



Diversity & Inclusion Strategy

D&I as enabler for Hitachi to become a Global Leader

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Vice President and Executive Officer
CDIO (Chief Diversity & Inclusion Officer)
Hitachi, Ltd.



At office in Milan

Career in Hitachi

2021 Vice President and Executive Officer, Hitachi, Ltd.

2020 CDIO, Hitachi, Ltd.

2015 Country Manager, Hitachi Europe Srl, Milan, Italy

2010 Director, Shared Services business of the Group for Europe (UK)

2007 Finance Director of the Group for Southern Europe (Italy)

1988 Joined Hitachi Europe, Ltd.

What I like

I love interior design, therefore one of my hobbies is to decorate my houses. Traveling is another passion. Then I love sailing and trekking, because my daily life is quite busy and I am a "city lady." During the leisure time, I love the peace of the sea and the countryside or mountains, and take billions of photos. And, I also have a lot of fun with dancing.

Mission as CDIO

To lead the creation of an environment where we can enhance and leverage such diversities, so that people can share their unique perspectives while knowing their contributions are valued, to create value for the business and the society.



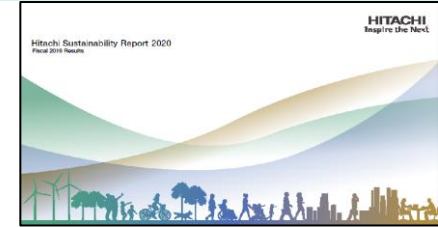
At WEF Annual Meeting 2019

What Diversity & Inclusion(D&I) means for Hitachi

Hitachi's Statement on Diversity and Inclusion

Diversity and Inclusion open our Future.

Diversity is the wellspring of our innovation and our growth engine. Hitachi regards personal differences such as – gender, nationality, race, religion, background, age, abled or disabled status, and sexual orientation – as well as other differences, 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 a diverse workforce, strong teamwork and broad experience in the global market, we will meet our customers' needs.



Hitachi Sustainability report

Why is D&I important for Hitachi's Business?

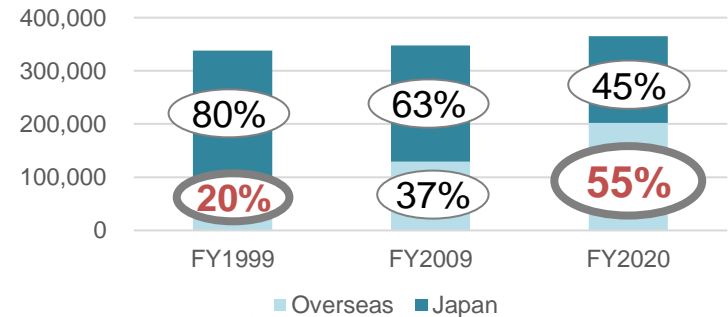
Social Innovation Business

Social Value

Digital Business

ESG

Ratios of Employees



Where we are now?

Phase1

Support for women's career advancement

2000 **2004**

F.F.Plan F.F.Plan II

Phase 2

From "women" to "diversity"

2006 **2009**

Diversity promotion project D&I development center

Phase3

Diversity promoted as a management strategy

2012 **2021**

"Diversity for NEXT100" Chief Diversity and Inclusion Officer

2021

Phase4

D&I integrated with business strategy

Toward further evolution

Past

Japan's GDP was the world's second highest.
(High economic growth)



Provide good products and systems based on customers' clear requirements mainly in Japan.

- Japanese-male regular employees work in same place & time as similar group
- Domestic and individual company



Now and Future

Society changing
Global business operations





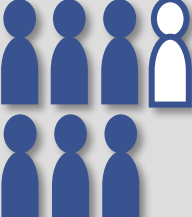











Explore the needs of the global society, clients and provide services to solve problems




- Diversified people regardless of nationality, gender, age, etc. work in various places & time as diversified group
- Global Group consolidated

Diversified Board Members

- Diversity and global perspective to enhance the Board capability
- Clear separation of responsibilities for oversight and execution

BOD Composition	June 2011 (13 directors)	July 2020 (13 directors)
Independent Directors	 	 
Non-independent Directors (Non-executive Officers)	 7	 1
Directors concurrently serving as Executive Officers	 2	 2

George Buckley Corporate management (Former CEO of 3M)	
Cynthia Carroll Corporate management (Former CEO of Anglo American)	
Louise Pentland Corporate legal (PayPal EVP & CLO)	
Joe Harlan Corporate management (Former Dow Chemical Vice Chairman)	
Ravi Venkatesan Digital field / Corporate management (Former Microsoft India Chairman)	
Helmuth Ludwig Digital field / Corporate management (Former Siemens CIO)	

 : Non-Japanese Director
  : Non-Japanese Female Director
  : Female Director

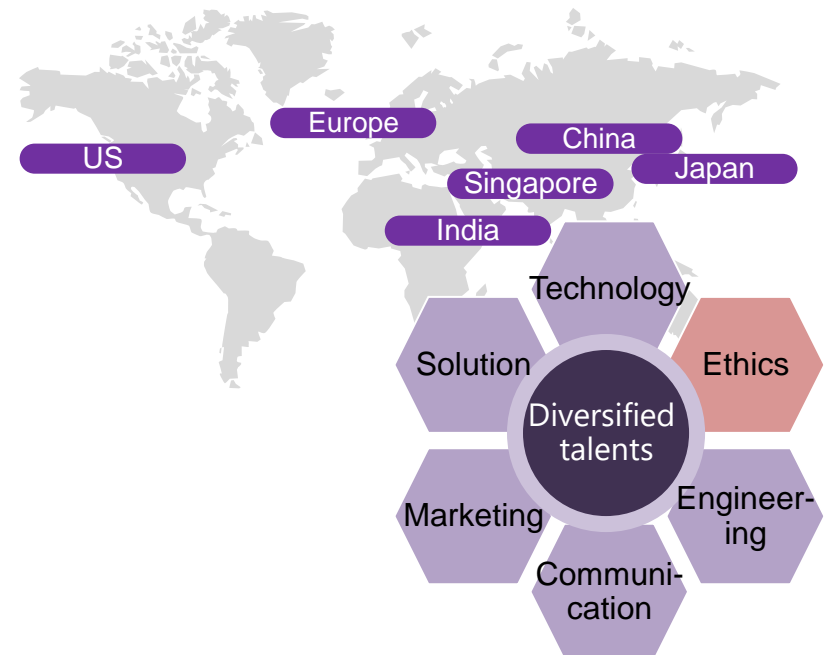
Railway Systems Business (Italy)

- Diverse engineering capabilities developed new double-decker trains for public railways in Italy
- Combining the technologies of Japan and Italy, it is the perfect example of a train that integrates both countries' strengths



R&D: Artificial Intelligence

- From solution to technology, marketing to engineering, diversified talent are working
- AI presents ethical issues which need to be tackled from diverse perspectives (belief, socio-cultural background, economic background, experience, etc.)





What we have done in FY2020

Achievements



**10% in both
female & non-Japanese for
Executive and Corporate
officers** in Hitachi, Ltd.
(as of April 1, 2021)



800 female manager
in Hitachi, Ltd.
(as of October 1, 2020)

Main activities

1

Accelerating at global level

- Assigned CDIO, assess the score ,data analysis, gap analysis, interview with business unit / function and launched global D&I plan
- Start considering mid/long term goal

2

Working closely with the Business / function

- Goal setting aligned to business strategy
- 1on1 with business leaders
- Participated in Talent Committee

3

Fostering inclusive culture

- Host/participated in internal events
- Joined The Valuable 500

4

Empowering female employees

- Mentoring female leaders
- Holding events for female employees

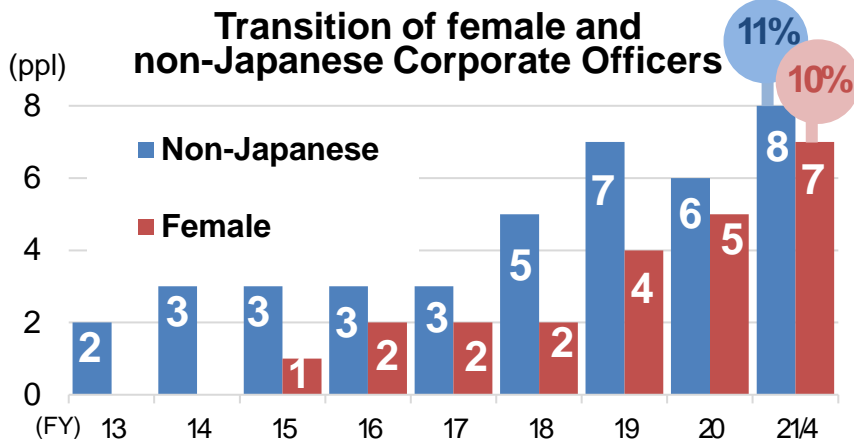
5

External communication

- Discussion with external parties

1

To reach 10% in female and non-Japanese executives and corporate officers (as of Apr 2021)



Non-Japanese

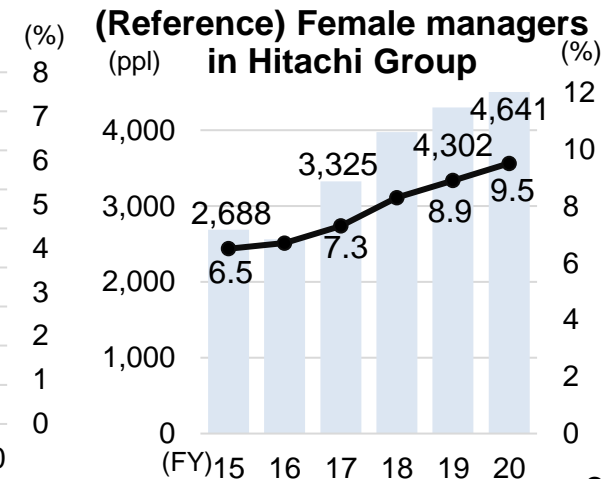
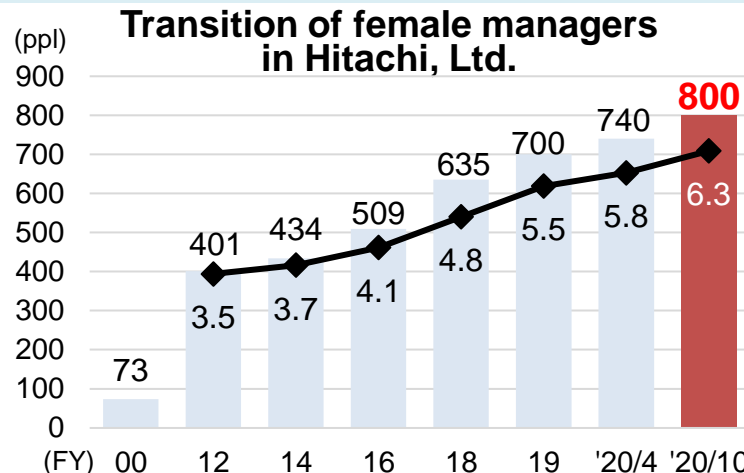


Female



2 Achieved target of 800 female manager in Hitachi, Ltd.

- Achieved as of Oct 1, 2020
- Press release on Oct 26



Data are as of the end of fiscal year basically

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1 Accelerating at global level

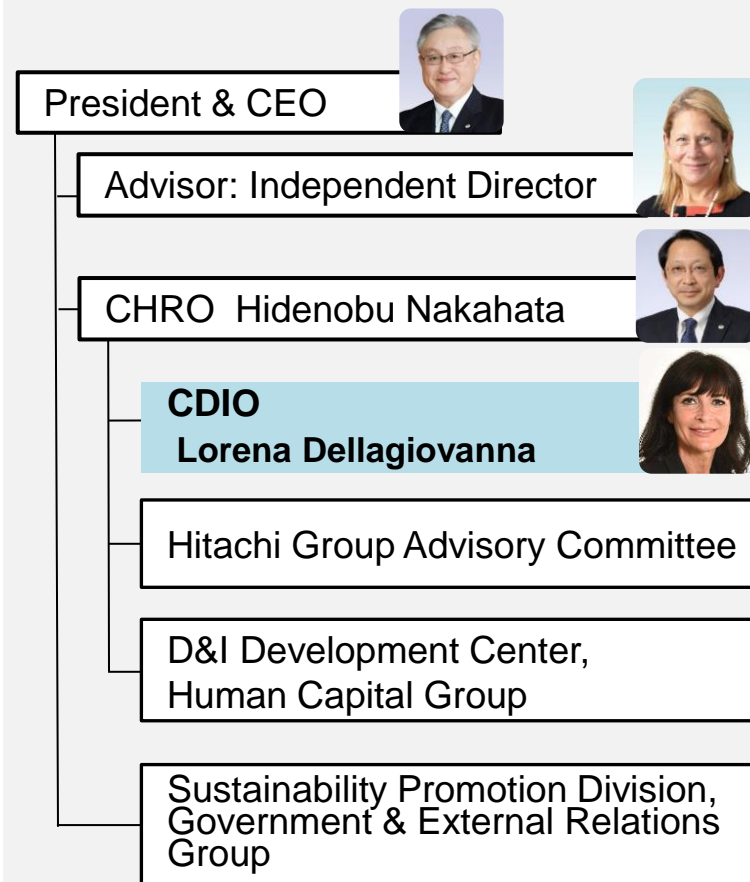
- Established CDIO position as of April 2020
- Launched global D&I plan including mid/long term goal to leverage D&I as growth strategy. Determined based on gap analysis on data of current situation & external assessment along with interviews to the business units

2 Working closely with the Business/Function

- Rolled out group-wide D&I goal setting to align with business strategy in each companies, business units. Actions will be closely monitored through D&I related committees
- CDIO held 1on1 with business leaders on where D&I can be strengthened to address business issues
- CDIO participated in 24 Talent Committee sessions and had strong discussions on future and aspired talents

CHRO: Chief Human Resources Officer

D&I Organization as of April 2020



3 Fostering inclusive culture

- CDIO and Diversity Development Center actively communicating with HR members in holding events to send message on D&I and dialogues with employees
- Hitachi Group joined The Valuable 500 in Feb 2021, a global CEO community revolutionizing disability inclusion through business leadership and opportunity. By joining the world-wide movement, Hitachi accelerates disability inclusion internally and externally

4 Empowering female employees

- Based on actions determined through D&I plan and Talent Committee sessions, CDIO is mentoring female leaders and leader candidates globally
- Dedicated sessions for female employees are held partnering with the business units. Speech from CDIO and discussions with role models
- Actively participated in initiatives of the 30% Club Japan established on May 1, 2019, of which Hitachi is one of the founding members



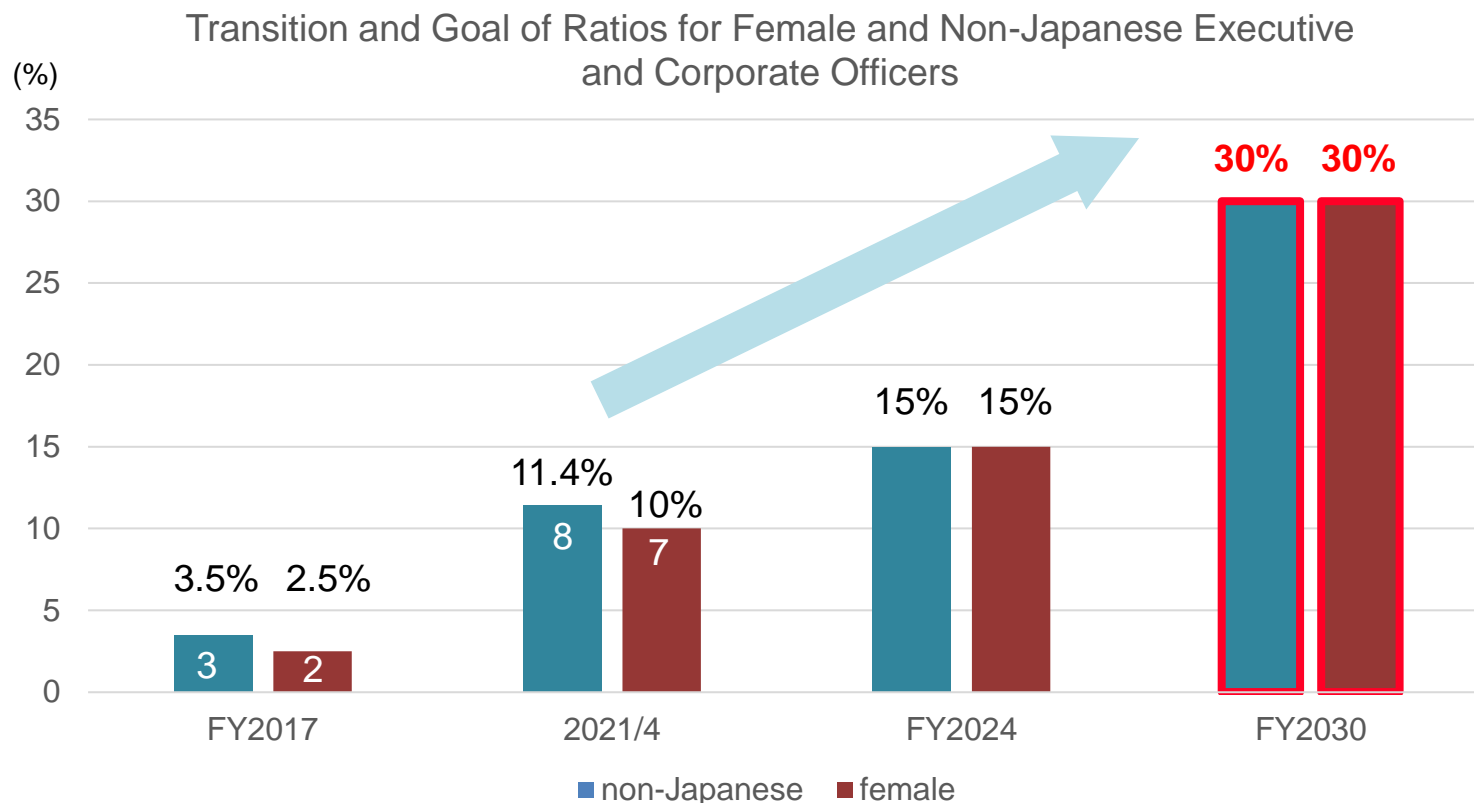
5 External communication

- Active discussions with external companies, organizations and consultants



What we will do for the future

New Goal for Female and Non-Japanese Executive and Corporate Officers



Setting a New Goal of 30% Ratios for Female and Non-Japanese Executive and Corporate Officers by FY2030

FY2030 includes personnel changes effective April 1, 2031; FY2024 includes personnel changes effective April 1, 2025.

D&I integrated with Business Strategy

- Milestone for FY2030 -

Shall set target by 5 pillars to realize social innovation, create social value, strengthen digitalization and accelerate ESG

Key pillar

Current Status

Target for FY 2024

Overall

Statement of public commitment of female manager/female & non-Japanese corporate officer

- Strategic metrics of D&I are monitored and disclosed

Leadership Commitment

Limited public communication dedicated to D&I globally

- Vocal leadership team commitments with tracking and accountability globally

Culture

Positive answers increased about D&I in employee survey globally

- Inclusive culture is cultivated: everyone is recognized to have fair opportunity, freedom to express own idea and opinion

Recruitment

Initiatives to recruit diverse talent in region/company

- Targeted recruiting initiatives and array of channels for diverse communities globally

Retention

Employee resource groups (ERGs)/informal groups organized in some countries

- Differentiated benefits company wide and robust network of Employee resource groups (ERGs)

Advancement

Diversity in talent pool is advancing, but not enough

- Diverse talent in decision management level - Achievement of new goal of executive officers and corporate officers in Hitachi, Ltd. as the milestone toward 2030

5 Pillars

Overall	<ul style="list-style-type: none"> ● Set policies, guidelines, and strategic metrics(KPI), base line analysis and continuous data gathering ● Enhance resource & engage
Leadership Commitment	<ul style="list-style-type: none"> ● Communication strategy and campaigns to be defined based on priorities to show leadership commitment
Culture	<ul style="list-style-type: none"> ● Renewal of internal/external communication globally ● Review company-wide training/events ● Accelerate talent exchange globally
Recruitment	<ul style="list-style-type: none"> ● Set group-wide policy to commit D&I in recruiting ● Build scenarios on the speed of change in 3-5 years, and put D&I elements in recruiting activities customized by geo / business
Retention	<ul style="list-style-type: none"> ● Support informal activities of employee including ERGs to expand their network, broaden their horizon, and have voices advocate inclusion
Advancement	<ul style="list-style-type: none"> ● CDIO's direct communication with future leaders (1on1 mentoring, group sessions, event, etc) and Global Leadership Development activities (talent identification in transparent process, and feedback)

5 Pillars



HITACHI
Inspire the Next



Hitachi Social Innovation is
POWERING GOOD



HITACHI
Inspire the Next 