

# Engagement and Participation in Initiatives

## Stakeholder Engagement

### Hitachi's Approach to Engagement

Policy

Hitachi promotes its Social Innovation Business with efforts to accurately perceive the social issues in each country or region, followed by collaborative creation with customers, national and local governments, academic and research institutes, and other stakeholders to resolve them. We strive to enhance the value of human capital—which are indispensable management

resources for conducting business—and place importance on direct dialogue between employees and senior management. Partly in recognition of the growing interest in ESG investment, we are also active in dialogue with shareholders and investors.

Stakeholders	Main Roles	Main Divisions	Means of Communication	Pages
Customers	Creation of better products and services, response to complaints, appropriate disclosure of information on products and services	<ul style="list-style-type: none"> <li>Quality Assurance</li> <li>Sales</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction activities</li> <li>Marketing</li> <li>Website</li> <li>Advertisement activities</li> </ul>	<ul style="list-style-type: none"> <li>Quality and Safety Management pp. 119–122</li> <li>Rigorous Information Management pp. 122–123</li> <li>Customer Satisfaction pp. 124–126</li> </ul>
Shareholders and Investors	Timely and proper information disclosure, fair assessment and support from capital markets, reflection of shareholder and investor viewpoints in corporate management	<ul style="list-style-type: none"> <li>Public Relations and IR</li> </ul>	<ul style="list-style-type: none"> <li>Financial results briefings (quarterly)</li> <li>General shareholders' meetings (annual)</li> <li>IR events, one-on-one meetings (about 550 times/year)</li> <li>IR tools: <i>Integrated Report</i>, business reports, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Engagement pp. 19–25</li> </ul>
Suppliers	Building of fair and sound business relations, smooth information sharing toward better partnerships	<ul style="list-style-type: none"> <li>Procurement</li> </ul>	<ul style="list-style-type: none"> <li>Procurement activities</li> <li>Supplier meetings</li> <li>CSR monitoring (345 companies/year)</li> <li>CSR audits (24 companies/year)</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Procurement pp. 113–119</li> <li>Respect for Human Rights Throughout the Value Chain pp. 107–111</li> </ul>
Employees	Active utilization, proper treatment, promotion of occupational health and safety of human capital	<ul style="list-style-type: none"> <li>Public Relations</li> <li>Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>Intranet, in-house newsletters</li> <li>Training</li> <li>Town hall meetings between senior management and employees (20 times/year)</li> <li>Employee surveys (annual)</li> </ul>	<ul style="list-style-type: none"> <li>Developing Global Human Capital pp. 86–91</li> <li>Diversity and Inclusion pp. 91–96</li> <li>Work-Life Management pp. 96–100</li> <li>Occupational Health and Safety pp. 100–106</li> <li>Freedom of Association and Collective Bargaining pp. 111–112</li> <li>Stakeholder Engagement pp. 19–25</li> </ul>
National and Local Governments, Industrial Associations	Compliance with domestic and foreign laws and regulations, policy recommendations, participation in industry-government-academia collaborative projects	<ul style="list-style-type: none"> <li>Government &amp; External Relations</li> </ul>	<ul style="list-style-type: none"> <li>Policy council participation</li> <li>Participation in business and industry associations</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Engagement pp. 19–25</li> <li>Main Initiatives and Groups in Which Hitachi Is Involved pp. 26–27</li> </ul>
Local Communities	Fulfillment of responsibilities as corporate citizen, involvement in local communities	<ul style="list-style-type: none"> <li>Social Contribution</li> <li>All Business Divisions</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to local communities through business</li> <li>Participation in volunteer activities</li> </ul>	<ul style="list-style-type: none"> <li>Social Contribution Activities pp. 127–131</li> </ul>
Academic Associations and Research Institutions	Promotion of technological innovations, participation in industry-government-academia collaborative projects	<ul style="list-style-type: none"> <li>Research and Development</li> </ul>	<ul style="list-style-type: none"> <li>Open innovation (joint research)</li> </ul>	<ul style="list-style-type: none"> <li>Innovation Management pp. 79–84</li> </ul>
NGOs and NPOs	Incorporation of diverse public opinions, promotion of stakeholder-focused management, social contribution through nonprofit activities	<ul style="list-style-type: none"> <li>CSR Promotion</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder dialogue (5 times/year)</li> <li>Dialogue through collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Engagement pp. 19–25</li> <li>Social Contribution Activities pp. 127–131</li> </ul>
Global Environment	Realization of a low-carbon society, a resource efficient society, a harmonized society with nature	<ul style="list-style-type: none"> <li>Environment</li> <li>All Business Divisions</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder dialogues (annual)</li> </ul>	<ul style="list-style-type: none"> <li>Environmental pp. 28–77</li> </ul>

## Framework for Promoting Engagement

Frameworks and Systems

The outcomes of communication with stakeholders are shared with respective divisions and actively utilized as valuable insights into our business. Public interest is growing in how corporations are taking in stakeholders' voices to improve their businesses, and we will continue to globally develop and promote ways of capitalizing on the opinions of the members of society with whom we engage in our business activities.

## Working with Governments and Public Policymakers

Policy Frameworks and Systems

Objectives, Activities, and Achievements

### Hitachi's Approach to External Relations Initiatives

We believe that it is governments that are best positioned to both understand and work to resolve social issues, whether at the national or regional level. As we develop our Social Innovation Business on a global scale, our activities in the social infrastructure field are particularly intertwined with the public interest. This makes government institutions and related organizations in Japan and other countries around the world important partners to Hitachi both as customers and as backers.

Today's global community urgently requires solutions for a range of social issues related to the environment, energy, aging societies, and urbanization. At the same time, innovation in the fields of internet of things (IoT) and artificial intelligence (AI)—the so-called fourth industrial revolution—is advancing rapidly. Like the Japanese government and its "Super Smart Society" (Society 5.0) proposal, governments around the world are expanding their support systems in response to these developments. For Hitachi, promoting our business according to legislative policies and making effective use of governmental advice and support systems is enormously helpful to us in advancing our Social Innovation Business. We also increasingly receive requests for proposals from the Japanese government as they seek to identify solutions for social issues and craft infrastructure support policies to resolve unique regional challenges. Assisting with these requests, whether directly or through participation in an economic organization or industrial body, is one way Hitachi contributes to a better society.

Appointed chair of Keidanren (Japan Business Federation) in 2018, Executive Chairman Hiroaki Nakanishi has since been working on policy recommendations for achieving the SDGs through realizing Society 5.0 under the theme of "Society 5.0 for SDGs." In the same way,

Hitachi's President and CEO Toshiaki Higashihara serves as chair of the Communications and Information Network Association of Japan (CIAJ),\*1 making efforts toward building a fulfilling society and promoting information and communication technology to contribute to resolving many social issues through exchanging views and opinions with relevant ministries and agencies.

\*1 Communications and Information Network Association of Japan (CIAJ): A major ICT industry association consisting of manufacturers of communication network devices and terminals, communication operators, service providers, and user companies.

### Framework for Promoting External Relations

Hitachi established the Government & External Relations Division in our corporate headquarters in fiscal 2009 to guide and accelerate the external relations of the entire Hitachi Group, and we have since worked to strengthen our relationships with government and industrial organizations. In fiscal 2018, we established the Government & External Relations Group by integrating this division with the Sustainability Promotion Division to achieve our new goals of further enhancing the global expansion of our Social Innovation Business in terms of external relations.

The Government & External Relations Group is not only active in Japan but also works with the Hitachi Corporate Office in Washington DC, the Hitachi Corporate Office, Europe, and other business locations in the Americas, Europe, Middle East, Africa, and the Asia Pacific. By dealing with governments and organizations as a unified Group in seeking mutual benefit with the communities we participate in, we explore new business opportunities for Hitachi in each community's unique social issues and policies.

### Policy Council Participation

As part of our dialogue with government officials, Hitachi executives and other representatives participate in a range of government-sponsored policy councils. We are particularly active in the discussion of how best to realize "Society 5.0" advocated by the Japanese government, exploring ways to simultaneously resolve social issues and achieve economic growth. Executive Chairman Nakanishi has been a member of the governmental Council on Investments for the Future since its first meeting in September 2016. The council is a command post for the government's growth strategy, chaired by the prime minister of Japan. As a representative of a corporation contributing to the realization of "Society 5.0," Executive Chairman Nakanishi makes proposals in areas including the use of data, open innovation, and development of human resources.

The government's growth strategy, Investments for the Future Strategy, formulated based on discussions at the Council on Investment for the Future, outlines policies toward realizing "Society 5.0."

Staff and senior management from the Hitachi headquarters and business departments have also participated in meetings and roundtable discussions that look into policy from the standpoint of expanding businesses, as well as cooperating in planning new policies for Japan, including specific recommendations for more effective policy planning and implementation. For example, Hidenobu Nakahata, senior vice president and executive officer, is a member of the 2050 Economic and Social Structure Committee under the Industrial Structure Council of the Ministry of Economy, Trade and Industry (METI) to discuss a society for healthy longevity and extended working life; Osamu Naito, vice president and executive officer, is a member of the METI's Study Group on Implementing TCFD Recommendation for Mobilizing Green Finance Through Proactive Corporate Disclosure; and employees participate as advisors on the advisory committee on Japan's electric energy networks and investments established by the Agency for Natural Resources and Energy.

## Participating in Business and Industry Associations

Membership in business and industry associations is another critical aspect of our external relations. Hitachi is a member of Keidanren, where Executive Chairman Nakanishi was appointed chair in May 2018. Other executives and employees also participate in major Keidanren committees. As the planning and coordination chair for the subcommittee on Europe, we also maintain close economic relations with European governments and economic organizations. In relation to the United Kingdom's decision to withdraw from the European Union, commonly referred to as "Brexit," we have been communicating with both the United Kingdom and the European Union to continue maintaining stable business environment in the region as before.

President Higashihara serves as vice chair of the Japan Electronics and Information Technology Industries Association (JEITA), whose mission is to achieve Society 5.0, including through the promotion of Connected Industries, and thereby optimize society as a whole. As a corporate member of the association, Hitachi has been active in various committees and working groups, examining and making proposals on the promotion of IT and data utilization, working on elementary and secondary education issues while arranging for lectures at universities and other advanced

educational institutions, and offering insights into paradigms of international legislation and agreements in the era of global business.

As a member of the Japan Electrical Manufacturers' Association (JEMA), Hitachi is committed to sustainable development of the electric machinery industry and contribution to a low-carbon society. To that end, we are working on various initiatives, including promotion of infrastructure systems exports, study of the impact of electric-power system reforms on the electric machinery industry and new business trends, improvement in the efficiency of industrial system devices, and promotion of the use of electricity storage systems, as well as actively communicating our views by participating in many committees and working groups.

## United States: Hitachi Corporate Office in Washington DC

The Hitachi Corporate Office in Washington DC has three missions: (1) Enhancing Hitachi's presence in the United States; (2) Contributing to the growth of business in the United States; and (3) Gathering and analyzing geopolitical intelligence. The North American market plays an important part in our business, accounting for 13% of our total revenue and more than 21,000 employees. The US political and economic climate has been rapidly changing in recent years, significantly impacting our business globally. We must monitor these changes closely in order to make critical business decisions, not just for the US but for other markets as well. Building reliable relationships and networks with influential leaders and experts including government representatives in the United States and enhancing our presence in those circles provide valuable feedback for our management and an emergency safety net.

As part of our efforts to expand our Social Innovation Business, the Hitachi Corporate Office in Washington DC is engaging in dialogue with and lobbying US government representatives and regulatory authorities to facilitate a favorable business environment. In recent years, particular focus has been placed on establishing relationship with state-level government authorities, who have decision-making power over regional infrastructure investment plans, as well as federal government officials, by working closely with regional Hitachi Group companies. By proactively enhancing engagement in many areas, including security and trade issues, new technologies such as IoT and AI, energy policies, and infrastructure investment, the Washington office will strive not only to support Hitachi's business growth but also to contribute to US society and the community.

## Europe: Hitachi Corporate Office, Europe

The Hitachi Corporate Office, Europe, located in Brussels, monitors policy and legislation trends in the European Union, such as the European Commission and European Parliament, and analyzes their impact on Hitachi's business activities. It demonstrates how business can contribute to European policy and to societal issues.

Specifically, the office actively gathers information in the fields of energy, trade, information and telecommunications, transportation, healthcare, research and development, environment, CSR or ESG (Environmental, Social, and Governance), and SDGs (Sustainable Development Goals); communicates with relevant departments within the company and other Group companies; and makes policy contributions to EU institutions through business and trade associations like BUSINESSEUROPE, DigitalEurope, and the Japan Business Council in Europe (JBCE). We have also participated in the European Commission Product Environmental Footprint (PEF) pilot project since 2013 as part of our environmental policy activities, exchanging opinions, supporting the development of new policies, and helping to verify the environmental footprint calculation method announced by the European Union.

Regarding sustainable finance, non-financial information disclosure, and conflict minerals regulation, we maintain ongoing dialogues with the European Union's Directorate-General for Financial Stability, Financial Services, and Capital Markets Union and Directorate-General for Trade, and communicate our views on each field via the JBCE. We also actively participate in the EU-Japan Working Group on Corporate Social Responsibility, an EU-Japan industrial policy dialogue initiative. To promote engagement by and dialogue with business leaders, we work with affiliated organizations in Japan and Europe to organize and host the EU-Japan CSR Business Dialogue, striving to promote two-way dialogue in the field of sustainability after the conclusion of the Economic Partnership Agreement (EPA) between the EU and Japan to further advance joint cooperation toward common challenges and goals.

Since 1998, we have held the EU Hitachi Science & Technology Forum to deepen understanding of Hitachi's business. Starting in fiscal 2016, we have focused on our Social Innovation Business and, in fiscal 2019 we plan to hold discussions with policymakers and other diverse stakeholders about how business can use IoT technology to help achieve SDGs and resolving social issues, examining the very place of our Social Innovation Business in society. Through these activities Hitachi actively communicates with European stakeholders.

## Asia-Pacific Region: Hitachi Asia Ltd., APAC Office

The Asia-Pacific region is replete with challenges in areas including the environment, energy, transportation, and healthcare that call for urgent solutions. At the same time, however, it offers a wealth of business opportunities. At Hitachi Asia, a core team made up of top-level managers from each national and regional office monitors legislative policies and legal regulations impacting businesses across the Asia-Pacific region and ensures that business activities remain suitable to each location's individual circumstances. On matters such as trade policies and data flow issues that have cross-border implications, solutions are sought through cross-border collaboration.

The Asia-Pacific region is known for its religious, political, and economic diversity. To expand our Social Innovation Business in this region and contribute to solving the social issues it faces, cooperation with national and local governments and involvement in policymaking throughout the region, including Japan, is crucial. For this reason, we sponsor regional events like the Hitachi Social Innovation Forum (HSIF) and Hitachi Young Leaders Initiative (HYLI) and endeavor to advance long-term and organic involvement in international scholarship programs through the Hitachi Global Foundation as part of our strategy to raise understanding and awareness of our values and vision for the future among those involved in formulating policy.

Hitachi has long emphasized information exchange and communication between Group companies on a national basis. Starting in fiscal 2017, we brought in outside specialists as external relations advisors to strengthen our voice in regional policymaking. As One Hitachi, we will continue to seek dialogue with policymakers across a variety of forums in order to resolve social challenges through policy contributions and business.

## Engagement with Customers

Objectives, Activities, and Achievements

It is critical for Hitachi to gain stakeholders' understanding of its Social Innovation Business and corporate vision, which aspire to realize a sustainable society. We conducted a Global Brand Campaign in 16 countries under the slogan "THE FUTURE IS OPEN TO SUGGESTIONS," presenting examples of how Hitachi's Social Innovation Business is helping to address the many issues societies now face globally, such as energy issues, depletion of water resources, transportation issues linked to urbanization, healthcare issues associated with the graying of

society, advancement of big data and other information technologies, food safety, and information security.

To globally enhance the Hitachi brand, we have held the Hitachi Social Innovation Forum in locations worldwide, including Japan, the United Kingdom, Italy, Australia, the Philippines, and India, showcasing examples of the Social Innovation Business being conducted in each region. Through keynote speeches, panel discussions, and exhibits, we present a wide range of stakeholders—including customers and government officials—with solutions to social issues that countries and regions around the world face today.

## Engagement with Employees

Objectives, Activities, and Achievements

Since fiscal 2012, we have held town hall meetings as forums for direct dialogue between senior management and employees. In fiscal 2018, President and CEO Toshiaki Higashihara attended a total of 20 town hall meetings in Japan, the United States, Thailand, India, the Philippines, and other countries. Our executive vice presidents responsible for the four focus business domains also held more than 30 town hall meetings, engaging in discussions with our employees.

Ordinary business meetings and conferences are limited in agenda, and company communications with employees via our intranet and other channels tend to be one-way. Town hall meetings, however, are forums for direct dialogue where employees can gain a real sense of the senior management’s way of thinking and what is needed for Hitachi to make the next leap forward, as well as occasions for reaching a shared understanding of the work in which everyone is involved. These interactions help drive mindset reform within Hitachi. For example, at one town hall meeting, a participant pointed out that existing structures and procedures made it difficult for junior-level staff to propose new business ideas. This ultimately led to the creation of an entirely new way for employees to make business proposals: an internal “New Ideas Contest” called “Make a Difference!”

In the town hall meetings, we believe that it is important for senior management to hear the thoughts of frontline employees and for both sides to share their awareness as they engage in dialogue on diverse topics, such as how we can grow our business.

## Dialogue with Shareholders and Investors

Objectives, Activities, and Achievements

Hitachi conducts extensive investor relations (IR) activities, focusing on dialogue with stakeholders, including institutional investors and analysts.

In fiscal 2018, we held quarterly financial results briefings as well as corporate strategy meetings on the progress of our 2018 Mid-term Management Plan. We also hosted the ninth consecutive annual Hitachi IR Day, where divisional management teams from each business explained their business strategies and management policies under the plan.

We held briefings on Hitachi’s R&D Group, a source of value creation, Hitachi executives visited institutional investors and analysts in North America, Europe, and Asia to explain our management strategies for mid- and long-term growth, for a combined total of around 550 meetings. We are doing our best to reflect feedback in management and operations to enhance our corporate value.

On the Hitachi IR website, we post briefing materials and videos as well as business performance and stock price trend charts in a timely manner. As part of our efforts to enhance our information disclosure, we have introduced a new responsive design to allow smartphone and tablet users to browse our website with ease.



Investor Relations



Disclosure Policy

## Stakeholder Dialogue

Objectives, Activities, and Achievements

Hitachi organizes stakeholder dialogues in countries and regions around the world to invite opinions on social challenges from stakeholders representing specialized knowledge platforms and ensure that their insights are reflected in the business activities conducted at each of Hitachi’s global businesses and business units.

## The Information & Telecommunication Systems Segment's Contribution to SDGs

In March 2019, the Systems & Services Business, a section of our Information & Telecommunication Systems Segment, hosted a dialogue between Hitachi executives and external experts on the theme “Appreciation and Expectations Toward Hitachi Building Infrastructure for a Society Where People Can Live a Safe, Secure, and Comfortable Life with Digital Technologies.” The discussion, led by the CEOs of the Financial Institutions Business Unit, Social Infrastructure Systems Business Unit, and Service & Platforms Business Unit and the CSO of the Systems and Services Business, was focused on how these three business units can promote the SDGs as part of corporate culture and connect them to business opportunities. One external expert commented, “Each business unit’s business could positively or negatively affect society. Taking proactive steps toward the SDGs will not only contribute greatly to the sustainability of society, it could also be a growth driver for Hitachi.” Another said, “The Social Infrastructure Systems Business Unit’s information platform for regional comprehensive care is an initiative contributing to resolving the issues of an aging society with a declining birthrate as well as supporting the human rights of children and the disabled, helping achieve Goal 16 of the SDGs.”

The dialogue was concluded by the following closing remarks from Hitachi: “We are committed to helping realize a sustainable society through social innovation, in accordance with our corporate mission. We will continue our efforts to raise awareness of this commitment among our employees and promote our business through collaborative cooperation along the value chain based on our policy of contributing to the SDGs.”



The stakeholder dialogue held by the Information & Telecommunication Systems Segment.

## Europe: AI and the Future of Work in the EU

In February 2019, Hitachi organized a European stakeholder dialogue in Brussels on the responsible development of digitalization for the future of work. Facilitated by CSR Europe,\*1 24 people attended, including representatives from the European Commission, International Labour Organization, NGOs, academia, and the wider tech sector.

Hitachi Rail STS’s chief technology officer opened the event by outlining Hitachi’s experience of digitalization and co-creating solutions with customers. The subsequent discussion focused on the potential impacts of digitalization, providing greater understanding of the issues leaders must consider. Attendees were generally optimistic about future scenarios, but some took a more cautious view. Any approach, it was agreed, must remain human-centric. Participants also discussed how policy and smart regulation could ensure that technology is applied responsibly in the context of the future of work. The emerging themes highlighted a need for corporations to lead with strong ethical platforms, integrated and transparent decision-making, and diverse workforces to drive innovation without bias. Participants were also clear on the importance of taking a collaborative approach with multiple stakeholders, particularly employees, if business is to adapt responsibly to the rapid changes caused by digitalization. Hitachi will use the results of this dialogue to guide its internal and external engagement on the future of work.

\*1 CSR Europe is a leading European business network for corporate sustainability and responsibility.



A discussion of the stakeholder dialogue on AI and the future of work.

## Philippines: The Social Challenges to Realizing Sustainable Urbanization

Hitachi Asia's Philippine Branch hosted the country's first-ever Hitachi stakeholder dialogue in March 2019 on the theme of "The Social Challenges to Realizing Sustainable Urbanization in the Philippines." The dialogue drew a total of 36 participants representing 3 Hitachi Group companies and 18 external organizations, including government agencies, private-sector companies, and civic groups. The aim of the dialogue was to foster and deepen collaboration between stakeholders in support of the United Nations' 17 Sustainable Development Goals (SDGs), and the keynote presentation was delivered by a senior Philippine government official, who explained the country's long-term plans and alignment with the SDGs.

The dialogue's first session focused on the sub-theme "Perspectives on Balancing Growth and Sustainability," examining sustainability reporting by listed firms and challenges in sustaining national infrastructure development programs. The second session's sub-theme was "Opportunities for Collaboration in Different Sectors." A senior representative from Hitachi clarified the meaning of "smart city" as human-centric rather than technology-focused, and government programs for multistakeholder collaboration were highlighted.

Participants learned about efforts by government, business and civil society in support of sustainable urbanization, and built trust to facilitate greater collaboration in future.

## Australia: The Business Implementation of the SDGs in Oceania

In March 2019, Hitachi Australia and KPMG Australia cohosted a stakeholder dialogue on the business implementation of the SDGs in Oceania. The 14 participants included CSR and sustainability representatives from a diverse group of organizations, including Downer Group, Unilever Australia Ltd., SunRice, Fujitsu Australia Ltd., Insurance Australia Group Ltd. (IAG), Transurban Ltd., and National Roads and Motorists' Association Ltd. (NRMA).

In preparation for the 2021 Mid-term Management Plan and its accompanying sustainability strategy, Hitachi Australia sought to understand how other Australian companies approach the SDGs and to what extent their business strategies and targets are influenced by these global goals. Participants agreed that making SDGs central to business strategy will soon be the norm.

During the half-day discussion, participants shared insights into how to better engage employees in the development and achievement of these strategies and how to measure the

outcomes and impact of planned actions. The group also emphasized the strong need for business and government to work more closely than ever to realize the benefits of these initiatives.

The key takeaways were summarized in a report which was shared with Hitachi Australia's management and can be leveraged during further development of regional sustainability strategy.



Participants in the stakeholder dialogue on the business implementation of the SDGs in Oceania.

## India: The Business Contribution Toward the SDGs in India

Working toward developing a sustainable society, Hitachi India held the CSR India Stakeholder Dialogue 2018 on October 25 in New Delhi. The event was attended by 32 external and internal stakeholders, including Hitachi Asia's Chairman Kojin Nakakita and Hitachi India's Managing Director Bharat Kaushal.

The dialogue focused on the role of the private sector and how business can contribute to the SDG agenda in India, particularly in the areas of e-Education, e-Governance, and urban transportation. Participants shared their understanding and experiences of how companies can align their way of working with the SDGs. During the discussion, the need to inculcate sustainability into one's business model to ensure long-term impact was emphasized. It was also acknowledged that, given the size and complexity of the challenges, a collaborative approach rather than an individual effort will be required to achieve the SDGs.

Based on the key learnings from the dialogue, Hitachi will persevere in its ambitious efforts to incorporate sustainability into its business. By proactively responding to social issues, and through collaborative creation with various stakeholders, Hitachi will continue contributing to achieving the SDGs.

# Main Initiatives and Groups in Which Hitachi Is Involved

## United Nations Global Compact

Hitachi, Ltd. became a full member of the United Nations Global Compact in February 2009. Our corporate foundation is the basis for our continuing growth as a global company, and it must meet internationally recognized global standards that go beyond national and regional laws and regulations. We believe that respecting and implementing the 10 principles of the UN Global Compact will build a stronger foundation for our business.

In fiscal 2018, the Hitachi Group also participated in workshops organized by the Global Compact Network Japan on seven different topics, including human rights, supply chain management, and the UN's Sustainable Development Goals (SDGs).



## World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is an organization led by CEOs of around 200 progressive companies around the world. Its aim is to create a sustainable future for business, the environment, and societies. Hitachi, Ltd. has participated in the WBCSD since 1995.



## Task Force on Climate-related Financial Disclosures

In June 2018, Hitachi announced its support for the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board to encourage disclosure of information about climate-related risks and opportunities.



## Japan Climate Initiative

The Japan Climate Initiative (JCI) is a network formed to improve information-sharing and discussion between companies, local governments, NGOs, and other organizations actively working to address climate change in Japan. Hitachi has been a member since the JCI's founding in 2018.



## Business for Social Responsibility

Founded in 1922, Business for Social Responsibility (BSR) is an international NPO with a focus on CSR. Together with over 250 corporate members and external partners around the world, it uses its global network for activities designed to build a fair, sustainable world. Hitachi joined BSR in 2007, and has participated in the organization's human rights sessions since fiscal 2016.



## International Standardization Activities

### Hitachi's Approach to International Standardization

Policy

To help create and expand markets as well as to accelerate our global business expansion, we are actively involved in developing international standards through participation in the activities of international standards-developing organizations such as the International Electrotechnical Commission (IEC) and the International Organization for Standardization (ISO). Additionally, by contributing to international standardization efforts by consortia and other bodies, and providing solutions consistent with international standards, we support the development of sound global markets and facilitate innovation to resolve social issues.

### Framework for Promoting International Standardization Activities

Frameworks and Systems

As part of its efforts toward international standardization activities, Hitachi commits employees to serve on the IEC's Market Strategy Board as well as other key positions such as technical committee chairperson and secretary at international standardization organizations like the ISO.

Additionally, the Hitachi Group Standardization Committee was established to coordinate the efforts of all Hitachi Group companies toward international standardization. The Steering Committee\*<sup>1</sup> of this body determines priority themes and promotes standardization activities by establishing working groups for each theme.

\*1 Steering Committee: Headed by the executive officer overseeing R&D, this entity includes chief technology officers of Hitachi business units and key Group companies. The committee is responsible for decisions on cross-departmental and companywide standardization projects.

### Assessment of Hitachi's International Standardization Activities

Objectives, Activities, and Achievements

Hitachi's international standardization work is well regarded. In fiscal 2018, we were honored by such bodies as the IEC, the Ministry of Economy, Trade, and Industry, the Telecommunication Technology Committee, and the Railway Technology Standardization Investigation Committee.

#### Hitachi Group Standardization Committee

