

Contribution to the SDGs (Sustainable Development Goals)

The SDGs and Hitachi's Social Innovation Business

Approach

102-11

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.

Hitachi's Priority SDG Issues

Policy

At the Executive Sustainability Committee meetings chaired by President and CEO Toshiaki Higashihara, the committee members considered the 17 SDGs and the opportunities and risks they represented. After this, they identified 5 Goals where we can make a particularly significant impact through our key businesses, and 6 Goals that we can contribute to through our entire corporate activities. We view the latter 6 Goals as relevant to our entire business and management strategies, making an impact on corporate sustainability.

Because we are active in a broad range of business fields, we believe we can contribute extensively to the achievement of the SDGs other than the 11 Goals identified. Understanding that all SDGs are mutually related, we will endeavor to contribute to the achievement of all 17 SDGs both directly and indirectly.



Road Map for Achieving the SDGs

Goals

Activities

Developing a sustainable society as defined by the SDGs will lead to sustainable growth for Hitachi, too. We believe that we are providing value not only to the companies and consumers that are our direct customers but also to society more broadly. This is the essence of our Social Innovation Business. The products and services that we provide are all closely linked to social sustainability. We aim to be a global leader in sustainability through our efforts to help achieve the SDGs.

Achievements in FY 2019

In fiscal 2019, we launched an initiative exploring ways to build a framework for assessing social and environmental impacts brought about by business activities, in order to make our efforts to create social and environmental value closely linked to the SDGs more appealing to our customers and society in a concrete manner—one of the goals included in the 2021 Mid-term Management Plan. Using key businesses outlined in the 2021 Mid-term Management Plan as examples, we have developed an impact evaluation methodology for social and environmental value that can be used across the entire Group, and are now working to establish an impact evaluation framework. To determine the guidelines for the methodology, a series of discussions were held at meetings of the working group made up of staff from corporate divisions of the Hitachi Group. The guidelines also reflect feedback through exchanges of opinions with stakeholders in Europe and other regions that lead in impact evaluation initiatives, as well as discussions with business units and Group companies.

Each business unit used the guidelines to assess the impacts of the social and environmental value created through business activities and develop business plans for fiscal 2020 based on the impacts. Going forward, we will further improve the guidelines so that they can also be used for exploring new business possibilities and evaluating the impact of existing businesses. This approach will enable us to grasp the positive and negative social and environmental impacts of our business activities and offer more sustainable businesses to our customers. In this way, we will realize the three kinds of value outlined in the 2021 Mid-term Management Plan.



- Increase understanding through sustainability messages from the CEO, symposiums, workshops, newsletters, etc.
- Work with planning divisions and other relevant departments at business units and key Group companies to clarify how their businesses are linked to the SDGs in terms of business opportunities and risks.
- Incorporate the vision of Hitachi's future business and growth originating from achieving the SDGs and sustainability (solving social issues) in the 2021 Mid-term Management Plan business strategy, based on the knowledge that realizing a sustainable society will make sustainable growth possible for Hitachi.
- Promote management focusing on social, environmental, and economic value.
- Explore building a framework for assessing the impact of non-financial value created by the five focus sectors set out in the 2021 Mid-term Management Plan.
- Expand application to consideration of new businesses and impact evaluation for existing businesses.
- Promote establishment of a collaborative system with sales divisions to enhance sustainability.

The measures will be taken in collaboration with business units, major Group companies, corporate-related departments, and global sites (regional strategies).

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

Activities

102-47 | 103-1

In fiscal 2019 Hitachi urged business units and Group companies to promote visualization of social and environmental impacts in order to create the social, environmental, and economic value called for in the 2021 Mid-term Management Plan.

Specifically, after choosing their key businesses, each business unit and Group company selected the relevant items from the “List of Social and Environmental Impacts,” and sorted them by positive and negative. They then identified the stakeholders involved in each impact, and summarized them in a logic model.

This helped to visualize what kind of impacts Hitachi and its customers have on society, enabling them to maximize positive impacts while minimizing negative impacts.

In fiscal 2020 we are promoting efforts to create social and environmental value by expanding the application of qualitative and quantitative assessment of impacts visualized using these logic models.

Identifying Social Impacts: One Example (Cashless Payment Services in Developing Countries Such as India)

Contributing to the achievement of SDGs



1.4: “By 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance”



Business creating impact

Name of key business	Business overview
Cashless payment services in developing countries such as India	<ul style="list-style-type: none"> India: ATM and POS payment services. Acquiring business and data linkage business via JV with large national bank SBI.