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# / Engagement and Initiatives

## Stakeholder Engagement GRI 102-40/102-43

### Approaches to Engagement

#### Approach

[Investors Relations](#) [Disclosure Policy](#)

In our commitment to promoting our Social Innovation Business, we endeavor to accurately identify the various social issues facing each country and region, and to work toward resolution of these issues through engagement in collaborative creation with a wide range of stakeholders, including customers, governments and municipalities, as well as academic and research institutions. In addition, with the goal of enhancing the value of our human capital, we work to promote activities with an emphasis on maintaining direct dialogues between the management and employees as an essential management resource in the promotion of business. Furthermore, with the recent rise in ESG investment, we actively engage in dialogues with shareholders and investors as well.

Stakeholders	Main Roles	Main Divisions	Means of Communication (Results in FY 2020)		Pages
Customers	Creation of better products and services, response to complaints, appropriate disclosure of information on products and services	Quality Assurance/Sales	<ul style="list-style-type: none"> <li>Customer satisfaction activities</li> <li>Marketing</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Advertising activities</li> <li>"Global Brand Campaign" (14 locations)</li> <li>Holding the Hitachi Social Innovation Forum (9 countries in 3 regions)</li> </ul>	Quality and Product Safety Management P137-138 Information Management P181-182 Customer Satisfaction P139-140
Shareholders and Investors	Timely and proper information disclosure, obtaining fair recognition and support from capital markets, reflection of shareholder and investor viewpoints in corporate management	Public Relations and IR	<ul style="list-style-type: none"> <li>Financial results briefings (quarterly)</li> <li>General shareholders' meeting (annual)</li> <li>Business strategy briefing "Hitachi Investor Day" (annual)</li> <li>Stakeholder dialogue (annual)</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one meetings with institutional investors and analysts (approx. 660 meetings)</li> <li>IR tools: Integrated Report, business reports, etc.</li> <li>Information disclosure on website for stakeholders and investors</li> </ul>	Stakeholder Engagement P019-020
Suppliers	Building fair and sound business relations, smooth information sharing toward better partnerships	Procurement	<ul style="list-style-type: none"> <li>Procurement activities</li> <li>CSR monitoring (271 companies)</li> <li>CSR audits (27 companies)</li> <li>CSR procurement seminars (450 companies)</li> </ul>		Responsible Procurement P132-136 Respect for Human Rights Throughout the Value Chain P125-129
Employees	Proper treatment, promotion of occupational health and safety of human capital	Public Relations/ Human Capital	<ul style="list-style-type: none"> <li>Intranet, in-house newsletters</li> <li>Training</li> <li>Town hall meetings between senior management and employees (President &amp; CEO: 7 meetings, executive vice presidents: 8 meetings)</li> <li>Employee survey (annual)</li> <li>"Make a Difference!" idea contest</li> </ul>		Stakeholder Engagement P019-020 Global Human Capital Management P094-100 Diversity and Inclusion P105-109 Work-Life Management P110-113 Occupational Health and Safety P114-122 Freedom of Association and Collective Bargaining P123
National and Local Governments, Industrial Associations	Compliance with domestic and foreign laws and regulations, policy recommendations, participation in industry-government-academia collaborative projects	Government and External Relations	<ul style="list-style-type: none"> <li>Academic research for policy recommendations to international organizations and national governments, lobbying activities</li> <li>Policy council participation (Japan)</li> <li>Participation in business and industry associations (Japan)</li> </ul>		Stakeholder Engagement P019-020 Main Initiatives and Groups Hitachi Is Involved with P021 Main Groups in Which Hitachi Participates P024

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Stakeholders	Main Roles	Main Divisions	Means of Communication (Results in FY 2020)	Pages
Local Communities	Fulfillment of responsibilities as a corporate citizen, involvement in local communities	Social Contributions/All Business Divisions	<ul style="list-style-type: none"> <li>● Contribution to local communities through business</li> <li>● Participation in volunteer activities</li> </ul>	Social Contribution Activities P142-145
Academic Associations and Research Institutions	Promotion of technological innovations, participation in industry-government-academia collaborative projects	Research and Development	<ul style="list-style-type: none"> <li>● Open innovation (joint research)</li> </ul>	Innovation Management P083-090
NGOs and NPOs	Incorporation of diverse public opinions, promotion of stakeholder-focused management, social contributions through nonprofit activities	Sustainability Promotion	<ul style="list-style-type: none"> <li>● Stakeholder dialogues (annual)</li> <li>● Dialogue through collaboration</li> </ul>	Stakeholder Engagement P019-020 Social Contribution Activities P142-145
Global Environment	Realization of a decarbonized society, a resource efficient society, a harmonized society with nature	Environment/All Business Divisions	<ul style="list-style-type: none"> <li>● Stakeholder dialogues about environment (annual)</li> </ul>	Stakeholder dialogues P020 Environment P027-079

### Promoting Engagement

#### Structure

The outcomes of communication with stakeholders are shared with the 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 with in our business activities.

### Stakeholder Dialogues

#### Activities Case Study

GRI 102-42/102-44

Hitachi organizes stakeholder dialogues in countries and regions around the world to invite opinions on social challenges from stakeholders representing specialized knowledge platforms, and it ensures that their insights are reflected in the business activities conducted at each of Hitachi's global businesses and business units.

#### Achievements in Fiscal 2020

In March 2021, Hitachi Europe held a two-day online dialogue on the theme of Hitachi's approach toward a zero-carbon society with stakeholders. The event was attended by 29 participants including company management executives, managers involved with sustainability, policy makers, investors and NGOs.

Over the course of the two-day event, the participants engaged in wide-ranging and lively discussions covering everything from sharing issues for the promotion of carbon neutrality with one another from their various perspectives to their expectations of companies from the viewpoint of policy and what information companies are expected to disclose. In addition to this, Alistair Dormer, Hitachi, Ltd.'s executive vice president, expounded on Hitachi's environmental strategy and received a great deal of feedback from the participants.

Looking forward, we will continue to promote active dialogues with stakeholders and work to improve social and environmental value by putting what we learn through this process to advantageous use in the management of the company.

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## Main Initiatives and Groups Hitachi Is Involved with

Activities GRI 102-11/102-12

Based on its corporate credo of “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/Group	Logo	Activities	Initiative/Group	Logo	Activities
United Nations Global Compact		Officially became a participant in 2009. Joined workshops organized by the Global Compact Network Japan on ten different topics including supply chain management, ESG, and SDGs in fiscal 2020	Race To Zero campaign		Joined in 2020, along with Business Ambition for 1.5°C commitment
World Business Council for Sustainable Development (WBCSD)		Became a member in 1995 Adopted SOS 1.5 project in 2020	Business Ambition for 1.5°C		Became a member in 2020, along with SBT1.5°C certification
Business for Social Responsibility (BSR)		Became a member in 2007 and have participated in the Human Rights Working Group (HRWG) since 2016	Japan Climate Initiative (JCI)		Became a member in 2018. Also a member of the JCI Race to Zero Circle established in 2021
World Economic Forum (WEF)		Participated in Davos Forum since 2014	The Valuable 500		Participated in 2021
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	Tokyo Zero-emission Innovation Bay		Became an organizing institution in conjunction with its establishment in 2020

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## International Standardization Activities

## Hitachi's Approach to International Standardization

## Approach

In order for Hitachi to contribute to the achievement of SDGs through promoting its Social Innovation Business, we believe it is extremely important to work toward the resolution of social issues from a global perspective through the collaborative creation of new social norms together with a diverse range of stakeholders, including governments and municipalities throughout the world, academic and research institutions, companies, and end users.

In our view, international standardization activities are global initiatives appropriate for the realization of a sustainable society, being based on explicitly stated standards, formulated on the basis of fair discussions involving members representing specialized fields, with international consensus, and an accurate grasp of social issues facing the world.

Accordingly, we consider international standardization activities to be of importance along with research and development work and intellectual property-related activities. In order to contribute to the resolution of social issues on a global scale, Hitachi actively engages in activities with international standardization organizations, including IEC\*1, ISO\*2, and ITU-T\*3.

In the environmental domain, we are engaged in efforts concerning the circular economy (ISO/TC\*4 323) and the environmental standardization for electrical and electronic products and systems (IEC/TC 111), and, with regard to social issues, Society 5.0 (ISO/IWA\*5 39), smart community

infrastructures (ISO/TC 268/SC\*6 1), and unmanned aircraft systems (ISO/TC 20/SC 16). Additionally, by contributing to international standardization efforts by various 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. In order to fulfill our duties as a global company, Hitachi actively participates in associations involved with standardization activities in various industries and regions.

\*1 IEC: International Electrotechnical Commission. An international organization composed of member countries and regions.

\*2 ISO: International Organization for Standardization. An international organization composed of member countries and regions.

\*3 ITU-T: International Telecommunication Union Telecommunication Standardization Sector. A specialized agency of the United Nations.

\*4 TC: Technical Committee

\*5 IWA: International Workshop Agreement

\*6 SC: Subcommittee

## External Assessment of Hitachi's International Standardization Activities

## Activities

Hitachi's international standardization activities have been receiving favorable appraisals from outside the company. In fiscal 2020, we received public recognition from the Ministry of Economy, Trade and Industry (METI), the IEC Activities Promotion Committee of Japan, the Telecommunication Technology Committee (TTC), and the Information Technology Standards Commission of Japan (ITSCJ), among other organizations.

## Structure for Promoting International Standardization Activities

## Structure

As part of the initiatives related to international standardization activities, Hitachi personnel participate as members in many technical committees maintained by international standardization organizations, including IEC and ISO, and have been appointed to key positions, such as committee chairs, committee managers and secretaries as well.

Furthermore, in order to make efforts concerned with international standardization activities involving Group-wide cooperation, we have established the Hitachi Group Standardization Committee. The Steering Committee\*1 for

\*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.

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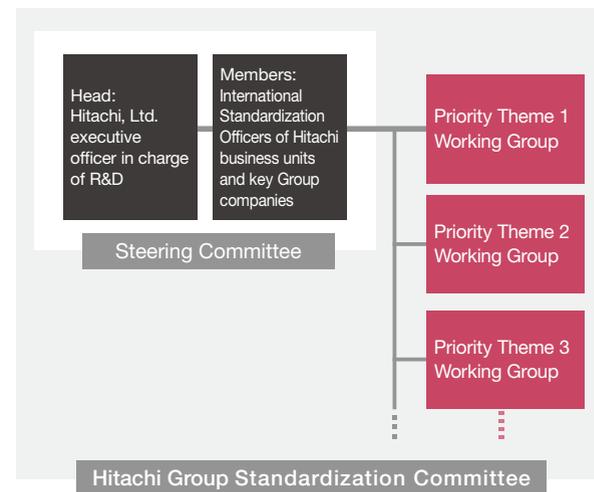
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the Standardization Committee selects themes for Hitachi to prioritize in the medium- to long-term with regard to important issues. Detailed discussions are held in working groups for each theme to promote standardization activities.

### Achievements in Fiscal 2020

One of the principal themes selected was Society 5.0, an initiative spearheaded by the Japanese government aimed at the realization of a human-centered, sustainable society. In order to create venues in which discussions can be conducted to attain consensus among various countries and major standardization organizations looking toward realization of Society 5.0, Hitachi has actively engaged in activities related to ISO/IWA 39 (gap analysis for standardization of sustainable and human-centered societies enabled with cyber-physical systems).

### ▶ Hitachi Group Standardization Committee



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Main Groups in Which Hitachi Participates Activities GRI 102-13/203-2

As part of developing Hitachi's Social Innovation 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 Government & External Relations Group seeks to collaborate with local communities by making Group-wide efforts to work with governments and international organizations in each country, and at the same time, they also work to discover new business opportunities for Hitachi in response to the various regions' social issues and policies.

We are also more frequently being asked for opinions by governments. By making requests directly as well as proposing solutions through discussions in economic organizations and industrial bodies, we help build a better society.

## Participation in Government Councils/Business and Industry Associations

Council/Group	Participant	Activities
Panel discussion regarding Infrastructure System International Expansion Strategy 2025 (Cabinet Secretariat)	Executive Chairman & CEO Toshiaki Higashihara attended as a private sector member	<ul style="list-style-type: none"> <li>Proposals regarding appropriate concrete measures to be taken based on the Japanese government's Infrastructure System International Expansion Strategy 2025</li> </ul>
Japan Business Federation (Keidanren)	Executive Chairman & CEO Toshiaki Higashihara attended as the vice chair	<ul style="list-style-type: none"> <li>Establishing sustainable capitalism that achieves SDGs through policy recommendations for realizing Society 5.0 under the theme of "Society 5.0 for SDGs."</li> </ul>
Japan Electronics and Information Technology Industries Association (JEITA)	Executive Chairman & CEO Toshiaki Higashihara attended as the vice chair	<ul style="list-style-type: none"> <li>Examining and making proposals on the promotion of digital technology, data use, and market creation under the mission to achieve Society 5.0</li> <li>Offering insights into paradigms of international legislation, agreements, and standards to develop digital trade and strengthen international competitiveness</li> </ul>
Japan Electrical Manufacturers' Association (JEMA)	Executive Chairman & CEO Toshiaki Higashihara attended as the chair	<ul style="list-style-type: none"> <li>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</li> </ul>
World Economic Forum (WEF)	Executive Officers centered on Executive Chairman & CEO Toshiaki Higashihara and President & COO Keiji Kojima	<ul style="list-style-type: none"> <li>Contributing to improve world affairs through discussions toward solving global, regional, and industrial challenges by cooperating with leaders from economics, politics, and academia participating in the forum.</li> </ul>
Japan-US Business Council	Executive Chairman & CEO Toshiaki Higashihara attended as an organizing Executive Committee member	<ul style="list-style-type: none"> <li>Exchanging opinions and proposing policies regarding various issues with Japan-US economic relations from the point of view of the Japan-US business community as a whole</li> </ul>
National Association of Manufacturers	Hitachi Corporate Office in Washington DC	<ul style="list-style-type: none"> <li>Lobbying and making policy proposals, as the largest association of manufacturers in the United States, to support the international competitiveness of member corporations</li> </ul>
Japan Business Council in Europe (JBCE)	Hitachi Europe Public Relations and Sustainability Division	<ul style="list-style-type: none"> <li>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</li> </ul>