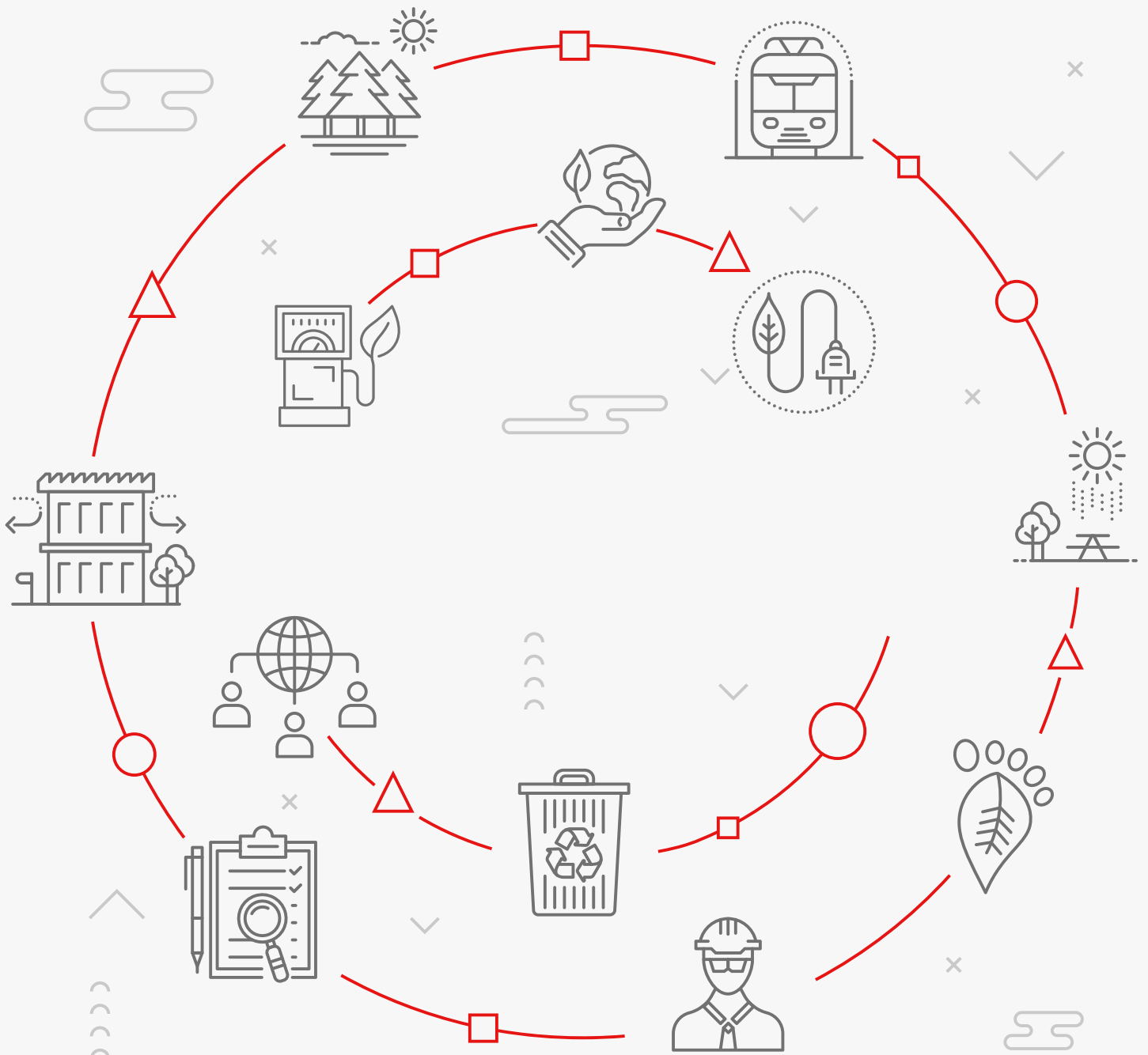


Onward to 2030: Hitachi's Road to Sustainability



Foreword

Through its diverse range of current and future business activities, Hitachi will contribute significantly to resolving social and environmental issues and establishing an inclusive, harmonious, and prosperous world. To achieve this, we will continue to promote innovative solutions and collaborative creation with our business partners and stakeholders. At the same time, through responsible corporate conduct, we will reduce and mitigate negative impacts on people and the global environment and actively contribute to achieving global targets like the Sustainable Development Goals.

This is what “sustainability” means to Hitachi.



T. Higashihara

Toshiaki Higashihara
President & CEO

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Hitachi Management Strategy and the Sustainable Development Goals

In 2015, the United Nations announced 17 goals for ending poverty, fight inequality and injustice, and tackle climate change by 2030. These Sustainable Development Goals (SDGs) are not just a blueprint but a comprehensive action plan for businesses, governments, and communities to support the shared prosperity of people and the planet.

Globally, organizations are expected to take ownership of this push for sustainability and develop long-term frameworks to realize the SDGs and create a better world.



Hitachi’s Sustainability Journey

Hitachi’s 100-year heritage is rooted in founder Namihei Odaira’s determination to “contribute to society through the development of superior, original technology and products.” The company has always aspired to fulfill this mission by delivering products and services that answer society’s challenges. In short, this is a journey that Hitachi has been on for more than a century.

Today, that journey continues through Hitachi’s Social Innovation Business. Combining the strengths of OT (operational technology), IT (information technology), and product development, the company’s Social Innovation Business is well placed to respond to the issues facing society today and realize a sustainable society with improved quality of life.

The SDGs and Hitachi

Hitachi’s Social Innovation Business focuses on four business domains: “power and energy,” “industry, distribution, and water,” “urban,” and “finance, public, and healthcare.” Hitachi’s Lumada IoT platform is also designed to create value throughout the company’s Social Innovation Business by connecting customer value chains and resolving business issues. This diversity of operational focus positions the company well to make a broad contribution to achieving the SDGs. In fiscal 2017, top management considered the 17 SDGs and the opportunities and risks they posed, identifying the five SDGs where Hitachi can have the greatest impact through its business strategy.

Hitachi has also identified six additional SDGs linked to its corporate commitment to society. These six SDGs will have an impact on Hitachi’s long-term sustainability as a company, cutting across all areas of its business and management strategy.

While not as well positioned in the short to medium term to contribute to the remaining six of the 17 SDGs through its business, Hitachi recognizes the interaction and interdependency between all SDGs and remains committed to the realization of all 17 both directly and indirectly.



Hitachi contributes to the achievement of all SDGs both directly and indirectly through its business activities.

Business Strategy

This section covers the five SDGs that Hitachi has identified as best aligned with its business strategy across four focus business domains: “power and energy,” “industry, distribution, and water,” “urban,” and “finance, public, and healthcare.” These SDGs offer both significant commercial opportunities for Hitachi and the chance to make a social contribution through business activities. Below, we set out the global sustainability issues for each SDG, followed by the role we see for social innovation in progressing toward that goal and how our products and services can contribute.

Partnering for Innovation

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

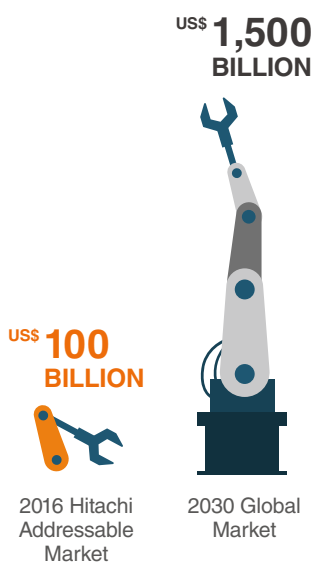


Why It Matters Globally

Sustainable industrial development is a core driver of environmental protection, economic development, and social stability. More efficient, less energy-intensive industries and services reduce resource dependency and minimize impact on the environment. Robust infrastructure networks help mobilize materials and labor, supporting more equitable wealth distribution and social mobility.



Global Industrial IoT Market



What We Believe

Progress is being made on this issue in many industries, and its potential positive impact on the world is developing at an ever-increasing pace. By harnessing the internet of things (IoT), big data, and artificial intelligence (AI), industries are transforming into more efficient and sustainable forms.

We believe that technological advances will help connect and empower OT and IT systems, improving efficiency and saving energy and cost. Innovation like this could help raise quality of life worldwide by reforming and scaling every possible process. From design and development to manufacturing and logistics, any system can be improved.

What We Can Do

As one of the few global companies with both OT and IT experience, Hitachi is in a unique position. By bringing together our cross-industry understanding and driving technological developments that promote business innovation, we can deliver well-grounded, integrated solutions to every possible challenge.

We are already working with our partners to turn big data into intelligent action. Our Lumada IoT platform provides the most advanced capabilities available today.

Source: Grand View Research

Business in Practice

Smart Manufacturing with IoT

Background

Daikin is a leading global producer of air conditioners that sees skills transfer and ongoing improvement of productivity and quality across different countries and regions as important challenges. It was concerned that brazing skills were not being transferred efficiently because of the many aspects of brazing that cannot be adequately explained in written form or through practice alone. In response, Hitachi developed a Brazing Skills Training Support System that can produce quantitative assessments of the “man, machine, and material (3M)” factors of production. This system has been in operation at Daikin’s Shiga Plant since its introduction in October 2017.

Project Impact

- Succeeded in capturing information on an expert skill and using it to identify areas where trainees can improve
- Enabled quick and efficient training even in areas that were troublesome in the past



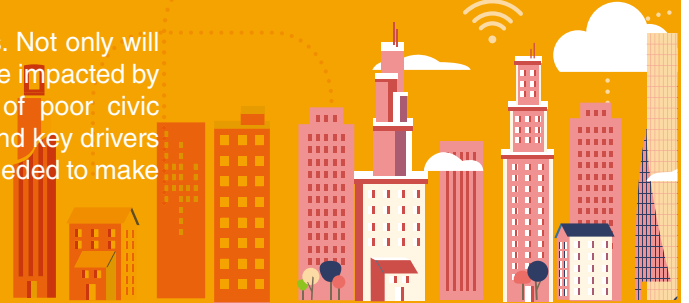


Building Communities

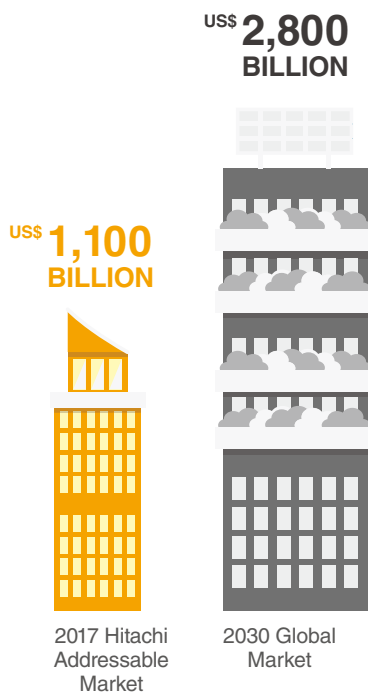
SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable

Why It Matters Globally

In 2030, six out of ten people will live in urban environments. Not only will space be at a premium, residents of cities are more likely to be impacted by climate change and more sensitive to the social impact of poor civic planning. Cities are often seen as incubators for innovation and key drivers for sustainable development, and effective management is needed to make the world's urban spaces safe, inclusive, and resilient for all.



Smart City Market



Source: Frost & Sullivan

What We Believe

Hitachi is motivated by the desire to make cities hospitable and create the ideal environment for people to live and work in. "Smart city" initiatives can help offset the strain of intense urbanization, reduce costs, and ease pressure on resources. The benefits they offer are not only economical and environmental but also social, including great improvements in safety, comfort, stress levels, and leisure time.

We believe that transportation plays an integral role in this scheme as a fundamental element in every city's development. Transport enhancements and improvements in connectivity let people enjoy wider opportunities and benefits. We will realize this potential through collaborative creation with customers and partners.

What We Can Do

As a total railway system supplier, Hitachi uses forward-thinking information and operational technologies to deliver safe, reliable, and innovative railway solutions that help people, communities, and cities thrive through improved connectivity. These solutions include high-speed and driverless technologies, predictive maintenance, and dynamic headway.* To realize truly comprehensive integrated mobility, we are also developing electric vehicle technologies that will increase passenger comfort, make roads safer and less congested, and reduce the burden on the environment.

* Dynamic headway is a solution that lets operators adapt the number of trains to real-time demand, increasing passenger satisfaction and saving energy and operational costs.

Business in Practice

Upgrading Railway Transportation in the UK

Background

Through the UK's Intercity Express Programme (IEP), Hitachi is delivering 866 new vehicles that will constitute a step change in capacity, reliability, maintainability, and environmental friendliness on every trip. Journey times will also be reduced, improving the connectivity of cities within the UK.

Project Impact

- Connecting communities and cities to drive greater economic benefits
- Delivering environmentally sound and maintenance-efficient transport
- Creating high-quality, long-term skills and employment across the UK through our supply chain





Recognizing the Value of Water

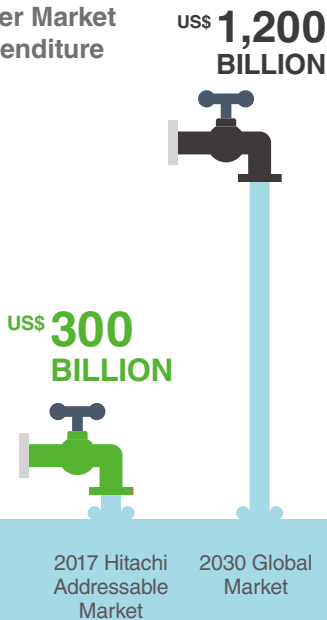
SDG 6: Ensure availability and sustainable management of water and sanitation for all

Why It Matters Globally

Water is critical to the survival of people and the planet, putting water quality, water sustainability, hygiene, and access to sanitation at the very core of sustainable development. Water stress is now considered one of the five greatest global risks to society. One in nine people lack access to safely managed water, and this scarcity is compounded by continuing urbanization and industrialization. It is clear that only through the combined effort of all stakeholders will effective water management and sanitation be achieved.



Water Market Expenditure



Source: Frost & Sullivan

What We Believe

Hitachi believes that water is a fundamental part of business operations, playing an essential role in transportation, cleaning, cooling, and other processes.

By developing sustainable water infrastructure in conjunction with our customers and the communities we share, we can improve operational efficiency, reduce competition for resources, and bring water security to all.

What We Can Do

We are leading the next generation of integrated water infrastructure. Hitachi can deploy extensive experience and access to advanced technologies, combining OT (e.g., data monitoring and system control) and IT (e.g., IoT, analytics) systems to create a total solution for water treatment. This can include critical infrastructure for potable water, wastewater treatment, and recycling.

Every region has unique water issues, and Hitachi can design, implement, and monitor the individual solutions required. Our integrated systems can use real-time data to efficiently manage and adjust water controls and treatment in response to any challenge.

Business in Practice

Extending the Global Water Footprint Through “RemixWater”

Background

RemixWater is a new integrated seawater desalination and water reuse system from Hitachi designed to save energy and reduce environmental impact. Capable of drinking water-level quality output, it is suitable for industrial or domestic use. In 2016, construction began on RemixWater as a four-year demonstration program for eThekweni, South Africa’s third most populous municipality.

Project Impact

- Energy saving from more efficient pumping
- Low environmental impacts due to reduced brine salt concentration
- Expected to resolve water shortages in the region and be rolled out to other water-stressed areas



Powering Change

SDG 7: Ensure access to affordable, reliable, sustainable, modern energy for all

7 AFFORDABLE AND CLEAN ENERGY

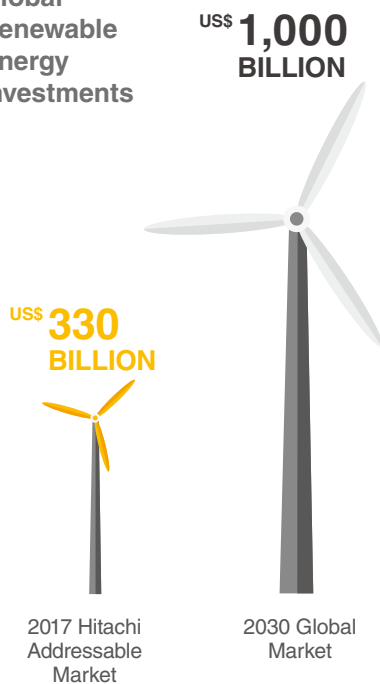


Why It Matters Globally

Energy is vital to all aspects of modern life. Merely saying that it “drives technology” underplays its role in global communications, essential health-care services, and interconnected transport systems. Simply put, energy is the motive force behind socio-economic growth. However, over a billion people still lack access to electricity, and much of the energy produced globally remains both carbon- and labor-intensive.



Global Renewable Energy Investments



Source: International Energy Agency

What We Believe

Hitachi believes that supplying natural power in a stable and efficient manner is the key to optimizing energy flows and ensuring a more reliable and sustainable world for generations to come.

We understand that it is important to address energy and global warming issues holistically, by providing solutions based on collaborative creation for all customers within the energy chain.

What We Can Do

Hitachi strives to be our customers' energy partner from generation to consumption. We can create clean energy from a variety of sources, including renewable energies like wind and solar, to provide a stable and sustainable power supply. As part of our Hitachi Environmental Innovation 2050 initiative, we are committed to reducing CO₂ emissions and expanding the share of renewables in the global energy mix through large wind power installations.

Meanwhile, our smart energy infrastructure combines advanced technology and social innovation to deliver innovative solutions from demand response to microgrids and virtual power plants, ensuring that energy is efficiently delivered when it is needed.

Business in Practice

Wind Turbine Generation for a Cleaner Environment

Background

In 2016, Hitachi developed an offshore wind turbine capable of producing 5.2 MW of power even in light-wind regions with annual average wind speeds below 7.5 m/s. Increased output and efficiency were achieved through an enlarged 136-meter rotor as well as set-up optimizations and control programs that proactively respond to changes in wind speed and direction. Offering effective cost savings as well as enhanced safety and reliability, Hitachi's turbine continues to spread the use of renewable energy throughout Japan. By early 2018, Hitachi had a solid market share lead in turbine generator systems, with over 180 in operation and 280 more installations planned across Japan.

Project Impact

- Increased swept area by 15% compared to 127-meter rotor model
- Expanded the supply of low-carbon electric power systems
- Reduced CO₂ emissions by 4,837 tons per wind generator





Transforming Financial Services

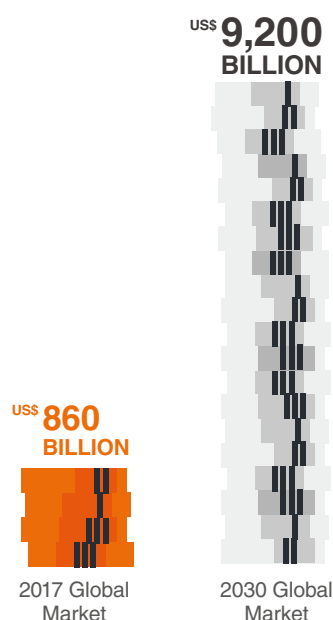
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Why It Matters Globally

To ensure sustainable and inclusive economic growth, individuals and firms must have access to financial services that are fit for purpose and suited to their environment. Traditional banking is inaccessible to many in developing countries. However, growing connectivity and mobile telephony have the potential to provide access to financial systems to more people than ever before. Innovative systems must reflect this new paradigm, combining universal accessibility with the flexibility to respond to new challenges and technological developments.



GDP Impact of Digital Finance



Source: Frost & Sullivan Estimates

What We Believe

Rapid changes across the global economy continue to create new financial opportunities. FinTech is reshaping the future of digital banking and transforming financial institutions, allowing them to be agile, flexible, and truly scalable.

To make better decisions and improve their customer experience, organizations must accelerate their digital transformation and take full advantage of the data available.

Predictive insights made possible by the convergence of IoT, machine learning, and AI allow for personalized services, better decision-making, and risk mitigation.

What We Can Do

Hitachi is a trusted partner for replacing legacy infrastructures, streamlining operations, and improving productivity. Through our IoT platform, Lumada, we can facilitate open innovation to save time, energy, and money.

Hitachi has been active in leading the FinTech revolution, from big data and AI to security and the blockchain, and continues to develop groundbreaking technologies today. With Lumada, Hitachi is gradually transforming the financial services industry for greater inclusiveness.

By collaborating with customers, we are creating more efficient, compact, and secure financial networks to benefit both those customers and their clientele. At the same time, we continue using FinTech to create innovative financial services that enhance convenience for the users of global financial institutions.

Business in Practice

Creating New Services in Collaboration with Financial Institutions

Banking:

Hitachi is using digital technologies such as AI and big data to:

- Provide new lending services for enterprise customers
- Enhance loan examination services
- Carry out proof-of-concept testing for advanced business matching services

In the blockchain field, Hitachi offers:

- Cloud services providing a blockchain technology environment
- Joint proof-of-concept testing for blockchain technology in the supply chain management field

Insurance:

Analyzing medical big data is expected to expand the potential range of insurance underwriting.

Securities:

AI is expected to improve efficiency in securities operations such as market surveillance and stock lending.



Connected Healthcare

SDG 3: Ensure healthy lives and promote well-being for all at all ages

3 GOOD HEALTH AND WELL-BEING

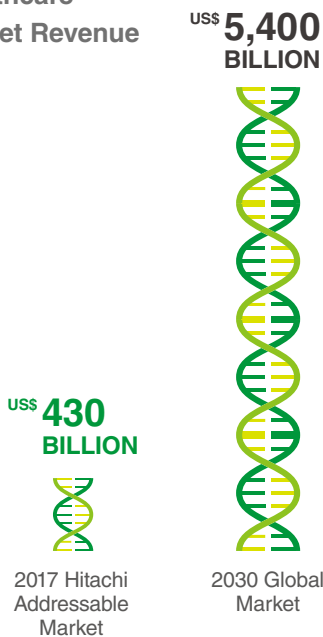


Why It Matters Globally

A healthy population is the foundation of a sustainable, prosperous society. Significant strides have been made in increasing life expectancy worldwide, but more effort is needed to eradicate diseases and address persistent and emerging health issues. If universal health coverage is to be achieved, a strong commitment is needed to ensure that everyone can access healthcare of the highest standard.



Healthcare Market Revenue



Source: Frost & Sullivan

What We Believe

Hitachi's goal is to improve quality of life by identifying and addressing issues present in everyday society, and healthcare is at the core of a strong societal infrastructure. We believe that a global shift in healthcare is required to create a next-generation system offering smart universal care that remains affordable to all.

To achieve this social innovation and digital transformation of healthcare are key. Combining digital technologies with IoT and advanced analytics will bring medical innovation into a new generation of cost-effective, value-based healthcare.

What We Can Do

Hitachi's products include medical devices such as diagnostic and particle beam therapy equipment, as well as medical IT and AI technologies that make diagnosis and treatment more efficient, such as medical facility operational systems and electronic medical records. By advancing its efforts in these areas, Hitachi can do its part to improve patient outcomes.

Business in Practice

Improving the Effectiveness of Surgical Therapy with iMRI



Background

Hitachi's intraoperative MRI (iMRI) is among the core technologies for advanced digital operating theaters. Hitachi's innovative open-type permanent magnet design is superior to the traditional superconducting magnet design, reducing running costs by 30% and offering clear image resolution in low magnetic fields. The economical iMRI technology is gaining wider adoption, giving more patients access to quality healthcare services. We also provide training opportunities for health workers in developing countries.

Project Impact

- Provided precision images using iMRI core digital solutions to guide neurosurgical procedures, contributing to an improved survival rate
- Deployed low-cost and efficient surgical suites around the world

Corporate Commitment

This section covers the six SDGs that Hitachi has identified as relating to its corporate commitments. It explores the social and environmental policies and commitments undertaken by Hitachi across all levels of management and business strategy, linking each to the relevant SDGs. We believe we can and should contribute to the achievement of these SDGs because, though not directly linked to our commercial activities, they are critical for all our group companies because of their impact on our long-term sustainability and operational success. Below we list the key global issues and importance to Hitachi for each commitment area and SDG, along with case studies showing how we are contributing.

Environmental Strategy

SDG 13: Take urgent action to combat climate change and its impacts

13 CLIMATE ACTION



Why It Matters Globally

Climate change remains the primary sustainability challenge across all industries. It now affects every country on every continent, disrupting national economies and changing lives. If left unchecked, climate change could undo much progress made to date as well as impeding future development. It can also exacerbate other threats such as food and water scarcity.

What We Believe

Social expectations of companies and industries are increasing—in relation to ESG (environment, society, governance) with the adoption of the United Nations' 2030 Agenda for Sustainable Development, and in relation to climate change with the Paris Agreement adopted at the 21st Conference of the Parties (COP21). Hitachi has made a commitment to contributing to the resolution of global environmental problems through promoting its Social Innovation Business, which combines superior products with OT and IT digitalization expertise.

In September 2016, Hitachi released Hitachi Environmental Innovation 2050, containing the Hitachi Group Long-term Environmental Targets. Through this, we aim to realize a **low-carbon society**, a **resource efficient society**, and a **harmonized society with nature**.

Long-term Environmental Targets

Hitachi's resolution looking toward 2050 and 2030

Hitachi Environmental Innovation 2050

For a low-carbon society

through the value chain CO₂ emissions

FY 2050
80% reduction
FY 2030
50% reduction
(compared to FY 2010)



For a resource efficient society

Build a society that uses water and other resources efficiently with customers and society

Efficiency in use of water/resources
FY 2050
50% improvement
(compared to FY 2010 in the Hitachi Group)



For a harmonized society with nature

Impact on natural capital

Minimized



Environmental Action Plan

Set environmental action items and targets every 3 years in order to achieve the long-term targets

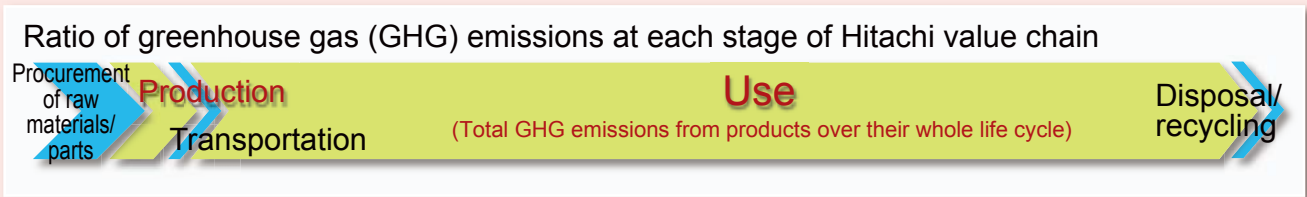
Case Study

A Low-Carbon Society

Hitachi seeks to reduce its CO₂ emissions by 80% by fiscal 2050 compared to fiscal 2010 levels as its contribution to realizing a drop in global anthropogenic GHG emissions. We will attain this target throughout our value chain, starting with the usage stage of our products and solutions, which accounts for a substantial share of value chain emissions.

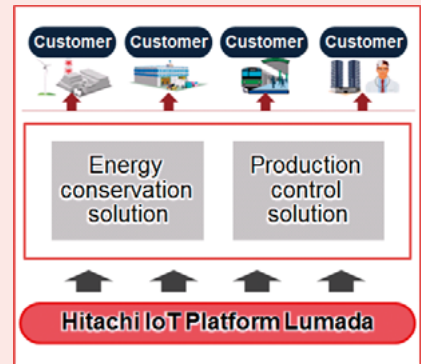
We will contribute to the well-being of our customers and to society by developing innovative technologies and solutions as well as enhancing the efficiency of our products and supplying low-carbon energy. At the same time, we will also work to cut emissions at the production stage of our business activities.

We are already promoting ways to reduce the amount of CO₂ emissions from our factories and offices by improving production efficiency, installing high-efficiency equipment and devices, and using renewable energy.



Showcasing a Low-Carbon Solution for Industrial Sectors

Hitachi's Omika Works is a model "next-generation smart factory" which strives to reduce environmental burden while improving productivity by using Hitachi's advanced Lumada digital technology and energy-efficient products.



A Resource Efficient Society

Hitachi will help establish a circular economy by scaling out lean and efficient production processes and recycling and reusing resources and materials. Regarding clean water conservation, we have set a target of making our water use 50% more efficient by fiscal 2050 compared to fiscal 2010. These goals will be achieved through initiatives including those listed below.

Using water more efficiently

- Reduction of freshwater intake
- Reduction of freshwater use impact at business sites with high water shortage risks, etc.

Using resources more efficiently

- Reduction of waste generation
- Improvement in utilization efficiency of recycled materials, etc.

Resource Efficient Society

A Harmonized Society with Nature

To realize a harmonized society with nature, in which ecosystems are restored and preserved for future generations, Hitachi seeks to minimize negative ecological impacts caused by its businesses and restore natural capital using its state-of-the-art technologies and human resources.

Negative impact on natural capital minimized



Investment in People

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | SDG 5: Achieve gender equality and empower all women and girls

4 QUALITY EDUCATION



5 GENDER EQUALITY



Why It Matters Globally

Education is the key to achieving many other SDGs and empowering people everywhere to live healthier, more sustainable lives. However, access to education is neither universal nor equal. Nearly 103 million young people worldwide lack basic literacy skills, and sixty percent of these are women and girls. More robust efforts are needed to make even greater strides to achieving universal education goals.



What We Believe

Hitachi's employees are the future of the company and the driving force in achieving its goal to lead transformations in society. We continue to promote career development for employees and offer a range of training programs aligned with individual career paths.

We also use our knowledge and technology to nurture the next generation. Hitachi and the Hitachi Global Foundation carry out a variety of activities based on our policy on social contribution activities.

Case Study

The Hitachi Young Leaders Initiative (HYLI) is one example of Hitachi fulfilling its commitment to society by helping to develop future generations through innovative education. This program seeks to identify and nurture potential leaders among the best and brightest students in Asia, bringing them together to discuss regional and

global issues with influential government officials, prominent business leaders, academics, and NGO representatives. With the participation of countries across Asia, the HYLI has produced over 300 alumni since its establishment in 1996.

Responsible Value Chain

SDG 12: Ensure sustainable consumption and production patterns

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Why It Matters Globally

If global society fails to change its consumption and production patterns, the environment will continue to face unprecedented degradation. Social problems will also remain unresolved, including forced/child labor and other human rights violations, occupational health and safety issues, and corrupt practices in the value chain.



What We Believe

Hitachi is serious about ensuring the sustainability of products and services across its entire value chain. Businesses will be empowered by our innovative solutions to deliver

change, which enable and inspire others to lead more sustainable lifestyles, reduce environmental and social impacts, and improve well-being.

Case Study

Hitachi aims to improve the supply chain through engagement with suppliers. Our stringent *Hitachi Group CSR Procurement Guidelines* were further revised after evaluating human rights risks within the supply chain, setting priorities, and considering risk reduction measures. We have distributed the *Guidelines* to approximately 30,000 Hitachi Group suppliers to ensure that they understand

our approach toward the environment and society. We regularly conduct supply chain monitoring (self-checks) and CSR audits to diagnose associated risks and issues and ensure suppliers adhere to standards. In addition, our green procurement system A Gree'Net is used to collect environmental data from suppliers as soon as it becomes available and use it in procurement management.

Diversity and Inclusion

SDG 5: Achieve gender equality and empower all women and girls | SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Why It Matters Globally

Gender inequality persists everywhere today, hindering social progress. Providing women and girls with equal access to education, health care, and decent work, along with fair representation in political and economic decision-making processes, will deliver sustainable benefits, both economic and to society at large.



What We Believe

Diversity is the wellspring of our innovation and our growth engine. Hitachi regards personal differences—gender, nationality, work history, age, sexual orientation, and philosophy—as facets of people’s individuality. By respecting our employees’ individualities and positioning them as an advantage, Hitachi frames its diversity and inclusion as conducive to both the individual’s and the company’s sustainable growth.

With strong teamwork and broad experience in the global market, we will meet our customers’ needs. We

pay particular attention to career development for women, not only through strict policies on equal pay but also by actively encouraging the promotion of female employees.

In order to further promote women’s participation in decision-making, as part of efforts to reflect diverse opinions and values in future management, Hitachi has set a goal for achieving a 10% ratio for female executive officers and corporate officers by fiscal 2020, up from the current 2.5%.

Case Study

Hitachi hosts an annual Global Women’s Summit for female employees. The 2017 summit was held in the United States and included 120 employees from nine countries, representing 21 group companies.

The event featured keynote speeches from President and CEO Toshiaki Higashihara as well as external speakers and workshops on topics ranging from unconscious bias to individual career development.

Collaborative Creation

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

17 PARTNERSHIPS FOR THE GOALS



Why It Matters Globally

A successful sustainable development agenda requires partnerships between governments, the private sector, and civil society. The UN Agenda, with its 17 SDGs, is universal and calls for action by all countries to ensure no one is left behind.



What We Believe

The needs of our customers and the issues confronting society today are constantly changing. Responding quickly and efficiently to these changes requires collaborative creation with customers and partners. We will work with government, public, and

private sectors to address shared issues, exchange ideas, and create new value for society. Our goal is to contribute to the enhancement of people’s quality of life and the development of a sustainable society.

Case Study

In 2016, Hitachi established “Hitachi The University of Tokyo Laboratory” to spearhead open innovation concepts combining ICT advancements and smart transformations. The Laboratory focuses on co-creation intended to realize the “Super Smart Society” (Society 5.0) idea put

forward by the Japanese government. We have also established three other joint laboratories in Japan based upon shared belief in a need for innovations to resolve future societal issues.

Human Rights

4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Why It Matters Globally

Human rights are embedded throughout the 17 SDGs. Achieving the SDGs depends in part on reducing the negative impact of business activities on human rights across the whole value chain.

Human rights represent the most urgent sustainability priority for global companies, yet also the most challenging. Companies are expected to respect internationally recognized human rights in accordance with global standards like the UN Guiding Principles on Business and Human Rights.

Respect for human rights is more than a “do no harm” principle. It also contributes to the achievement of all SDGs.



What We Believe

As our value chain expands on a global scale, Hitachi has encountered diverse working environments, business norms, and trade practices. The Hitachi Group Human Rights Policy, adopted in 2013, highlights our commitment to respecting human rights in our operations and business

relationships. Based on this policy, we respect human rights through training, capacity-building, and embedding this principle throughout our business operations and activities. We believe our efforts will particularly contribute to the achievement of SDG 4, 5, 8 and 12.

Case Studies:

Raising Awareness

Hitachi carries out educational activities targeting all executives and employees under the leadership of top management. A human rights message from our President and CEO

Toshiaki Higashihara is distributed every year on Human Rights Day, December 10.

Toward Better Business Conduct on Human Rights

In 2015, we conducted assessment and prioritization of human rights risks, along with analysis of existing procedures and exploration of ideas for improvement, in our procurement division. In 2016, we repeated this

process for our human resources division. The results of those assessments will be used when considering specific and effective measures to mitigate risks.

Onward to 2030: The Journey Continues



What We Believe

The only constant today is change. That change is now being driven by the SDGs, highly placed in the United Nations' 2030 Agenda for Sustainable Development to ensure that no individual is left behind.

Through our Social Innovation Business, Hitachi will continue doing our part to achieve the SDGs. At the same time, we will clarify the risks brought to society and the environment by business, and continue our steady development of effective countermeasures.

There is no doubt that the road to sustainability in 2030 is not an end goal. It is a deep learning and adoption process toward building a more sustainable future and ensuring that basic human needs are met: water, energy, quality of life, and—most importantly—equal opportunity for all to grow and prosper together.

Hitachi will continue to strive for sustainable growth with a management structure that is forward-looking and responsive in communicating and engaging with global stakeholders. Working to understand future challenges and addressing social issues head-on, we will advance progress toward the Sustainable Development Goals substantially by 2030. We believe that our own sustainability depends on achieving sustainability in society through our management.

Next Steps

Hitachi's journey of contributing to society through its Social Innovation Business continues. In fiscal 2018 and beyond, we will further explore new business possibilities motivated by the goal of solving social issues. We will set concrete and quantitative KPIs of social and environmental value provided by our Social Innovation Business to further evolve our business.

We will continue to review the relevance of all 17 SDGs with a long-term perspective, and will incorporate a sustainability strategy in our next mid-term management plan toward 2021.

We will report on the progress and outcomes of these steps in the *Hitachi Sustainability Report*.



THE FUTURE IS OPEN TO SUGGESTIONS

Hitachi Social Innovation