

Executive Officer's Message

102-14

Leading the Transformation Toward Sustainable Lifestyles

The many social issues that the coronavirus pandemic has brought to the fore have prompted us to rethink the ways Hitachi should help meet those challenges. We have given renewed thought to how we can be of benefit to society and what we must do to fulfill our mission. We need to do more than simply adapt to the “new normal” of living with COVID-19 but accelerate a shift to employment policies that enable our valuable human capital to achieve their full potential, such as through telecommuting and skills-based hiring, as well as by embracing diversity and inclusion. Our efforts to achieve a human-friendly Society 5.0*1 and to lead the transformation toward more sustainable lifestyles will be focused on our Social Innovation Business, aimed at enhancing social, environmental, and economic value.

We have implemented three major sustainability-related initiatives during fiscal 2019 through the first half of fiscal 2020.

The first was to step up our efforts to disclose non-financial information, holding our first ESG Briefing in fiscal 2019. After President and CEO Toshiaki Higashihara gave an overview of the course Hitachi is taking in his opening remarks, an independent director and executive officers provided details regarding our governance measures, strategy for human capital, and environmental initiatives. We will be upgrading both the quality and quantity of our ESG disclosures going forward as well as continually strengthening our initiatives in these areas.

The second was in the area of climate change. Until now our efforts have focused on achieving our long-term environmental targets called Hitachi Environmental Innovation 2050, which includes a CO₂ reduction target of 80% throughout the value chain by fiscal 2050 (compared to fiscal 2010). To move more vigorously toward these goals, we introduced an internal carbon pricing system in fiscal 2019 and announced our aim of attaining carbon neutrality for in-house manufacturing by fiscal 2030. We are working with our customers, partners, and other stakeholders to achieve a decarbonized society.

Our third initiative has been to promote the visualization of social and environmental value. To help build a sustainable society through our Social Innovation Business, our 2021 Mid-term Management Plan calls for the enhancement of social, environmental, and economic value for our customers through solutions in five sectors, namely, IT, energy, industry, mobility, and smart life. In fiscal 2019, we reexamined our businesses to identify how they could best help achieve the SDGs. Through quantification and other means, we tried as much as possible to visualize the social and environmental value each business was generating. We also focused our efforts on ascertaining our businesses' social and environmental impact, both positive and negative. This information will allow us to offer solutions that are more sustainable and to provide even greater social, environmental, and economic value for our customers.

The 2030 timeline for achieving the SDGs is only a decade away. As the officer responsible for sustainability and government & external relations, I remain keenly aware of the importance of multi-stakeholder capitalism,*2 working closely with the governments of many countries and actively promoting dialogue with stakeholders in the social sector to achieve our goal of a decarbonized, digital society.

Adhering to our foundational Corporate Credo of contributing to society through the development of superior, original technologies and products, our 300,000 employees around the world will continue striving to build a sustainable and human-centered world as envisioned by Society 5.0.

*1 Society 5.0: A proposal for a new super-smart, human-centric society from the Japanese government. It aims to achieve both economic development and the resolution of social issues through the closer integration of cyberspace (virtual reality) and the physical universe. The moniker denotes the next stage in human evolution from the hunter-gatherer (Society 1.0), agrarian (Society 2.0), industrial (Society 3.0), and information (Society 4.0) societies.

*2 Multi-stakeholder capitalism: A concept aimed at achieving sustainable growth with the interests of many different stakeholders in mind, rather than focusing on shareholder profits.



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