

Sustainability Strategy Promotion Structure

Frameworks and Systems

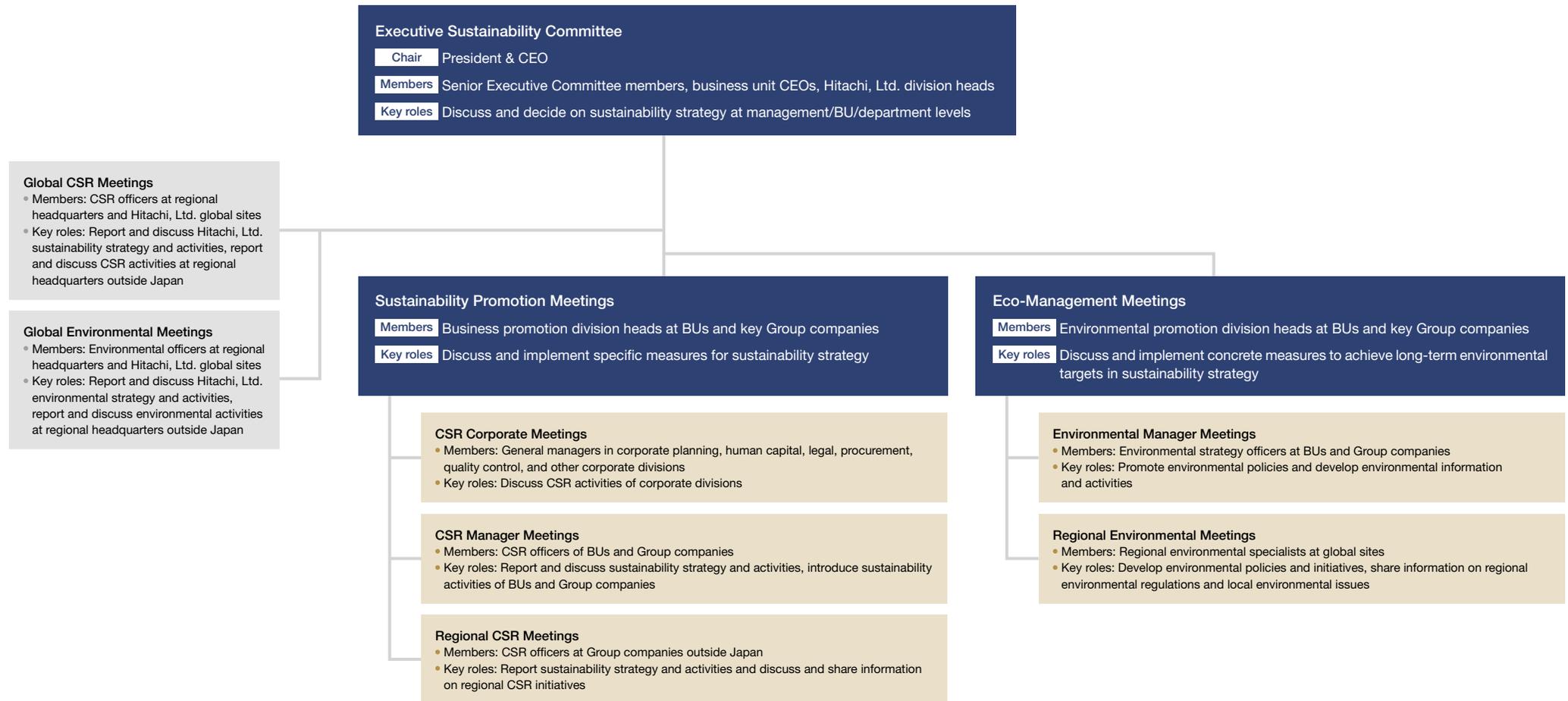
In 2017, Hitachi, Ltd. launched the Executive Sustainability Committee to discuss and reach decisions on the Group's sustainability strategy. The committee comprises President and CEO Toshiaki Higashihara and other members of the Senior Executive Committee, along with the CEOs of every business unit.

Sustainability Promotion Meetings attended by sustainability strategy promotion officers from business units were also established under the committee to strengthen our systems for promoting specific measures for advancing sustainability, including contribution to achieving the SDGs. We aim to achieve a sustainable society through long-term corporate strategies focusing on ESG (environmental, social, and governance) in business activities as well as conventional CSR activities to take responsibility for our corporate impact on society and respond to requests from stakeholders.

To review and discuss CSR initiatives, CSR Corporate Meetings are regularly held by officers from corporate divisions of Hitachi, Ltd., as are CSR Manager Meetings attended by CSR and social contribution officers from business units and Group companies. Global and Regional CSR Meetings are also held regularly, allowing CSR officers from regional headquarters outside Japan to share common directions and exchange information with the aim of promoting sustainability. And, to discuss and implement specific measures to achieve long-term environmental targets, Eco-Management Meetings, whose members are environmental promotion officers from business units and Group companies, and Sustainability Promotion Meetings are working together. Global and Regional Environmental Meetings are also held regularly, allowing environmental initiative officers from regional headquarters outside Japan to share common directions and promote environmental initiatives.

The CSR and Environmental Strategy Division at Hitachi, Ltd., which played a leading role in CSR management and activities across the entire Hitachi Group, was enhanced and renamed the Sustainability Promotion Division in April 2018 in response to growing awareness and importance of sustainability in management and business. The new division is responsible for holding regular dialogue with stakeholders in each region in cooperation with regional headquarters. Through such dialogue, we endeavor to grasp global social issues promptly, extensively, and deeply, incorporating them into the issues our management deals with. At the same time, this dialogue lets us safeguard our corporate responsibility in a global society and make continued efforts to improve as we strive to achieve sustainable management and a sustainable society.

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Executive Sustainability Committee Meetings

In fiscal 2018, the Executive Sustainability Committee held meetings in June and December.

At the June meeting, our response to climate change and the integration of our sustainability strategy into the 2021 Mid-term Management Plan were discussed. The focus was on how business units and key Group companies should link their operations to the SDGs in terms of business opportunities and risks, as well as how Hitachi should respond to risks and social demands around climate change. We also reviewed ESG, SDGs, and other sustainability initiatives to be incorporated into the 2021 Mid-term Management Plan.

At the December meeting, as part of our countermeasures against climate change, we discussed the expansion of our decarbonization business and introduction of the Hitachi Internal Carbon Pricing (HICP) system as specific approaches to achieving our long-term environmental targets (for CO₂ reduction). We also discussed corporate measures that are the foundations of management, like human rights, CSR procurement, and the development of human capital; sustainability-related stakeholder engagement; and specific information disclosure requirements.

Contribution to SDGs

Policy

SDGs and Hitachi's Social Innovation Business

We consider the SDGs an important initiative for realizing a sustainable society and improving people's quality of life through solving global social and environmental issues. We have significantly contributed to achieving the SDGs through our Social Innovation Business, which also serves as a source of sustainable growth for us.

Accordingly, through the provision of innovative solutions and products in our Social Innovation Business, we will strive to create social, environmental, and economic value as part of our management strategy. We will also strive to reduce negative social and environmental impacts resulting from our business and seek a deeper understanding of business risks arising from social and environmental changes to ensure greater robustness against them.

By proactively responding to social issues, Hitachi contributes to the achievement of all SDGs through its responsible corporate conduct and its Social Innovation Business.

