



Eco-Mind & Global Environmental Management

We work to cultivate an eco-mind establishing an environmental management system as the major leverage for it, according to our Guidelines and Commitments and our Environmental Conservation Action Guidelines.

Hitachi Kokusai Electric Action Guidelines for Environmental Conservation

[Purpose]

In order to realize an environmentally harmonious and sustainable society through products and services, Hitachi Kokusai Electric is committed to meeting its social responsibilities by promoting globally-applicable Monozukuri ("designing, manufacturing or repairing products"), which is aimed at reducing the environmental burdens of products throughout their entire life cycles, ensuring global environment conservation.



Introductory website of Action Guidelines for Environmental Conservation

<http://www.hitachi-kokusai.co.jp/global/csr/environment/earth.html>

Fostering of an environmental mindset

In order to nurture an environmental mindset within the Group, we produce posters and display them at 62 domestic sites and nine overseas sites.



Poster for fiscal 2014



Poster for fiscal 2015

Targets and Results of Environment Activities in Fiscal 2014

The results and evaluation of the Environmental Action Plan in fiscal 2014 are as follows:

Category	Main item	Action goal	Index	Final year (fiscal 2015) targets	Fiscal 2014 targets	Fiscal 2014 results	Evaluation
Eco-Mind & Global Environmental Management	Establishment of Environmental Management System	Improvement in environmental activity level (GP: Green Point)	GP of GREEN 21-2015	640GP	576GP	604GP	🌳🌳🌳
	Nurturing of Environmental Literacy	Fostering environmental minds by environmental e-learning	Participation ratio	99%	99%	100%	🌳🌳🌳
Next-Generation Products & Services	Promotion of Eco-Products	Increasing Hitachi Eco-Products	Ratio of Eco-Product sales to total sales	95%	93%	95%	🌳🌳🌳
Super Eco-Factories & Offices	Preventing Global Warming	Improvement of Energy Use per Unit	Improvement rate of Energy Use per Unit (reference year 2005)	17%	16%	19%	🌳🌳🌳
		Reduction of transportation energy per unit	Reduction rate (reference year 2006)	15%	14%	27%	🌳🌳🌳
	Effective Use of Resources	Improvement of waste and valuables generated per unit	Improvement rate (reference year 2005)	38%	36%	48%	🌳🌳🌳
		Promotion of electronic manifest	Increase of registration (issuance) ratio	100%	92%	94%	🌳🌳🌳

Evaluation standard 🌳🌳🌳: Achieved 100% 🌳🌳: Achieved 80% or more 🌳: Achieved less than 80%

Training for internal environmental auditors

The Group started obtaining ISO 14001 (environmental management system) certification for each office back in fiscal 1996. In fiscal 2013, we completed the integration of ISO 14001 certification to carry out environment activities in a more efficient and unified manner across the entire Group.

Since fiscal 2013, we have conducted a Group-wide training program for internal environmental auditors, inviting an external lecturer, to improve their competencies and unify their perspectives.

In fiscal 2014, in addition to a classroom lecture, a group work session was conducted to help our internal environmental auditors brush up their knowledge and skills.



Group work session



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Evaluation results of fiscal 2014 for "GREEN 21-2015"

The Hitachi Group implements "GREEN 21," a mechanism for self-evaluating its environmental activities in order to improve and upgrade the levels of such activities. GREEN 21 is a mechanism for classifying the areas of environmental activities into eight categories, evaluating the degree to which the targets of environmental activities were achieved and the contents of said activities, and visualizing the results in the form of radar charts.

During the period from fiscal 2011 to 2015, we intend to add contributions to management by expanding environmental activities, preserving ecosystems, and conducting activities to collect and convey environmental information through the supply chain as pertaining to the evaluation items, and make efforts to raise the level of such activities, as "GREEN 21-2015."

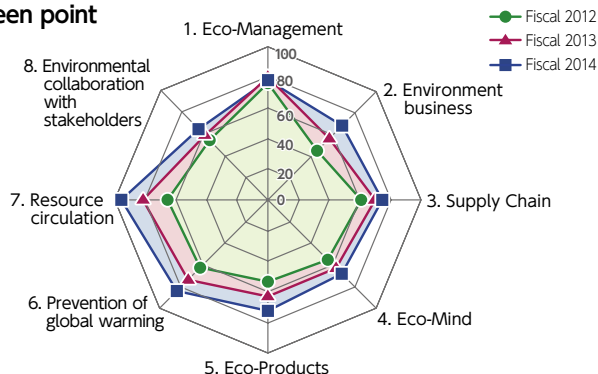
In achieving the target, our results for fiscal 2014 was 604GP as compared to 576GP, the target common to Hitachi Group companies.

In the future, to improve the evaluation of environmental collaboration with stakeholders, we will enhance our activities to preserve ecosystems.

GREEN 21 evaluation items

	Category	Main Evaluation Indicators
1	Eco-Management	Environmental control, Environmental accounting, Observance of laws and regulations
2	Environment business	Reduction of annual CO2 emissions by 100M tons, Environment business strategy
3	Supply Chain	Collection and provision of environmental information through supply chain
4	Eco-Mind	Environmental education, Fostering of environmental expert
5	Eco-Products	Assessment of products and services
6	Prevention of global warming	Reduction of CO2 emissions, Energy-saving effort, Energy-saving in mobility
7	Resource circulation	Resource recycling, Control of chemical substances
8	Environmental collaboration with stakeholders	Information disclosure, Communications, Activities of global citizens, Ecosystem conservation

Green point



Ecosystem preservation assessment

In the ecosystem preservation assessment, which was conducted at Hitachi Group companies in fiscal 2014, our Group assessed its contribution to the ecosystem through its business and social contribution activities relating to nature conservation.

We will work to continuously improve our ecosystem preservation activities.

Environmental Accounting

According to the Environmental Accounting Guidelines specified by the Ministry of the Environment, our environmental conservation cost was defined as investments and expenses related to environment. The environmental conservation effects were determined based on profits from the sales of recycled items, expenditure reduction due to investments in energy-saving equipment, etc. We will continue to improve the return on investment.

Environmental conservation cost

Expenses (in millions of yen)

Item	FY 2012	FY 2013	FY 2014	Overview
Business area costs	187.9	141.7	239.5	Costs of maintenance of equipment with low environmental burden, depreciation, etc.
Upstream/downstream costs	0.3	0.0	0.0	Costs for greenprocurement and recycling
Management activity costs	51.5	68.0	78.1	Personnel expenditures for environmental management, maintenance costs for environmental management system
Research and development costs	216.5	205.4	183.9	R&D for the reduction of environmental burden caused by products and production processes, product design expenses
Social activity costs	1.5	1.0	1.1	Environmental improvements such as afforestation and beautification, PR, and publicity expenses
Environmental damage costs	0	0	0	Environment-related measures, contributions, and levies
Total	457.7	416.1	502.6	—

Investments (in millions of yen)

Item	FY 2012	FY 2013	FY 2014	Overview
Investments in environmental conservation	20.4	131.1	150.9	Direct investments in environmental load reduction facilities such as energy conservation facilities

Economic effects of environmental conservation

Economic effects (in millions of yen)

Item	FY 2012	FY 2013	FY 2014	Overview
Net income effects	9.0	12.7	8.4	Profit on sale of recycled waste, etc.
Expenditure reduction	0.6	4.9	4.0	Cost-saving effects, etc. by saving energy
Total	9.6	17.6	12.4	—

Participation in the Hitachi Global Lights-Off Campaign

The Group participates each year in the Light Down Campaign hosted by the Ministry of the Environment, turning off the lights on signboards, etc. at all business sites in Japan on the nights of the summer solstice and the night of July 7, (the Tanabata festival).

On March 28, 2015, as part of the "Hitachi Global Lights-Off Campaign," the Hitachi Group participated in Earth Hour, organized by the WWF*. As a member of the Hitachi Group, our Group also participated in this initiative and turned off lights not only at our domestic sites, but also at our overseas production sites.

* WWF : World Wide Fund for Nature

Turning off the signboard illumination at Kokusai Electric Korea Co., Ltd.



Before lights-out



After lights-out