Ensuring the Viability of Business and a Sustainable Society

Hitachi practices sustainable management, which incorporates sustainability into the core of its business strategies. In the 2021 Mid-term Management Plan, for which fiscal 2021 is the final year, we have set the goal of becoming a global leader in the Social Innovation Business to help achieve a sustainable society. To accomplish this goal, we will focus on three fields—the Environment, Resilience, and Security & Safety—as we contribute to resolving social and corporate management issues and strive for quality improvement and value for people everywhere. Based on our domain knowledge and co-creation with partners throughout the world, we will leverage Lumada to expand the Social Innovation Business.

**Sustainability Strategy Promotion Structure**

Hitachi, Ltd., has established an Executive Sustainability Committee, whose members include Toshiaki Higashihara, Executive Chairman & CEO, and other top management members, along with CEOs from the various business units (BUs). The purpose of this committee is to discuss and decide on important policies and initiatives related to sustainability, share progress and results, and tie these into further improvements and new activities. Sustainability Promotion Meetings have also been established under this committee, attended by sustainability strategy promotion officers in each BU (heads of business promotion divisions). The purpose of these meetings is to create long-term corporate strategies with an emphasis on environmental, social, and governance (ESG) matters, and to promote concrete initiatives related to sustainability, including contributions to meeting the UN Sustainable Development Goals (SDGs).

**Strategic Focus Area**

Hitachi undertakes activities with a focus on creating value in important market domains, led by our vision of the ideal companies and society in 2030. Hitachi’s current goal is to achieve sustainability in society and Hitachi’s management, as part of efforts to increase value for customers and improve the quality of life for people everywhere. To achieve this goal, we have mapped key initiatives based on the company’s (Hitachi) and the level of interest and importance to stakeholders as these, priority initiatives have been designated as a strategic focus area.

**Recognition of Issues and Strategies in Strategic Focus Areas**

<table>
<thead>
<tr>
<th>Strategic Focus Area</th>
<th>Recognition of Issues and Strategies</th>
<th>Initial Targets</th>
<th>Achieved ESG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social innovations using digital technologies and AI</td>
<td>The world is undergoing a variety of changes, such as climate change and resource shortages, aging populations and urbanization. Furthermore, diversity and the economy have changed dramatically since the global COVID-19 pandemic. Hitachi creates new value for society by providing solutions that respond to a variety of changes faced by society and the customers who are being confronted by these changes. This is one of the reasons why Hitachi is working on the Social Innovation Business. Co-creation with customers and partners is essential in responding to these changes quickly and effectively. Through collaboration, we will expand social innovations that leverage Lumada. As a result, Hitachi will help realize a sustainable society.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating value through co-creation with customers</td>
<td>Hitachi’s mission in the Social Innovation Business is to achieve a sustainable society by taking on the challenges of climate change, a crisis economy and the affluent use of resources. In response to climate change, which is a particularly urgent issue, we will expand solutions for targeting Decarbonization. As a leading company in the creation of environmental value, we will further accelerate our initiatives aimed at realizing these goals.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responding to climate change</td>
<td>Hitachi has established a group of companies that cooperate on reducing carbon footprints within Hitachi by 2030 and achieving carbon neutrality through the value chain by 2050. As a leading company in the creation of environmental value, we will further accelerate our initiatives aimed at realizing these goals.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Optimizing healthcare for every global citizen</td>
<td>In a society characterized by rapid digitalization, urbanization and a growing senior population, it is important that we enable people to enjoy comfortable, meaningful lifestyles, within a safe and secure environment. To do this, Hitachi provides city building solutions that support safe and secure living for people everywhere, as well as optimum healthcare for individuals.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety and security strategies</td>
<td>In the healthcare field, we support a society in which more and more people are living past the age of 100 through the development and provision of solutions that enable prevention of infections in the post-pandemic phase to testing, diagnostics, treatment and support for long-term care.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enabling and improving resilience in aging social infrastructures</td>
<td>Society and the economy are always potentially susceptible to highly unpredictable risks such as natural disasters, pandemics and cyberattacks. Public services and corporate activities must be able to recover quickly even in times of disaster. We also face the urgent need to create a society which everyone can benefit equitably from the public services delivered by rapid digitalization.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resilience in corporate activities</td>
<td>Hitachi provides systems and solutions that make society and corporate activities more robust, thereby contributing to a more resilient society.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Value Creation**

- **Improve Quality of Life**
  - Add value for customers
  - Resolved social and management issues by focusing on three key areas

**Environment**

- **Sustainability**
  - Biodiversity and preservation of natural capital
  - Establish a healthy city
  - Strengthen the social center

**Resilience**

- **Safety and security strategies**
  - Responding to climate change
  - Optimizing healthcare for every global citizen
  - Overall strategy for ensuring safety and security

**Security & Safety**

- **Resilience in corporate activities**
  - Enabling and improving resilience in aging social infrastructures
  - Resilience in corporate activities

**Operational Excellence**

- **Operational excellence**
  - Product safety
  - Environmental value
  - Corporate governance

**Human Rights**

- **Human rights**
  - Respect human rights
  - Promoting health and safety

**Employee Health and Safety**

- **Employee health and safety**
  - Hitachi’s Social Innovation Business adds to the vitality of society and lives.

**Diversity and Inclusion**

- **Diversity and Inclusion**
  - Enhance diversity and inclusion
  - Achieve inclusion

**Code of Conduct**

- **Code of conduct**
  - Code of conduct
  - Ethical business

**Strategic Focus**

- **Strategic Focus**
  - Social innovations using digital technologies and AI
  - Creating value through co-creation with customers
  - Responding to climate change
  - Optimizing healthcare for every global citizen
  - Safety and security strategies
  - Enabling and improving resilience in aging social infrastructures
  - Resilience in corporate activities

**Sustainability**

- **Sustainability**
  - Biodiversity and preservation of natural capital
  - Establish a healthy city
  - Strengthen the social center

**Vision**

- **Vision**
  - Creating new value through the Social Innovation Business.