

# Sustainability Strategy Promotion Structure

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Hitachi, Ltd.'s Executive Sustainability Committee comprises President and CEO Toshiaki Higashihara and other members of the Senior Executive Committee, along with the CEOs of every business unit. The committee discusses and reaches decisions on important policies and measures related to sustainability, shares progress and results, and finds ways to connect these to further improvements and new initiatives.

Sustainability Promotion Meetings attended by sustainability strategy promotion officers from business units (business promotion division head-class), also established under the committee, formulate long-term corporate strategies focusing on ESG (environmental, social, and governance) to promote specific measures for advancing sustainability, including contribution to achieving the SDGs.

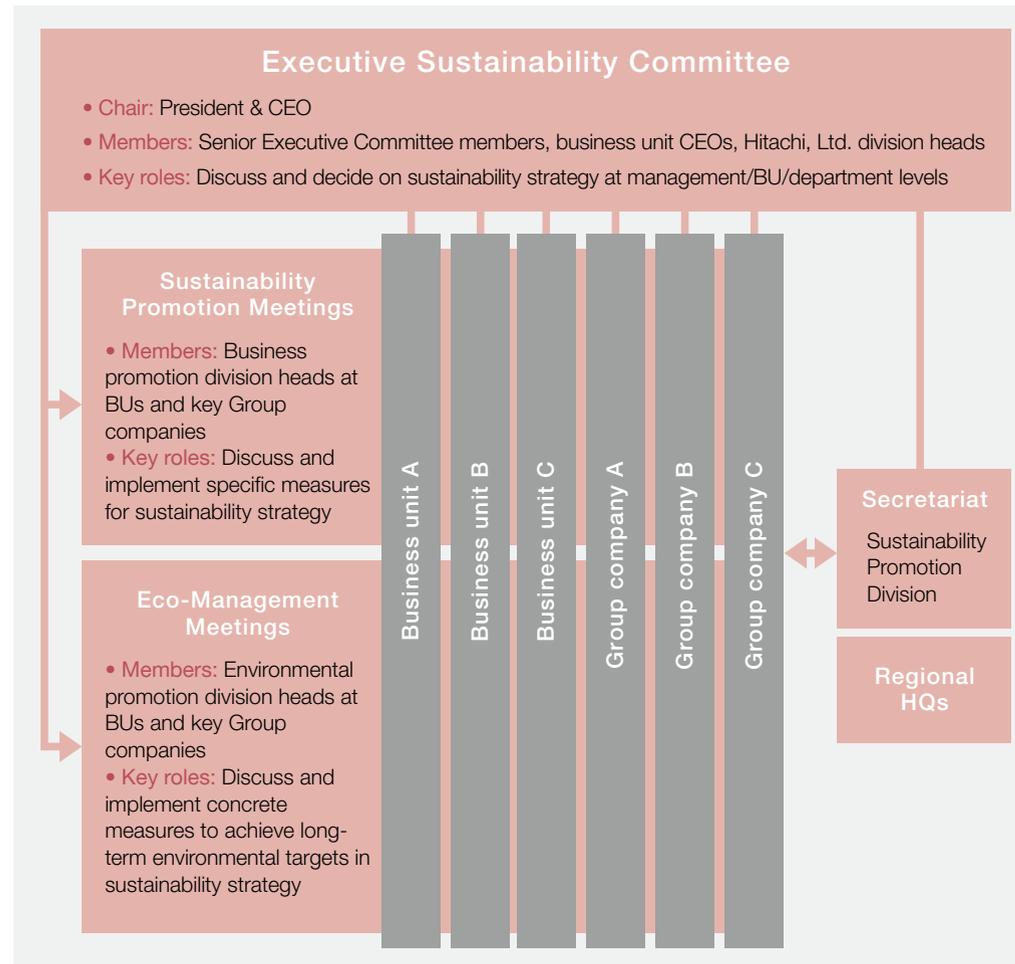
To review and discuss CSR initiatives, CSR Manager Meetings are regularly held by CSR and social contribution officers from business units and Group companies. Global and Regional CSR Meetings for the Americas, Europe, China, Southeast Asia, India, and Australia are also held regularly.

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, work together with Sustainability Promotion Meetings. 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.

Additionally, the Sustainability Promotion Division holds 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.

We have adopted a committee system to separate the responsibilities for management oversight from the execution of business operations. Under this system, the Audit Committee conducts an audit of sustainability-related operations once a year. Reports on sustainability-related material issues are made to the committee by Hitachi executive officers.

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### Executive Sustainability Committee Meetings

Hitachi's Executive Sustainability Committee meets twice a year to discuss and reach decisions on important policies and measures related to sustainability, share progress and results, and find ways to connect these to further improvements and new initiatives.

In fiscal 2019, the Executive Sustainability Committee held meetings in April and December. At the April meeting, in preparation for the May launch of the 2021 Mid-term Management Plan, the committee confirmed that creating social, environmental, and economic value as part of our management strategy would be pursued, and, alongside quantitative and qualitative evaluation of the social and environmental value to be created by each business, considered specific initiatives toward increasing environmental value.

At the December meeting, in order to create social, environmental, and economic value, the committee considered and made decisions on visualization and evaluation methods for social and environmental impacts as well as important policies and measures related to the environment, including our response to climate change.

### Setting Key ESG-Related KPIs

As part of promoting sustainability, we have established KPIs for key ESG challenges, and promote activities to help achieve them.

In May 2020, we unveiled a new KPI: to achieve carbon neutrality in our places of business (factories and offices) by fiscal 2030.

### ESG Briefing

In September 2019, we held our first ESG Briefing at which we explained our environmental strategy, human capital strategy, and governance initiatives to institutional investors, analysts, and the media. At the beginning of the briefing, President and CEO Toshiaki Higashihara explained the improvement in social, environmental, and economic value called for by the 2021 Mid-term Management Plan and clarified the direction of the entire company. Environmental and human capital strategy were explained by the executive officers responsible for these areas, while governance was explained by an independent director.

### Key ESG-Related KPIs

	KPI	Result in FY 2019	Target	Relevant Page	
Environmental	Products and services Reduction rate of CO <sub>2</sub> emissions per unit (base: FY 2010)	19%	FY 2021	20% or higher	P. 25
			FY 2030	50%	
			FY 2050	80%	
	Business sites (factories and offices) Reduction rate of total CO <sub>2</sub> emissions (base: FY 2010)	17%	FY 2021	20% or higher	P. 25
FY 2030			100% (carbon neutral)		
FY 2050			(Maintain 100%)		
Reduction rate of water use per unit in Hitachi Group (base: FY 2010)	26%	FY 2021	26% or higher	P. 25	
		FY 2050	50%		
Reduction rate of waste and valuables generation per unit in Hitachi Group (base: FY 2010)	14%	FY 2021	12% or higher	P. 25	
		FY 2050	50%		
Social	Digital talent	30,000	FY 2021	37,000	P. 81
	Data scientists	Approx. 1,000	FY 2021	3,000	P. 81
	Top-class AI talent	306	FY 2021	350	P. 72
	Ratio of female executive and corporate officers	5.0%	FY 2020	10%	P. 84
	Ratio of non-Japanese executive and corporate officers	8.8%	FY 2020	10%	P. 84
Number of female managers in Japan	700	FY 2020	800 (twice the number at the end of fiscal 2012)	P. 84	

 Identifying Social Impacts with Respect to Goals to Contribute to Through Business Activities ▶