

Materiality

▶ Toward a Sustainable Society: Hitachi's Materiality [↗](#)

Hitachi practices Sustainability Management, which positions sustainability as the core of its business strategy, and is working toward realizing a sustainable society through the Social Innovation Business.

In the Mid-term Management Plan 2024, we declared our aspiration of “supporting people’s quality of life with data and technology that fosters a sustainable society.” While some of the nine [planetary boundaries](#) [↗](#) have already been exceeded, Hitachi is aware of each one and works to protect the planet and maintain society. Hitachi aims to solve social challenges to realize a future that balances protection of the planet and people’s individual wellbeing.

The Materiality Analysis Process

With a comprehensive understanding of social issues, Hitachi has identified six material topics and 15 sub-material topics based on an analysis of risks and opportunities from sustainability perspectives as well as feedback from stakeholders.

Based on these material topics, Hitachi is monitoring measures as well as discussing the progress, and new initiatives for each materiality at the Senior Executive Committee and the Board of Directors. Hitachi is currently working to gain an understanding of and prepare to act on the sustainability reporting standards prescribed by the CSRD (the EU’s Corporate Sustainability Reporting Directive), the ISSB (International Sustainability Standards Board), and others. We will continue to review our material topics and the process of identifying them on an ongoing basis, informed by the changing demand of society and the needs of our stakeholders.



Sustainability Strategy Promotion Structure

Under the leadership of Lorena Dellagiovanna, the Chief Sustainability Officer, Hitachi is promoting its sustainability initiatives on a Group-wide basis. For details, please refer to [Sustainability Report](#). [↗](#)

Materiality	Our aspirations
Environment Contributing to decarbonization and resource circulation	As a climate change innovator, Hitachi will contribute to the realization of a carbon neutral society with Hitachi’s superior green technologies, by providing value to customers in all business segments. We will also promote resource efficiency toward the transition to a circular economy.
Resilience Contributing to the maintenance and rapid recovery of social infrastructure	Hitachi helps people live safely by contributing to the rapid recovery of supply chains and the maintenance of social infrastructure by providing system solutions that can respond immediately to risks, such as natural disasters, pandemics, and cyberattacks.
Safety & Security Contributing to safe and secure society-building	Hitachi contributes to the realization of comfortable and active lifestyles for people by providing solutions in the building, mobility, and security fields that support urban development for safe and secure living.
Quality of Life Contributing to physical and mental wellness and a prosperous life	Hitachi is harnessing our healthcare and digital technologies to help more people develop bonds and enjoy healthier, more prosperous lives. We will also continue to pursue the happiness and wellbeing of our employees, as we believe that their happiness and wellbeing is the ground on which Hitachi’s future will flourish even more fully.
Business with Integrity Adhering to ethical standards as well as respect human rights	As a Group responsible for social infrastructure around the world, Hitachi will manage its business with honesty and integrity, trusted by society, respect human rights, and provide a safe workplace. We will reflect a system of ethical and responsible business conduct, including respect for human rights, in our business activities and decision-making standards, working together with our employees, collaborative partners and communities throughout the supply chain.
Diversity, Equity and Inclusion (DEI) Contributing to a society where everyone can shine	Hitachi has a place for everyone, welcoming differences in colleagues’ background, age, gender, sexuality, family status, disability, race, nationality, ethnicity, and religion. At Hitachi, we treat everyone fairly, recognizing differences to allow everyone to perform at their full potential. We respect and value these and other differences because only through them we can understand our markets, create better ideas and drive innovation.

Materiality Chief Sustainability and HR Officer Message Human Resources Strategy CFO Message / Financial Strategy Risk Management

15 Sub-Material Topics and Targets

Material topics	Sub-material topics Targets/KPIs		FY2023 progress	Relevant SDGs
Environment Contributing to decarbonization and resource circulation	Decarbonization	Carbon neutrality through the value chain <ul style="list-style-type: none"> FY2030: Achieve carbon neutrality in business sites (factories and offices) FY2050: Achieve carbon neutrality through the value chain 	74% of total CO ₂ reduction rate at factories and offices (compared with FY2010)	
		Contributing to CO₂ reduction through business <ul style="list-style-type: none"> FY2024: 100 million metric tons of CO₂ avoided emissions per year 	153 million metric tons per year* ¹ of CO ₂ avoided emissions	
	Resource circulation	Transition to a circular economy <ul style="list-style-type: none"> FY2024: Full application Eco-Design for all newly developed products FY2030: Zero*² waste to landfill*³ from manufacturing sites 	198 products identified as subject to Eco-Design 146 sites (75%) achieved zero waste to landfill	
		Effective use of water <ul style="list-style-type: none"> Reduction rate in water use per unit (compared with FY2010) FY2024: 24%, FY2050: 50% 	30% reduction in water use per unit	
Harmonize with nature	Minimize impact on natural capital	Achieving a Harmonized Society with Nature		
Resilience Contributing to the maintenance and rapid recovery of social infrastructure	Strengthening supply chains	Build flexible supply chains capable of responding to disasters and risks	Social Innovation Business	
	Maintaining social infrastructure	Resilience and sophistication of maintenance through DX of social infrastructure <ul style="list-style-type: none"> Contribute to stable energy supply through substation management to approx. 1.9 billion people*⁴ 		
Safety & Security Contributing to safe and secure society-building	Safe and secure urban environments	Safe and comfortable transportation <ul style="list-style-type: none"> Contributed to a total of 15 billion people annually through railway services*⁴ 	Social Innovation Business	
	Ensuring cyber security	Secure cybersecurity for social infrastructure and business systems		
Quality of Life Contributing to physical and mental wellness and a prosperous life	Connected and prosperous society	Increase healthy life expectancy and wellbeing <ul style="list-style-type: none"> Blood tests and other physical exams: 20 billion tests/year*⁴ 	49 thousand users of happiness service 68.6%* ⁶ employee engagement (positive response rate)	
		Build a trustful relationship with others <ul style="list-style-type: none"> Users of happiness service: 90 thousand in FY2024 		
	Employee happiness	More flexible working styles to increase engagement <ul style="list-style-type: none"> Employee engagement (positive response rate): FY2024 71.0%*⁵ 		
Business with Integrity Adhering to ethical standards as well as respect human rights	Business ethics and compliance	Encourage employees to apply ethical standards in day-to-day work <ul style="list-style-type: none"> Achieve a score of at least 60 (out of 100) in FY2023, the first year of results from Ethical Culture & Perceptions Assessment, improving it every year 	Achieved a score of 76.5	
	Respect for human rights	Promote human rights due diligence and strengthen monitoring of procurement partners for responsible procurement, including human rights <ul style="list-style-type: none"> FY2023: Conduct human rights risk assessments for all BUs (10 BUs) and major Group companies FY2024: Respond to human rights risks 	Conducted human rights risk assessments at all BUs (10 BUs) and major Hitachi Group companies	
	Occupational safety	Creating a safe working environment without accidents <ul style="list-style-type: none"> Zero fatal accidents 	4 fatal accidents	
	Safe and secure products and services	Ensure products and services safety while putting customers first	Quality and Product Safety Management	
Diversity, Equity and Inclusion (DEI) Contributing to a society where everyone can shine	Diverse organization that fosters innovation	Strengthen diversity in management <ul style="list-style-type: none"> Ratio of women and non-Japanese executive and corporate officers: FY2030: 30% respectively 	11.8% of women and 25.0 of non-Japanese executive and corporate officers* ⁷	
		Acquiring and developing digital talent <ul style="list-style-type: none"> FY2024: 97,000 persons*⁸ 	95,000 persons	
	Contribution to a diverse and equitable society	Empower DEI of society through community relationship programs <ul style="list-style-type: none"> Nurture and empower next-generation talent 	Participants in Hitachi Young Leaders Initiative: 32 people, 437 people cumulative* ⁹ Participants in Hitachi High-Tech science education support activities: 59,911 people, 427,273 people cumulative* ¹⁰	

*1 Mid-term Management Plan 2024 three-year average *2 Less than 0.5% *3 Wherever this is compatible with local conditions and regulations *4 FY2022 results *5 Target has been raised in FY2023 since we achieved the initial target/KPI in FY2022

*6 Excluding Hitachi Astemo *7 As of June 2024 *8 Excluding Hitachi Astemo *9 Cumulative total since 1996 *10 Cumulative total since 1990