

Labor Practices

Hitachi has a human resource strategy that emphasizes the concept of “decent work” (that is, work that is humane and fulfilling). We make a thoroughgoing and meticulous effort to realize this ideal, actively pursuing dialogue with all employees on their basic rights and career development and setting up a variety of consultation opportunities as well as mechanisms—just in case—to report compliance abuses. We also implement a variety of initiatives reflecting the globalization of our business, from promoting diversity and inclusion in our human capital to globally implementing fair employee evaluation systems and working conditions.

Global Human Capital Development

Advancing Global Human Capital

Our global human capital management strategy optimizes both human and organizational performance. One example of our initiatives is the Global Human Capital Database covering all Hitachi Group employees, excluding factory workers outside Japan. This database enables us to fully ascertain the status of worldwide Group human capital. We have also built a global grading system that applies to all managers in the Hitachi Group worldwide, using it as a common platform for job evaluations throughout the Group and as a common standard for assessing the value of management duties.

We began to thoroughly revise our training of management candidates in fiscal 2015, implementing the Global Advanced Program for Key Positions (GAP-K) to

accelerate their development. In fiscal 2016, 23 people were selected to participate in GAP-K over a three-month period. Additionally, Hitachi has held the Global Advanced Program for Leadership Development (GAP-L) in Singapore every year since fiscal 2012. The program mainly targets local human resources with potential for leadership at the respective subsidiaries outside Japan. In fiscal 2016, 24 leaders from around the world took part in the program.

Starting in fiscal 2014, we also initiated a globally standardized training course for general managers and new managers. To date, around 7,200 people worldwide have taken part in this course across our Group.

Conducting a Global Employee Survey

Since fiscal 2013, we have been conducting an annual global employee survey called Hitachi Insights as a way of measuring employee engagement.* In September 2016, the survey was administered for the fourth time. Around 210,000 employees worldwide were sent the survey in one of 14 different languages, and roughly 180,000 responses were received.

The results for internal awareness and understanding of the 2018 Mid-term Management Plan and employee attitudes toward Hitachi’s corporate culture improved in all 14 categories, including those concerning the plan’s targets, compared to the findings of the previous fiscal year’s survey.

Scores were particularly high for “pride in your company” and “teamwork,” but those for “resources and support” remained low from fiscal 2015. Employees may have expected Hitachi to do better on the level of staffing as well as information and resource tools—a situation we will continue to address by reforming working patterns, introducing new tools, and deepening communication with employees.

* Hitachi uses the term “engagement” to refer to employees’ understanding of the company’s strategies and policies, as well as their job satisfaction and desire to take actions on their own initiative to bring about results.

Career Development Initiatives

Hitachi believes that the starting point of career development is the work that employees perform on a daily basis. Based on Hitachi’s Global Performance Management (GPM), we implement a cycle aimed at the growth of each employee through a process in which goals for daily tasks are set and then pursued, followed by the evaluation of the results to formulate the next objectives.

Along with our workplace-centered initiatives, we also provide direct support for individual employees through our career development programs. In fiscal 2002 we launched the Hitachi Career Development Workshop (H-CDW) as a

Group-wide initiative in Japan. Around 9,700 people have participated in the program so far (as of March 31, 2017), with a focus on technicians, managers, and researchers in their thirties. According to the January 2016 survey conducted of the most recent participants, about 80% of the 422 answers received from group managers and about 70% of the 277 answers from section chiefs agreed that “H-CDW has been helpful to my career development and work.” Of the responses from section chiefs, about 60% reported making use of their workshop experiences in managing subordinates.

Diversity and Inclusion

Promoting Diversity and Inclusion

Diversity is the wellspring of 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.

Since the 1990s, we have been at the social forefront in supporting women and other members of our multifaceted workforce. This includes setting up systems to help balance work with child and nursing care. Entering Phase 3 of our diversity management roadmap, we are embracing diversity as a management strategy under the slogan of “Diversity for the Next 100.” This means creating

an environment where women and other members of our varied workforce can use their skills in leadership and business management. In October 2016, we introduced an Allowance for Balancing Child Care and Work to further promote balance between work and child care.

The Diversity Development Project, launched in fiscal 2006 under the president’s direct leadership, was replaced in fiscal 2009 with the Diversity & Inclusion Development Center, which currently operates under the direct supervision of the Human Capital Group.

Additionally, Hitachi and 17 Group companies jointly operate the Advisory Committee and the Diversity Development Council to accelerate awareness across Hitachi as a whole, including support for diverse human capital and work-life management.

Developing Women’s Careers

Hitachi, Ltd. has created two key performance indicators (KPIs), announced in fiscal 2013, to enable as many female employees as possible to take up leadership positions and to participate in management decision making. We organize a variety of seminars to boost women’s motivation and also take steps to enhance awareness and create a women-friendly corporate culture in workplaces as a whole—including managers and male employees. Employee compensation is set according to each individual’s roles and achievements, with no divisions or differences based on gender or age.

In November 2016, we hosted the first Global Women’s Summit for female employees of the Hitachi Group. Held in the United Kingdom, the event was attended by more than 120 staff members from 25 Group companies around the world and featured a keynote speech from an external speaker and workshops on topics ranging from unconscious bias to individual career development. The participants also shared stories about their careers and the issues they faced at their workplace.

Goals for Hitachi, Ltd. (KPIs)

- Appoint female executives by fiscal 2015 by promoting from within (including the CSR and Environmental Strategy Division chief as a corporate officer in April 2015).
- Increase the number of female managers in Japan to 1,000 by fiscal 2020 (2.5 times more than at the end of fiscal 2012).

Recruiting Human Capital in Europe

The railway business, which is an important business field for Hitachi, is promoting the recruitment of local human capital. We shifted the primary site of our railway business to London in 2014 and built a global operations framework managed by Hitachi, Ltd. and several other Group

companies, with 40% of senior management positions held by European personnel. The CEO of global operations is a London local who has since become an executive officer at Hitachi, Ltd.

Occupational Health and Safety

Fundamental Idea for Occupational Health and Safety

Ensuring the health and safety of all employees is the basic principle underlining the Hitachi Group Health and Safety Policy. This policy is shared by all Hitachi Group companies around the world. Employees work together to create safe, secure work environments that aim to be accident free.

Hitachi Group Health and Safety Policy

Principle ► “Health and Safety Comes First.”

Policies ► In accordance with our mission, “Contribute to society through the development of superior, original technology and products,” the Hitachi Group will endeavor to ensure safe and healthy workplaces under the principle of “Health and Safety Always Comes First.”

To accomplish this, we will:

1. Continually be involved in health and safety activities in order to prevent work-related injuries and sickness by designating the health and safety of employees as management’s top priority.
2. Comply with the local laws and regulations in each company regarding health and safety.
3. Develop a safe and comfortable work environment by encouraging employees to maintain their own health and taking a proactive stance on health and safety activities in the workplace.
4. Require an understanding of Hitachi’s principle and the promotion of health and safety awareness from all business partners of the Hitachi Group.
5. Contribute to the creation of a safe and pleasant society by emphasizing activities that make health and safety a top priority in all of Hitachi’s business activities.

Revised November 2013

Framework for Promoting Health and Safety

Hitachi views occupational health and safety as vital preconditions for advancing our business. Manufacturing and maintenance are particularly accident-prone lines of work, and we have around 36,000 employees performing work of this type in Japan. We promote a range of Group-wide occupational health and safety activities globally that include preventing workplace accidents by setting and applying minimum safety standards to be observed by Group manufacturers as well as taking additional measures tailored to the specific conditions at each company. We respond quickly when an accident occurs and use lessons from the incident to make improvements and boost our levels of health and safety management.

In accordance with Japanese law, a health and safety commission—composed of company representatives, labor-union officials, and employees—is convened every month to discuss and share information related to such issues as workplace accident causes and

countermeasures, the situation regarding employees who have taken sick leave, and other points of concern. In 2016, we recorded one fatal workplace accident in Japan and two in the rest of Asia.

We built the Hitachi Group Health and Safety Portal System in 2012 to ensure that the health and safety performance of every Hitachi Group company in Japan is shared by the entire Hitachi Group. Group-wide information on work accidents is registered in the system so that companies can track causes and see what preventive measures have been initiated. To help prevent recurrences, statistics are kept on types of accidents. Since 2014, we have carried out initiatives to share information on workplace accidents globally, including one that tracks and provides feedback on accidents occurring at Group companies outside of Japan.