Engagement and Initiatives

Stakeholder Engagement

Hitachi's Approach to Engagement
Approach

Hitachi promotes its Social Innovation Business with efforts to 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—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	• Quality Assurance • Sales	• Customer satisfaction activities • Marketing • Website • Advertising activities • "Global Brand Campaign" (14 locations) • Holding Hitachi Social Innovation Forum (4 locations)	▪ Quality and Product Safety Management ▪ Information Management ▪ Customer Satisfaction	pp. 106–107 pp. 141–146 pp. 108–109		
Shareholders and Investors	Timely and proper information disclosure, obtaining of fair recognition and support from capital markets, reflection of shareholder and investor viewpoints in corporate management	• Public Relations and IR	• Financial results briefings (quarterly) • General shareholders' meetings (annual) • Hitachi IR Day event (annual), one-on-one meetings with institutional investors and analysts (about 790 meetings/year) • IR tools: *Integrated Report*, business reports, etc. • Information disclosure on website for stakeholders and investors	▪ Stakeholder Engagement	pp. 15–16		
Suppliers	Building of fair and sound business relations, smooth information sharing toward better partnerships	• Procurement	• Procurement activities • CSR procurement seminars (59 companies/year) • CSR monitoring (201 companies/year) • CSR audits (19 companies/year)	▪ Responsible Procurement ▪ Respect for Human Rights Throughout the Value Chain	pp. 102–105 pp. 97–99		
Employees	Proper treatment, promotion of occupational health and safety of human capital	• Public Relations • Human Capital	• Intranet, in-house newsletters • Training • Town hall meetings between senior management and employees (president and CEO: 18 meetings/year, executive vice presidents: 28 meetings/year) • Employee survey (annual) • "Make a Difference!" idea contest (annual)	▪ Stakeholder Engagement ▪ Diversity and Inclusion ▪ Occupational Health and Safety	pp. 15–16 pp. 83–85 pp. 89–94	▪ Global Human Capital Management ▪ Work-Life Management ▪ Freedom of Association and Collective Bargaining	pp. 77–79 pp. 86–88 p. 95
National and Local Governments, Industrial Associations	Compliance with domestic and foreign laws and regulations, policy recommendations, participation in industry-government-academia collaborative projects	• Government & External Relations	• Academic research for policy recommendations to international organizations and national governments, lobbying activities • Policy council participation (Japan) • Participation in business and industry associations (Japan)	▪ Stakeholder Engagement ▪ Main Initiatives and Groups in Which Hitachi Is Involved ▪ Main Groups in Which Hitachi Participates	pp. 15–16 p. 17 p. 19		
Local Communities	Fulfillment of responsibilities as corporate citizen, involvement in local communities	• Social Contribution • All Business Divisions	• Contribution to local communities through business • Participation in volunteer activities	▪ Social Contribution Activities	pp. 111–113		
Academic Associations and Research Institutions	Promotion of technological innovations, participation in industry-government-academia collaborative projects	• Research and Development	• Open innovation (joint research)	▪ Innovation Management	pp. 68–74		
NGOs and NPOs	Incorporation of diverse public opinions, promotion of stakeholder-focused management, social contribution through nonprofit activities	• Sustainability Promotion	• Stakeholder dialogues (3 times/year) • Dialogue through collaboration	▪ Stakeholder Engagement ▪ Social Contribution Activities	pp. 15–16 pp. 111–113		
Global Environment	Realization of a decarbonized society, a resource efficient society, a harmonized society with nature	• Environment • All Business Divisions	• Stakeholder dialogues (annual)	▪ Environmental	pp. 22–66		

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Engagement and Initiatives

Promoting Engagement   Structure

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.

Stakeholder Dialogues   Activities

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.

Theme	Venue	BU/Group company
Measuring impacts of the Social Innovation Business	Brussels, Belgium	Hitachi Europe
IoT 4SDGs: What Can the Digital Transformation and IoT Achieve for Agenda 2030?	Brussels, Belgium	Hitachi Corporate Office, Europe
Role of business in furthering the SDGs agenda of India: e-Education and Urban Transportation	New Delhi, India	Hitachi India

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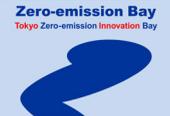Engagement and Initiatives

Main Initiatives and Groups in Which Hitachi Is Involved

Activities

102-11 | 102-12

Based on its Corporate Credo, which is to "contribute to society through the development of superior, original technology and products," Hitachi has advanced its Social Innovation Business in order to help realize a sustainable society. As part of this, to play its proper role as a global corporation, Hitachi actively participates in international initiatives addressing social issues on a global scale.

Initiative or Group	Logo	Activities
United Nations Global Compact		Officially became a participant in 2009. Joined workshops organized by the Global Compact Network Japan on six different topics, including supply chain management, ESG, and SDGs, in fiscal 2019.
World Business Council for Sustainable Development (WBCSD)		Became a member in 1995.
Task Force on Climate-related Financial Disclosures (TCFD)		Announced its support for TCFD in 2018 and disclosed climate-related information based on the TCFD Recommendations.
Japan Climate Initiative (JCI)		Became a member in 2018.
Business for Social Responsibility (BSR)		Became a member in 2007, participating in the Human Rights Working Group (HRWG) since 2016.
Tokyo Zero-emission Innovation Bay		Participated in council, founded in 2020, as an organizer.

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Engagement and Initiatives

International Standardization Activities

Hitachi's Approach to International Standardization [Approach]

To help create and expand markets as well as to accelerate our global business expansion, and to contribute to the SDGs through our Social Innovation Business, 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). In concrete terms, we participate in international standardization activities in fields such as, in the environmental field, supporting the environmentally friendly design of electrical, electronic, and information communications systems (IEC TC 111, ISO/IEC JTC 1 SC 39, ITU-T SG5 WP2); in the clean energy field, smart energy (IEC SyC Smart Energy) and power storage systems (IEC TC 120); in manufacturing and technology, smart manufacturing (ISO/IEC JWG 21, IEC SyC SM) and electronics assembly (IEC TC 91); and, in health and safety, water and sewage services (ISO TC 224) and biotechnology (ISO TC 276). 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.

Structure for Promoting International Standardization Activities [Structure]

As part of its efforts toward international standardization activities, Hitachi commits employees to serve in key positions such as technical committee chairperson and secretary at international standardization organizations like the IEC and ISO. Additionally, the Hitachi Group Standardization Committee was established to coordinate the efforts of all Hitachi Group companies toward international standardization. The Steering Committee[*1] 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.
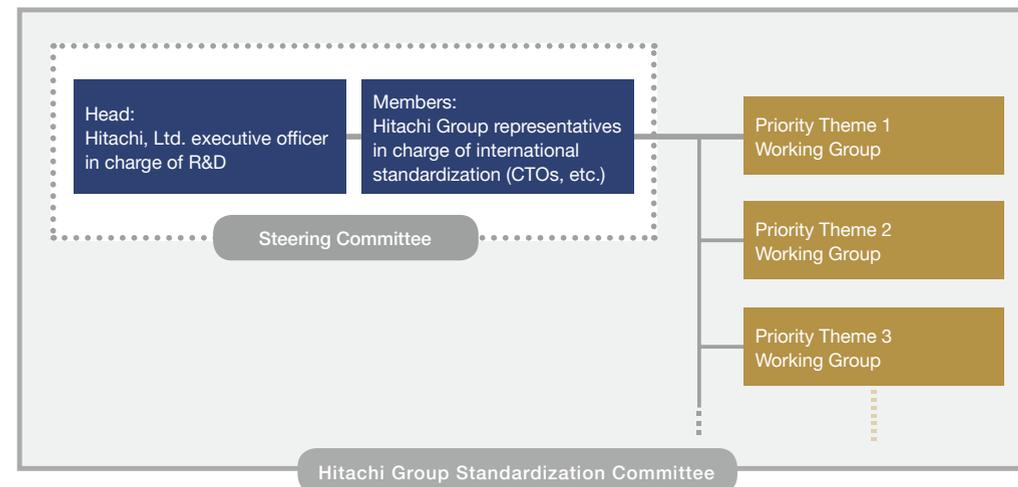
---- **Achievements in FY 2019** ----
In fiscal 2019, we selected Society 5.0 as one priority theme. In concert with our global stakeholders, we actively participated in international standardization activities which will contribute to Society 5.0's realization.

External Assessment of Hitachi's International Standardization Activities [Activities]

Hitachi's international standardization work is well regarded. In fiscal 2019, we were honored by such bodies as the IEC, the IEC Activities Promotion Committee of Japan, the Japan Electronics and Information Technology Industries Association (JEITA), and the Telecommunication Technology Committee (TTC).

■ **Hitachi Group Standardization Committee**

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Engagement and Initiatives

Main Groups in Which Hitachi Participates

<div style="text-align: right;">Approach</div>

<div style="text-align: right;">102-13</div>

Hitachi's Social Innovation Business is particularly intertwined with the public interest. As part of developing that business on a global scale, we view government institutions and related organizations in Japan and other countries around the world as important partners, both as customers and supporters. Our Government & External Relations Group leads our efforts to strengthen ties with these bodies. The Group also works with the Hitachi Corporate Office in Washington DC; the Hitachi Corporate Office, Europe; and other business locations in the Americas, Europe, the Middle East, Africa, and the Asia–Pacific region and Japan. Dealing with governments and organizations as a unified Group lets us not only seek mutual benefit with local communities but also explore new business opportunities for Hitachi within each country's unique social issues and policies.

In Japan, we are increasingly asked for proposals by the Japanese government. By making requests directly as well as proposing solutions through economic organizations and industrial bodies, we help build a better society.

Participation in Government Councils by Hitachi Executives

Council	Participant	Activities
Council on Investments for the Future (Cabinet Secretariat)	Executive Chairman Hiroaki Nakanishi as a private sector expert	• Making proposals in areas including the use of data, open innovation, and development of human capital to realize "Society 5.0," Japan's growth strategy
Committee for the Formulation of New Strategies Related to Deploying Infrastructure Outside Japan (Cabinet Secretariat)	President and CEO Toshiaki Higashihara as a private sector member	• Making proposals on new infrastructure development measures that assume business models using digital technologies and co-creation with local partners
Industrial Structure Council/Trade Committee (METI)	President and CEO Toshiaki Higashihara as a council/committee member	• Making proposals on using data to realize a human-centric society, as envisaged for Society 5.0, from the commerce and trade perspective

Participation in Business and Industry Associations

Group	Participant	Activities
Japan Business Federation (Keidanren)	Executive Chairman Hiroaki Nakanishi as chair	• Making policy recommendations for achieving the SDGs through realizing Society 5.0 under the theme of "Society 5.0 for SDGs" • Promoting Japan-led value-creating digital transformation (DX) with close collaboration among industry, government, and academia around the world to formulate systems and rules
Communications and Information Network Association of Japan (CIAJ)	President and CEO Toshiaki Higashihara as a senior steering committee member	• Promoting information and communication technology solutions that could contribute to resolving a range of social issues by exchanging views and opinions with relevant ministries and agencies
Japan Electronics and Information Technology Industries Association (JEITA)	President and CEO Toshiaki Higashihara as vice chair	• Examining and making proposals on promotion of digital technology and data use and market creation under the mission to achieve Society 5.0 • Offering insights into paradigms of international legislation, agreements, and standards to develop digital trade and strengthen international competitiveness
Japan Electrical Manufacturers' Association (JEMA)	President and CEO Toshiaki Higashihara as vice chair	• Promoting the sustainable development of electrical manufacturing by submitting opinions on various governmental and administrative policies and promoting product safety awareness, international standardization and compatibility evaluation, statistical research work, and the development of human capital for STEM fields
Japan–US Business Council	Executive Chairman Hiroaki Nakanishi as an Executive Committee member	• Exchanging opinions and proposing policies regarding various issues in Japan–US economic relations from the point of view of the entire Japan–US economic world
National Association of Manufacturers	Hitachi Corporate Office in Washington DC	• Lobbying and making policy proposals, as the largest association of manufacturers in the United States, to support the international competitiveness of member corporations
Japan Business Council in Europe (JBCE)	Hitachi Corporate Office, Europe as CSR Committee chair	• Making policy proposals to contribute to the further development of EU–Japan relations and the EU economy, as the body representing Japanese corporations in the EU