

External Assessments and Awards

Activities

Hitachi actively pursues a range of activities aimed at developing a more sustainable society. These activities have earned the Hitachi Group high marks from numerous external organizations.

Actively Responding to ESG Assessment

Approach

The Hitachi Group welcomes external assessments as a target for ESG*¹ and sustainability-oriented investment.

Hitachi, Ltd. received high scores from the CDP,*² which ranks companies based on their environmental practices and the quality of their disclosure. We received an A, the highest score, for water security, and an A- for climate change. We are also included in the Euronext Vigeo Eiris World 120 Index.*³

Among Group companies, Hitachi Construction Machinery was selected for the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific),*⁴ and Hitachi Metals, Hitachi Construction Machinery, and Hitachi High-Tech were selected for the FTSE4Good Index Series.*⁵

*1 ESG stands for "environmental," "social," and "governance"—key factors in promoting socially responsible investment.

*2 CDP is a UK based international nonprofit organization that rates corporate initiatives and transparency in the three areas of climate change, water security, and forests using an eight-level scale of A to D-.

*3 Euronext Vigeo Eiris World 120 Index: A sustainability index created jointly by NYSE Euronext, which operates several stock exchanges in the United States, and Vigeo Eiris, an ESG research firm in France and United Kingdom. The index comprises 120 companies from Europe, North America, and Asia Pacific that have achieved the most advanced performance in the ESG areas.

*4 DJSI: A family of ESG indexes developed by Dow Jones & Company (USA) and RobecoSAM (Switzerland) that includes global and regional indexes with specific compositions. DJSI World, for example, selects on a global basis, while the DJSI Asia Pacific Index covers Japan, Asia, and Australia.

*5 FTSE4Good Index Series: One of the indexes calculated by the London Stock Exchange—owned FTSE Group that selects component stocks based on their ESG performance, specifically environmental management, climate change mitigation, human rights and workers' rights, supply chain labor standards, and bribery and corruption prevention.

CDP Scores for Fiscal 2019

Company	Score
Hitachi, Ltd.	Climate change: A- Water security: A
Hitachi Metals	Climate change: B- Water security: B-
Hitachi Construction Machinery	Climate change: A- Water security: B
Hitachi High-Tech	Climate change: B Water security: B

Results of ESG External Analysis in Fiscal 2019

Institution	Index	Companies selected
RobecoSAM	Dow Jones Sustainability Asia Pacific Index	Hitachi Construction Machinery
MSCI	MSCI Japan ESG Select Leaders Index	Hitachi Metals, Hitachi Construction Machinery, Hitachi High-Tech
	MSCI Japan Empowering Women Index (WIN)	Hitachi Metals, Hitachi High-Tech
FTSE	FTSE4Good Index Series	Hitachi Metals, Hitachi Construction Machinery, Hitachi High-Tech
	FTSE Blossom Japan Index	Hitachi Metals, Hitachi Construction Machinery, Hitachi High-Tech
Vigeo Eiris	Euronext Vigeo Eiris World 120 Index	Hitachi, Ltd.



Diversity Management Selection 100

Hitachi, Ltd. is included in the Diversity Management Selection 100, an initiative of Japan's Ministry of Economy, Trade, and Industry (METI). The Diversity Management Selection 100 system chooses and recognizes companies that have achieved high results in such areas as improving innovation and productivity by using the talents of diverse employees, including women, different nationalities, older employees, and people with disabilities. Hitachi was lauded for going beyond simply introducing diversity programs to promote diversity management Group-wide as a corporate strategy backed by strong management commitment.



Kurumin Certification

Hitachi, Ltd. has received Kurumin certification.*1 This was granted under Japan's Act on Advancement of Measures to Support Raising Next-Generation Children, in recognition of its achievements in developing and implementing action plans supporting child care so that employees can work with the peace of mind that comes from a good work-life balance.



*1 Hitachi Group companies with Kurumin certification include Hitachi Construction Machinery Co., Ltd., Hitachi Hitachi High-Tech, Hitachi Urban Investment, Ltd., Hitachi Systems Ltd., and Hitachi Solutions, Ltd.

Eruboshi Certification

Hitachi, Ltd. promotes diversity as an important component of its management strategy and strives to create work environments enabling its diverse human capital to play an active role. In recognition of these initiatives, we received Eruboshi certification, which is conferred to companies that are implementing exceptional measures under the Act on Promotion of Women's Participation and Advancement in the Workplace. Hitachi, Ltd. was awarded class 2 (assessed in three categories); other Group companies receiving Eruboshi certification include Hitachi High-Tech (class 3), Hitachi Systems (class 3), and Hitachi Solutions (class 3).



Hitachi Wins Silver at the First Annual ESG Finance Awards

Hitachi, Ltd. was presented with a silver award at the ESG Finance Awards, a program launched by the Ministry of the Environment to promote the dissemination and growth of ESG finance in Japan. In fiscal 2019 we held an ESG Briefing for the first time, where our top management clearly described their commitment to sustainable management and listened closely to comments from shareholders and other stakeholders. We were highly praised for our continuous efforts in this area, which also include our Group's governance structure, which aims to instill sustainable management across the entire Group, and steady practice of PDCA in accordance with our ambitious long-term environmental and climate change targets, including our Environmental Action Plan, to be updated every three years based on these targets.

Hitachi Integrated Report 2019 Awarded Grand Prize at Nikkei Annual Report Awards and Encouragement Prize at WICI Japan Awards

At the 22nd Nikkei Annual Report Awards, sponsored by Nikkei, Inc. and held to recognize Japanese companies producing superior annual reports, Hitachi, Ltd. won the grand prize. The *Hitachi Integrated Report 2019* earned high praise for providing a clear, persuasive overview of our company's activities, including our top management's determination, consistent growth strategies aimed to accelerate innovation, and philosophy of and approach to risk management. The report also won an encouragement prize at the 7th WICI Japan Awards for Excellence in Integrated Reporting.