
Occupational accident rate*1 ✓	0.14	0.10	0.09	0.07	0.18
Occupational accident rate*3 ✓	0.19	0.14	0.27	0.22	0.18
A Strategy for Growing Together with Our Global Human Capital					
Number of non-Japanese employees*4 ✓	257	340	446	509	638
Number of young employees participating in training outside Japan*5	1,202	747	720	674	382

Scope of Data

*1 Hitachi, Ltd.


*2 January to December each year.

*3 175 Hitachi Group companies in Japan including Hitachi, Ltd. for 2012; 195 Hitachi Group companies in Japan including Hitachi, Ltd. for 2013; 251 Hitachi Group companies in Japan including Hitachi, Ltd. for 2014; 240 Hitachi Group companies in Japan including Hitachi, Ltd. for 2015; 200 Hitachi Group companies in Japan including Hitachi, Ltd. for 2016.

*4 Full-time, regular employees at Hitachi, Ltd. as of the end of each fiscal year.

*5 Hitachi, Ltd. and Group companies in Japan.

Environment

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Reducing the Environmental Burden of Our Business Operations					
Rate of reduction in CO ₂ emissions from use of products and services (base: FY 2010)* ¹ (%)	—	—	—	—	35
CO ₂ emissions from factories and offices (kt-CO ₂) 	3,453	3,355	3,311	3,085	3,845* ²
Waste and valuables generation (kt)	655	677	692	618	1,336* ²
Water use (million m ³)	56.52	49.55	46.86	43.91	41.34* ²
Atmospheric emissions of chemical substances (t)	4,127	4,216	4,415	3,615	4,380* ² * ³

Scope of Data

Hitachi, Ltd. and consolidated subsidiaries.

Number of companies: FY 2012: 964; FY 2013: 948; FY 2014: 996; FY 2015: 1,057; FY 2016: 865.

Environmental performance data associated with Hitachi's business operations: Hitachi Group companies whose environmental load comprises 90% of the total (based on Hitachi calculations); data for each fiscal year indicates performance within the given scope for the fiscal year.

*1 New indicator established in fiscal 2016.

*2 Fiscal 2016 figure includes a materials company that became a consolidated member of the Hitachi Group that year.

*3 In fiscal 2016, the scope of controlled chemical substances was expanded from 41 to 50 substances.

Fair Operating Practices

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Engaging in Responsible Procurement					
Number of CSR monitoring (self-checks)	98	100	200	218	316
Number of audits by external auditing organizations	12	16	20	20	20

Community Involvement and Development

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Promoting Sustainable Community Involvement and Development					
Funding for social contribution activities (million yen)* ¹	—	1,806	1,218	889	527
Funding for social contribution activities (million yen)* ²	3,284	3,076	2,327	2,057	1,953

Scope of Data

*1 Hitachi, Ltd. and the Hitachi Global Foundation in Japan.

*2 Through to fiscal 2014: Hitachi, Ltd. and 136 Group companies (including equity-method associates and joint ventures) and five foundations in Japan, 199 companies outside Japan; for fiscal 2015: Hitachi, Ltd. and 136 Group companies (including equity-method associates and joint ventures) and the Hitachi Global Foundation in Japan, 244 companies outside Japan; for fiscal 2016: Hitachi, Ltd. and 134 Group companies and the Hitachi Global Foundation in Japan, 159 companies outside Japan.

Overview of Financial Results, Board Members, and Employee Data

An overview of the consolidated financial results, board members, and employee data is listed below. Most data are Hitachi, Ltd. figures.

Financial Results (Consolidated IFRS)

	(billion yen)		
	FY 2014	FY 2015	FY 2016
Revenue	9,774.9	10,034.3	9,162.2
Adjusted operating income	641.3	634.8	587.3
EBIT*1	534.0	531.0	475.1
Income from continuing operations, before income taxes	518.9	517.0	469.0
Net income attributable to Hitachi, Ltd. stockholders	217.4	172.1	231.2
Capital investment (completion basis)	374.3	528.5	377.5
R&D expenditure	335.5	333.7	323.9

*1 EBIT: Income from continuing operations before income tax, less interest income, plus interest charges.

Board Members

	Total	Gender		Nationality	
		Male	Female	Japan	Outside Japan
Directors*1	13*2	11	2	8	5
Executive officers*1	35	35	0	33	2

*1 As of June 2017.

*2 Including nine independent outside directors (four from Japan and five from outside Japan).

Composition of Employees

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Number of employees*1	33,665	33,500	31,375	37,353	35,631
Male	28,437	28,273	26,428	31,536	29,921
Female	5,228	5,227	4,947	5,817	5,710
Ratio of female employees (%)	16.0	16.6	16.3	16.5	16.8
Average age (years)	40.2	40.7	41.0	41.2	41.4
Male	40.8	41.3	41.6	41.7	42.0
Female	37.1	37.6	38.0	38.4	38.6
Average service (years)	18.0	18.3	18.4	18.4	18.6
Male	18.7	19.0	19.0	19.0	19.2
Female	14.5	15.0	15.4	15.6	15.7
Number and ratio of female managers*2 ✓	401	418	434	474	509
General manager or above	68	77	87	104	113
Section chief	333	341	347	370	396
Employment ratio of people with disabilities (%)*3 ✓	2.02	2.02	2.03	2.08	2.11

*1 Includes nonregular employees.

*2 Full-time, regular employees only. See Key Indicators for Group global figures.

*3 Data compiled in June of each fiscal year.

Hiring Ratios

	April 2013	April 2014	April 2015	April 2016	July 2017
Ratio of new female graduates hired*1 (%)	18.0	19.4	21.7	22.8	26.3
Technical	11.6	14.7	18.3	17.3	20.8
Administrative	43.4	43.4	41.0	45.5	42.1

*1 Graduates from universities or colleges (including postgraduate schools and technical colleges).

Number of Employees Using Work-Life Balance Support Systems

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Number of employees taking maternity/paternity leave					
Female	525	539	508	524	664
Male	245	238	236	307	352
Number of employees using shorter working hours for child care					
Female	617	683	663	668	813
Male	8	5	4	3	2
Number of employees taking nursing-care leave					
Female	10	8	8	8	7
Male	7	12	9	9	8
Number of employees using shorter working hours for nursing care					
Female	7	4	7	9	9
Male	3	2	3	3	3

Working Conditions

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Paid leave					
Average number of days	15.3	15.5	15.4	15.6	16.3
Ratio (%)	64.0	64.7	64.3	65.3	68.1
Average overtime hours/month	14.1	13.5	12.2	11.9	12.8
Occupational health and safety					
Number of fatal accidents	3	1	1	2	1

Social Contribution Activities

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Social contribution activities					
Number of voluntary social contribution programs	34	43	39	38	793 ^{*1}
Participants in voluntary social contribution programs	2,479	2,744	2,344	2,166	32,419 ^{*2}

*1 The scope of these programs was changed in fiscal 2016 to include all activities reported in the survey of social contribution activities across the Hitachi Group. In addition to self-organized programs, this figure includes monetary donations, participation and dispatch of employees to take part in activities, and the opening of Hitachi facilities for use in relevant activities, each of which was counted one time for inclusion.

*2 The number of participants in activities specified in note *1 above.

Main Assessments and Awards

Hitachi actively pursues a range of CSR activities aimed at developing a more sustainable society. These activities have earned the Hitachi Group high marks from numerous external organizations.

Actively Responding to ESG Assessments

The Hitachi Group welcomes external assessments as a target for ESG*1 and sustainability-oriented investment. For eight years in a row since fiscal 2009, the Dow Jones Sustainability World Index (DJSI World),*2 a leading global sustainability investment index, has listed Hitachi, Ltd. as a component stock. RobecoSAM, which handles survey and analysis for the DJSI listings, gave its Bronze Class designation to Hitachi, Ltd. in its 2015, 2016, and 2017 CSR rankings.

Three Group companies (Hitachi Chemical, Hitachi Construction Machinery, and Hitachi High-Technologies) were selected for the FTSE4Good Index Series.*3 Hitachi Chemical, Hitachi Construction Machinery, Hitachi Metals, and Hitachi High-Technologies were chosen for the Morningstar SRI Index,*4 with the Group performing well overall in these external assessments. Hitachi Chemical was also selected for the MSCI Global Sustainability Indexes.*5

*1 ESG stands for "environment," "social," and "governance"—key factors in promoting socially responsible investment.

*2 DJSI: A family of ESG indexes developed by Dow Jones & Company (USA) and RobecoSAM (Switzerland) that includes global and regional indexes with specific compositions. DJSI World, for example, selects on a global basis, while the DJSI Asia Pacific Index covers Japan, Asia, and Australia.

*3 FTSE4Good Index Series: One of the indexes calculated by the London Stock Exchange—owned FTSE Group that selects component stocks based on their ESG performance, specifically, environmental management, climate change mitigation, human rights and workers' rights, supply chain labor standards, and bribery and corruption prevention.

*4 Morningstar SRI Index: An ESG index for Japanese stocks developed by Morningstar Japan K.K. with the Center for Public Resources Development.

*5 MSCI Global Sustainability Indexes: A family of indexes developed by US-based Morgan Stanley Capital International comprising companies with high ESG ratings relative to sector peers.

Results of ESG Analysis in Fiscal 2016

Institution	Index	Companies selected
RobecoSAM	Dow Jones Sustainability World Index	Hitachi, Ltd.
	Dow Jones Sustainability Asia Pacific Index	Hitachi, Ltd., Hitachi Chemical Co., Ltd.
FTSE Group	FTSE4Good Index Series	Hitachi Chemical Co., Ltd., Hitachi Construction Machinery Co., Ltd., Hitachi High-Technologies Corporation
	FTSE Blossom Japan Index	Hitachi Metals, Ltd., Hitachi High-Technologies Corporation, Hitachi Chemical Co., Ltd., Hitachi Construction Machinery Co., Ltd.
Morningstar	SRI Index	Hitachi Chemical Co., Ltd., Hitachi Construction Machinery Co., Ltd., Hitachi Metals, Ltd., Hitachi High-Technologies Corporation
MSCI	MSCI Global Sustainability Indexes	Hitachi Chemical Co., Ltd.
	MSCI Japan ESG Select Leaders Index	Hitachi, Ltd., Hitachi Chemical Co., Ltd., Hitachi Metals, Ltd., Hitachi High-Technologies Corporation
	MSCI Japan Empowering Women Index (WIN)	Hitachi, Ltd., Hitachi Chemical Co., Ltd., Hitachi Metals, Ltd., Hitachi High-Technologies Corporation



Nadeshiko Brand Designation

On March 23, 2017, Hitachi, Ltd. was selected as a 2017 Nadeshiko Brand—the fourth year in a row the company received the honor. Hitachi was recognized for its management strategy promoting diversity and for promoting innovation by drawing on its diverse human capital.

Since fiscal 2012, the Ministry of Economy, Trade, and Industry (METI) and the Tokyo Stock Exchange (TSE) have jointly selected, on an industry basis, enterprises that are considered to encourage women to play active roles in the workplace from among the approximately 3,500 companies listed on the first section of the TSE, the TSE second section, the Mothers index, and JASDAQ. Companies are assessed on two factors: providing career support for women and supporting women in balancing work and life. Of the top scoring companies, those also meeting return on equity requirements receive the Nadeshiko Brand designation. Hitachi, Ltd. was one of 47 enterprises in this round of selections.



Diversity Management Selection 100

On March 22, 2013, Japan's Ministry of Economy, Trade, and Industry (METI) held a ceremony to celebrate Diversity Management Selection 100. Hitachi, Ltd. was one of 43 companies receiving awards in Japan. The Diversity Management Selection 100 system chooses and recognizes companies that achieve high results in such areas as improving innovation and productivity by using the talents of diverse employees, including women, different nationalities, older employees, and people with disabilities. Hitachi was lauded for going beyond simply introducing diversity programs to promote diversity management Group-wide as a corporate strategy backed by strong management commitment.

On March 18, 2015, Hitachi Group companies Hitachi Transport System and Hitachi Solutions were chosen for the METI Diversity Management Selection 100.



Kurumin Certification

Kurumin certification is granted under Japan's 2005 Act on Advancement of Measures to Support Raising Next-Generation Children to companies that create action plans for child-care support in line with this legislation and that meet performance requirements.

In February 2011, Hitachi, Ltd. acquired this certification*1 in recognition of its achievements in developing and implementing action plans supporting child care so that employees can work with the peace of mind that comes from a good work-life balance.

*1 Hitachi Group companies receiving Kurumin certification are: Hitachi Construction Machinery Co., Ltd., Hitachi Kokusai Electric Inc., Hitachi High-Technologies Corporation, Clarion Co., Ltd., Hitachi Urban Investment, Ltd., Hitachi Systems Ltd., Hitachi Solutions, Ltd., Hitachi SC, Ltd., Hitachi Solutions East Japan, Ltd., Hitachi INS Software, Ltd., Hitachi Government & Public Sector Systems, Ltd., Hitachi Architects & Engineers Co., Ltd., Hitachi Mito Engineering Co., Ltd., Mito Engineering Service Co., Ltd., and Okinawa Hitachi Network Systems, Ltd.



Eruboshi Certification

The Eruboshi mark is conferred on companies that have submitted action plans under the Act on Promotion of Women's Participation and Advancement in the Workplace (which came into effect on April 1, 2016) and are implementing exceptional measures.

On February 28, 2017, Hitachi, Ltd. was awarded Eruboshi certification for promoting diversity as an important component of its management strategy and for creating work environments enabling its diverse human capital to play an active role. Companies are assessed in five categories*1 and are grouped


into three classes according to the number of standards they clear; Hitachi, Ltd. was awarded class 2.*2

*1 The five assessment categories are (1) recruitment, (2) years of continuous employment, (3) workstyles, including working hours, (4) percentage in management positions, and (5) diversity of career choices.

*2 Other Hitachi Group companies earning Eruboshi certification are: Clarion Co., Ltd. (class 3); Hitachi Systems Ltd. (class 3); Hitachi Solutions, Ltd. (class 3); Hitachi Chemical Co., Ltd. (class 2); Hitachi High-Technologies Corporation (class 2); and Hitachi Solutions East Japan, Ltd. (class 2).



Independent Assurance


To enhance the reliability of the data disclosed in the *Hitachi Sustainability Report 2017*, we have received independent assurance of key environmental and social performance indicators by KPMG AZSA Sustainability Co., Ltd. The indicators that were assured are marked with a .

The standards, guidelines, and calculation methods used in collecting environmental data are posted on our website.




Calculation Methods for Environmental Load Data

Third-Party Assurance Report



Independent Assurance Report

To the President of Hitachi, Ltd.

We were engaged by Hitachi, Ltd. (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with  for the period from April 1, 2016 to March 31, 2017 (the "Indicators") included in its Hitachi Sustainability Report 2017 (the "Report") for the fiscal year ended March 31, 2017, except for the 'Employment of people with disabilities' and the 'Employment ratio of people with disabilities', whose figures as of June 2016 and June 2017 are the subject of this assurance engagement.

The Company's Responsibility
The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report, which are derived, among others, from the GRI Standards of the Global Reporting Initiative and Environmental Reporting Guidelines of Japan's Ministry of the Environment.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Visiting to the Company's Kokubu Factory selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion
Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control
We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
September 22, 2017