

Performance Data **128**

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Indicators and Data

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



Comparative Tables with GRI Standards Content Index



Policy and Guidelines

Financial Results (Consolidated IFRS)

	FY 2015	FY 2016	FY 2017
Revenue	10,034.3	9,162.2	9,368.6
Adjusted operating income	634.8	587.3	638.6
EBIT*1	531.0	475.1	644.2
Income from continuing operations, before income taxes	517.0	469.0	638.6
Net income attributable to Hitachi, Ltd. stockholders	172.1	231.2	362.9
Capital investment (completion basis)	528.5	377.5	374.9
R&D expenditure	333.7	323.9	332.9

(billion yen)

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

Recognition of Social Responsibility

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Realizing Sustainable, Innovative Management					
Ratio of R&D expenditure to revenue (%)	3.7	3.4	3.3	3.5	3.6
Patent application ratio outside Japan (%)	59	59	59	57	56

Scope of Data

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

Number of companies: FY 2013: 948; FY 2014: 996; FY 2015: 1,057; FY 2016: 865; FY 2017 880.

Corporate Governance

	Total	Gender		Nationality	
		Male	Female	Japanese	Non-Japanese
Number of directors*1	12*2	10	2	8	4
Number of executive officers*1	35	35	0	34	1
Number of executive officers and corporate officers*1 (% of total)	78	76	2 (2.6%)	73	5 (6.4%)

*1 As of June 2018.

*2 Including eight independent outside directors (four Japanese and four non-Japanese).

Labor Practices

		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Achieving a Fair and Equitable Work Environment						
Number of employees*1		33,500	31,375	37,353	35,631	34,925
	Male	28,273	26,428	31,536	29,921	29,220
	Female	5,227	4,947	5,817	5,710	5,705
Average age (years)*1		40.7	41.0	41.2	41.4	41.7
	Male	41.3	41.6	41.7	42.0	42.3
	Female	37.6	38.0	38.4	38.6	39.0
Average service (years)*1		18.3	18.4	18.4	18.6	18.8
	Male	19.0	19.0	19.0	19.2	19.4
	Female	15.0	15.4	15.6	15.7	16.0
Turnover ratio (%)*1*2		1.4	1.4	1.3	1.5	1.5
Promoting Diversity and Inclusion						
Ratio of female employees (%)*1		16.6	16.3	16.5	16.8	17.2
Global ratio (number) of female managers*3		5.6	6.0	6.4	6.3	6.4
		(3,415)	(3,670)	(3,727)	(3,365)	(3,459)
Ratio (number) of female managers*4		3.8	3.7	4.0	4.1	4.2
		(418)	(434)	(474)	(509)	(577)
	General manager or above	2.7	2.8	3.2	3.3	3.2
		(77)	(87)	(104)	(113)	(128)
	Section chief	4.3	4.1	4.3	4.4	4.6
		(341)	(347)	(370)	(396)	(449)
Ratio of new female graduates hired (%)*5		19.4	21.7	22.8	26.3	26.6
	Technical	14.7	18.3	17.3	20.8	17.2
	Administrative	43.4	41.0	45.5	42.1	53.8
Employment ratio of people with disabilities (%)*6		2.02	2.03	2.08	2.11	2.15
Number of employees taking maternity/ paternity leave*1	Female	539	508	524	664	724
	Male	238	236	307	352	426
Number of employees using shorter working hours for child care*1	Female	683	663	668	822	887
	Male	5	4	3	2	2
Number of employees taking nursing-care leave*1	Female	8	8	8	7	7
	Male	12	9	9	8	14
Number of employees using shorter working hours for nursing care*1	Female	4	7	9	9	12
	Male	2	3	3	3	3
Paid leave*1	Average number of days	15.5	15.4	15.6	16.3	17.2
	Ratio (%)	64.7	64.3	65.3	68.1	72.0
Average overtime hours/month*1		13.5	12.2	11.9	12.8	10.9
Promoting Occupational Health and Safety*7						
Number of fatal accidents*1		1	1	2	1	0
Occupational accident rate*1		0.10	0.09	0.07	0.18	0.17
Occupational accident rate*8		0.14	0.27	0.22	0.18	0.25
A Strategy for Growing Together with Our Global Human Capital						
Number of non-Japanese employees*9		340	446	509	638	708
Number of young employees participating in training outside Japan*10		747	720	674	382	378

Scope of Data

- *1 Hitachi, Ltd.
- *2 Includes only voluntary resignations.
- *3 All full-time, regular female managers excluding those dispatched to non-Group companies.
Figures for fiscal 2016 were restated following a reexamination of HR data.
- *4 "Female managers" in fiscal 2017 include managerial employees dispatched from Hitachi, Ltd. to non-Group companies and those accepted from non-Group companies by Hitachi, Ltd. Earlier figures include regular managerial employees dispatched to non-Group companies but exclude those accepted from non-Group companies.
- *5 Graduates from universities or colleges (including postgraduate schools and technical colleges).
- *6 Including Hitachi, Ltd. and 17 special subsidiaries and related Group companies. Data compiled on June 1 of each fiscal year (2.23 in fiscal 2018).
- *7 January to December each year.
- *8 195 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; 201 Hitachi Group companies in Japan including Hitachi, Ltd. for 2017.
- *9 Employees at Hitachi, Ltd. as of the end of each fiscal year.
- *10 Hitachi, Ltd. and Hitachi Group companies in Japan.

Environment

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
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	33
CO ₂ emissions from factories and offices (kt-CO ₂) ✓	4,165	4,128	3,895	4,577* ²	4,663* ²
Water use (million m ³)	49.55	46.86	43.91	41.34* ²	38.54* ²
Waste and valuables generation (kt)	677	692	618	1,336* ²	1,356* ²
Atmospheric emissions of chemical substances (t)	4,216	4,415	3,615	4,380* ² * ³	4,223* ² * ³

Scope of Data

- Hitachi, Ltd. and consolidated subsidiaries.
 Number of companies: FY 2013: 948; FY 2014: 996; FY 2015: 1,057; FY 2016: 865; FY2017: 880.
 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 Figures include a materials company that has become a consolidated member of the Hitachi Group since fiscal 2016.
 - *3 The management scope of chemical substances has been expanded from 41 to 50 substances since fiscal 2016.

Fair Operating Practices ✓

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Engaging in Responsible Procurement					
Number of audits by external auditing organizations	16	20	20	20	18

Community Involvement and Development

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Promoting Sustainable Community Involvement and Development					
Funding for social contribution activities (million yen)*1	1,806	1,218	889	527	948
Funding for social contribution activities (million yen)*2	3,076	2,327	2,057	1,953	2,195

Scope of Data

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

*2 Through to fiscal 2014: (in Japan) Hitachi, Ltd., 136 Group companies (including equity-method associates and joint ventures), and five foundations; (outside Japan) 199 companies. For fiscal 2015: (in Japan) Hitachi, Ltd., 136 Group companies (including equity-method associates and joint ventures), and the Hitachi Global Foundation; (outside Japan) 244 companies. For fiscal 2016: (in Japan) Hitachi, Ltd., 134 Group companies, and the Hitachi Global Foundation; (outside Japan) 159 companies. For fiscal 2017: (in Japan) Hitachi, Ltd., 141 Group companies, and the Hitachi Global Foundation; (outside Japan) 196 companies.

Main Assessments and Awards

Hitachi actively pursues a range of 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 nine years in a row, starting with 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. In fiscal 2017, the company was also included as a component of the Euronext Vigeo Eiris World 120 Index.*3

Three Group companies (Hitachi Chemical, Hitachi Metals, Hitachi Construction Machinery, and Hitachi High-Technologies) were selected for the FTSE4Good Index Series.*4 Hitachi Metals and Hitachi High-Technologies were chosen for the Morningstar SRI Index,*5 reflecting the respect they command in the market. Hitachi Chemical was also selected for the MSCI ACWI ESG Leaders Index.*6

*1 ESG stands for "environmental," "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 Euronext Vigeo Eiris World 120 Index: A sustainability index comprising 120 companies from Europe, North America, and the Asia Pacific region that have achieved the most advanced performance in the ESG areas. Created by NYSE Euronext, which operates several stock exchanges in the United States and Europe, and an ESG research firm, Vigeo Eiris.

*4 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.

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

*6 MSCI ACWI ESG Leaders Index: 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 2017

Institution	Index	Companies selected
RobecoSAM	Dow Jones Sustainability World Index	Hitachi, Ltd.
	Dow Jones Sustainability Asia Pacific Index	Hitachi, Ltd. Hitachi Chemical Co., Ltd.
MSCI	MSCI ACWI ESG Leaders Index	Hitachi Chemical Co., Ltd.
	MSCI Japan ESG Select Leaders Index	Hitachi, Ltd. Hitachi Chemical Co., Ltd. Hitachi Metals, Ltd. Hitachi Construction Machinery Co., Ltd. Hitachi High-Technologies Corporation
	MSCI Japan Empowering Women Index (WIN)	Hitachi, Ltd. Hitachi Chemical Co., Ltd. Hitachi Metals, Ltd. Hitachi High-Technologies Corporation
FTSE	FTSE4Good Index Series	Hitachi Chemical Co., Ltd. Hitachi Metals, Ltd. Hitachi Construction Machinery Co., Ltd. Hitachi High-Technologies Corporation
	FTSE Blossom Japan Index	Hitachi Chemical Co., Ltd. Hitachi Metals, Ltd. Hitachi Construction Machinery Co., Ltd. Hitachi High-Technologies Corporation
Vigeo Eiris	Euronext Vigeo Eiris World 120 Index	Hitachi, Ltd.
Morningstar	MS-SRI	Hitachi, Ltd. Hitachi High-Technologies Corporation



Nadeshiko Brand Designation

On March 22, 2018, Nadeshiko Brand 2018 (for fiscal 2017) was publicly announced. Hitachi, Ltd. was among the companies selected. This marks the fifth consecutive year the company has received this honor in recognition of 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 outstanding in terms of encouraging women to play active roles in the workplace from among the approximately 3,500 companies listed on the TSE. Laureates are selected by industry based on assessment of female advancements in the workplace as well as return of equity. Hitachi, Ltd. was one of 48 enterprises this round of selections.



Diversity Management Selection 100

In 2013, Hitachi, Ltd. was chosen for inclusion in the Diversity Management Selection 100, an initiative of Japan's Ministry of Economy, Trade, and Industry (METI). The Diversity Management Selection 100 system chooses and recognizes companies that have achieved 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.

In 2015, Hitachi Solutions was chosen for the METI Diversity Management Selection 100.



Kurumin Certification

Kurumin certification is granted under Japan's April 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 Social Information Services, Ltd., Hitachi Architects & Engineers Co., Ltd., Hitachi Mito Engineering Co., Ltd., Mito Engineering Service Co., Ltd., Okinawa Hitachi Network Systems, Ltd., and Hitachi Solutions Create, Ltd.



Eruboshi Certification

The Eruboshi mark is conferred to 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 3); Hitachi Solutions East Japan, Ltd. (class 2); and Hitachi Technical Communications Co., Ltd. (class 3).



Independent Assurance

To enhance the reliability of the data disclosed in the *Hitachi Sustainability Report 2018*, 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 and CEO 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, 2017 to March 31, 2018 (the "Indicators") included in its Hitachi Sustainability Report 2018 (the "Report") for the fiscal year ended March 31, 2018, except for the 'Employment of people with disabilities' and the 'Employment ratio of people with disabilities', whose figures as of June 2018 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.

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 the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. 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 the Company's responsible personnel to obtain an understanding of its policy for preparing 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 procedures on 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 recalculating the Indicators.
- Visiting Hitachi Automotive Systems, Ltd.'s Sawa Works and Hitachi Elevator (China)'s Guangzhou Factory selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

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
October 4, 2018