

Hitachi Appliances Environmental Report 2018





Human-Centered Social Innovation Business

With digital technology, Hitachi Appliances aims to realizing a sustainable society.

The United Nations adopted the 2030 Agenda for Sustainable Development at its Sustainable Development Summit 2015. There it announced 17 Sustainable Development Goals (SDGs), including climate change, protection of marine ecosystems, and protection of terrestrial ecosystems. The Paris Agreement designed to achieve zero greenhouse gas emissions by late this century and adopted by the 21th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) came into effect in 2016.

The environmental issues, on the other hand, include global warming, biodiversity, a worsening water environment, waste and chemicals, and various other issues. To meet these challenges as well, many governments and companies throughout the world are taking corrective actions by helping to achieve the SDGs.

Under its mission of “contributing to society through the development of superior, original technologies and products,” the Hitachi Group established a Executive Sustainability Committee in 2017 to accelerate its efforts toward achieving the SDGs. In view of trends in the international community, the Group will evolve its business sustainability strategy in an attempt to achieve the SDGs.

As members of the Hitachi Group, we at Hitachi Appliances base ourselves on the concept of “Come close to people and design their lives in various life scenes of each and every one” and supply large household electrical appliances, lighting and residential equipment, and refrigeration and air-conditioning machinery that provide service solutions to improve your quality of life. By providing you with products and services worldwide that offer high energy savings and highly value-added features, we intend to help realize a sustainable, safe, and worthwhile society.

We will engage in corporate activities using state-of-the-art technology to increase the positive effects for society while reducing the negative ones, and will use digital technology in an effort to settle your life issues.

The SDGs toward 2030 are not the final goals. They are nothing but a process for establishing a sustainable future. With a long-term outlook, we intend to make a sustainable society a reality and evolve our business. Conserving the environment is one of our activities for that purpose, and we will actively continue to disclose that activity through this Environmental Report.

resolve your life issues toward



Toshiaki Tokunaga
President and Director

Toshiaki Tokunaga

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Our Approach to "Hitachi Group's Sustainability Strategy"

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs) to be achieved by 2030, such as eradicating poverty, reducing inequalities, and taking climate action. The SDGs are not just expectations but a concrete action plan requesting the cooperation of a wide range of governments, communities, and businesses throughout the world, in an attempt to achieve prosperity for humankind and the earth.

The world today expects corporations to establish a framework with a long-term outlook on achieving the SDGs and building an even better world, thereby positively promoting sustainability.

The Hitachi Group covers a wide range of industries and is able to help achieve various aspects of the SDGs. In fiscal 2017, the Group's Sustainability Strategic Conference, chaired by Representative Executive Officer, President and CEO Toshiaki Higashihara, studied the 17 SDGs and the possible risks and opportunities regarding the relevant business, and then identified five SDGs that the Hitachi Group could greatly help to achieve through its business strategy.

The Group also identified six SDGs as the goals that it should help to achieve through all its corporate activities. We consider these six goals as being related to all

business and managerial strategies of the Hitachi Group, and which will affect its long-term corporate sustainability.



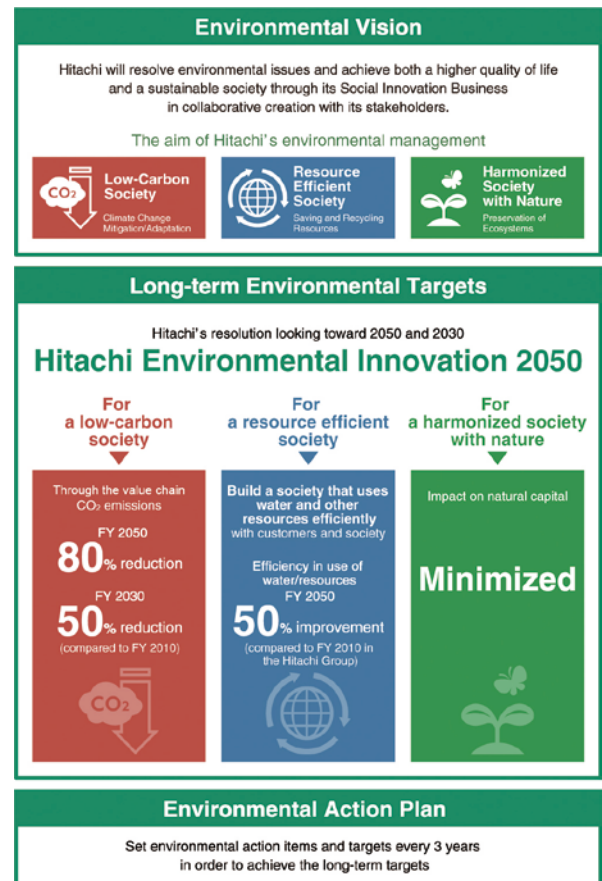
Hitachi Group's long-term environmental targets — "Hitachi Environmental Innovation 2050"

Based on today's increasingly serious environmental issues and its own managerial policy, the Hitachi Group announced its Environmental Vision in September 2016. It also announced Hitachi Environmental Innovation 2050 as a set of concrete goals for achieving the Environmental Vision.

In Hitachi Environmental Innovation 2050, our goal of reducing CO₂ emissions, designed to create a low-carbon society, was set to fulfill the goals of the Paris Agreement. To achieve this goal through its value chain, the Hitachi Group is committed to reducing emissions in the use stage, which accounts for a large percentage of the emissions. We are also promoting the reduction of emissions in the production stage in Hitachi Group's business activities.

Toward realizing a resource efficient society, we are promoting improvement of the use efficiency of water and resources used by the Hitachi Group. To achieve that goal, we ensure the manufacture of durable goods made with resource efficiency, thorough product recycling, and reduced water consumption in the production process.

Toward realizing a society harmonized with nature, the Hitachi Group promotes actions to minimize our burden on ecosystems in each stage of its value chain. While supplying products and services for that purpose, we are promoting efforts to minimize our environmental burden in factories and offices.



* Hitachi Environmental Innovation 2050 indicates reduction targets for CO₂ emissions in absolute terms.



Our Approach to the SDGs in environmental issues

The Hitachi Appliances Group is making efforts to help achieve the SDGs through its business. In its efforts, we refer to the SDG Compass, which is a guide to promoting corporate activities to address the SDGs, based on Hitachi Group's efforts for the SDGs. To understand the SDGs, we held a symposium for our employees in April 2018. For the symposium, we invited Ms. Kaori Kuroda, Executive Director of the CSO Network Japan, and Ms. Yukiko Furuya, captain of the Consumer Conference for Sustainability as guest speakers.

We then analyzed how our business operations affect and can contribute to the SDGs in the entire value chain. More specifically, we compared and mapped the 17 SDGs and the 169 targets against our business activities, and identified 7th and 11th goals as the goals for contributing to the achievement of the SDSs. We also identified the goals for contributing to enhancement of the positive effects and minimization of the negative effects through our business strategy. We also identified the goals of minimizing our negative effects in all of our corporate activities.

These goals also help address the serious environmental issues of global warming and resource depletion that must be settled, and we feel that our environmental conservation can

help make a sustainable society a reality. We will increase the energy conservation of our products and the efficiency of the production process, in order to reduce our environmental burden.

Moreover, we will continue to study how we can achieve SDGs other than those identified above.



Symposium in action

A map of the SDGs in the value chain

Here is a map of what we were able to do as of October 2018. We will be evolving our operations according to our business strategy.

Stepping up positive effects

[Employee volunteers]

14 LIFE BELOW WATER

15 LIFE ON LAND

Protecting marine and land ecosystems through volunteer activities

4 QUALITY EDUCATION

Training of engineers and other employees

7 AFFORDABLE AND CLEAN ENERGY

Developing energy-saving products

11 SUSTAINABLE CITIES AND COMMUNITIES

Developing highly recyclable products
Developing recycling technologies



Controlling chemicals and reducing hazardous substances

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reducing water use in the production process

6 CLEAN WATER AND SANITATION

Reducing waste in the production process

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Increasing energy efficiency

7 AFFORDABLE AND CLEAN ENERGY

Disseminating information among consumers

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reducing resources by product use over longer periods by appropriate maintenance

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reducing waste from products

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Minimizing negative effects

- Efforts to realize a low-carbon society
- Efforts to realize a resource efficient society
- Efforts to realize a society harmonized with nature
- Other efforts

Reducing the environmental burden of the entire value chain is the key to achieving the The Hitachi Appliances Group recognizes that above all, the most important challenge is and the efficiency of the production process. Those efforts are covered in this report.

Environmental Management

We acquire certification under ISO 14001 at specific production centers in order to monitor the to reduce it, thereby aiming to fulfill our Environmental Vision. We have also established a global

Hitachi Appliances' Environmental Conservation Guidelines

The Hitachi Appliances Group has set up the Hitachi Appliances' Environmental Conservation Guidelines (hereafter, "the Environmental Conservation Guidelines"), which is a guide to environmental conservation efforts concerning industrial activities. The Environmental Conservation Guidelines are based on the Code of Conduct of the Hitachi Appliances Group as its basic philosophy and composed of 10 items.

The Group considers that one of its top priorities in management is to realize a sustainable society harmonized with the environment under these guidelines, and accordingly has been tackling various environmental actions.

Hitachi Appliances' Environmental Conservation Guidelines (excerpt)

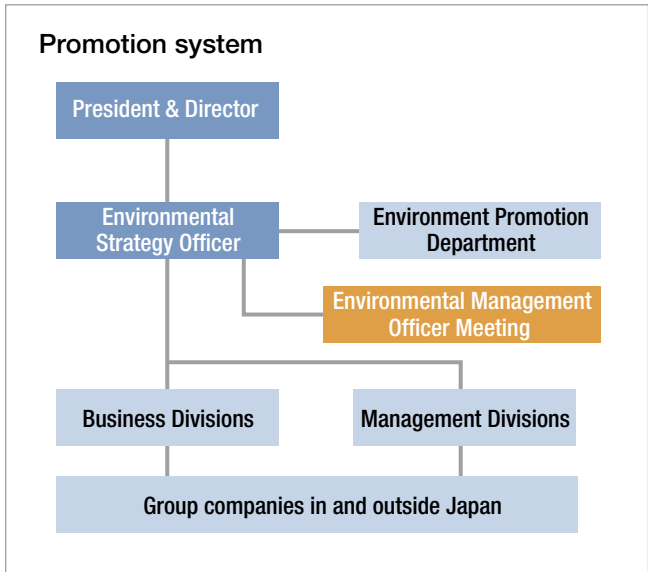
Purpose
 In order to realize an environmentally harmonious and sustainable society through products and services, Hitachi Appliances is committed to meeting its social responsibilities by promoting globally-applicable "MONOZUKURI" (designing, manufacturing or repairing of products), which is aimed at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

Action Guidelines
 1. Global environmental conservation is a critical challenge shared by all humans. Hitachi Appliances is committed, therefore, to fulfilling its responsibilities by assisting in the realization of an environmentally harmonious and sustainable society as one of its management priorities.

Promotion system for environmental management

The Environmental Policy and Environmental Action Plan of the Hitachi Appliances Group are deliberated and determined at an Environmental Management Officer Meeting of Environment Promotion Department and Environmental Management Officers from both domestic and overseas production centers under the supervision of the Environmental Strategy Officer, who supervises the entire group. Based on decisions made at this meeting, the Environment Promotion Department collaborates with both Business Divisions and Management Divisions to promote environmental conservation activities.

We at the Group also improve our operations and environmental efforts, and prevent environmental issues by conducting environmental internal audits of our domestic and overseas production centers (three domestic works and three overseas group member companies) every year.



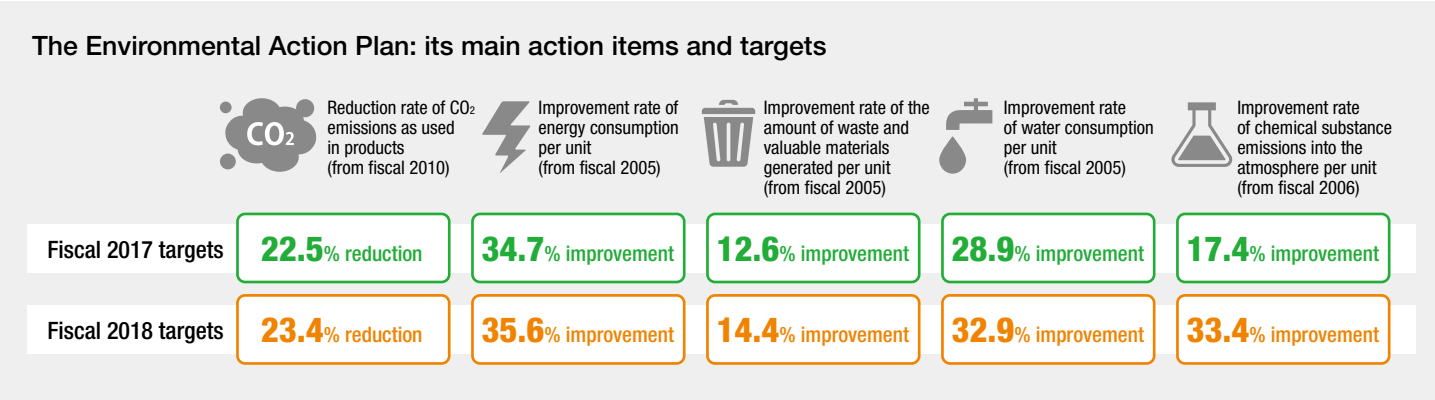
SDGs and the goals of Hitachi Environmental Innovation 2050. working to increase the energy conservation performance of its products

environmental burden of our industrial activities and steadily implement the PDCA cycle environmental control system to assess our environmental activities in detail.

Hitachi Appliances Group's Environmental Action Plan

The Hitachi Appliances Group establishes a concrete action plan every three years to achieve the Hitachi Group's Environmental Vision and its environmental long-term targets in Hitachi Environmental Innovation 2050. Established in fiscal 2016, the

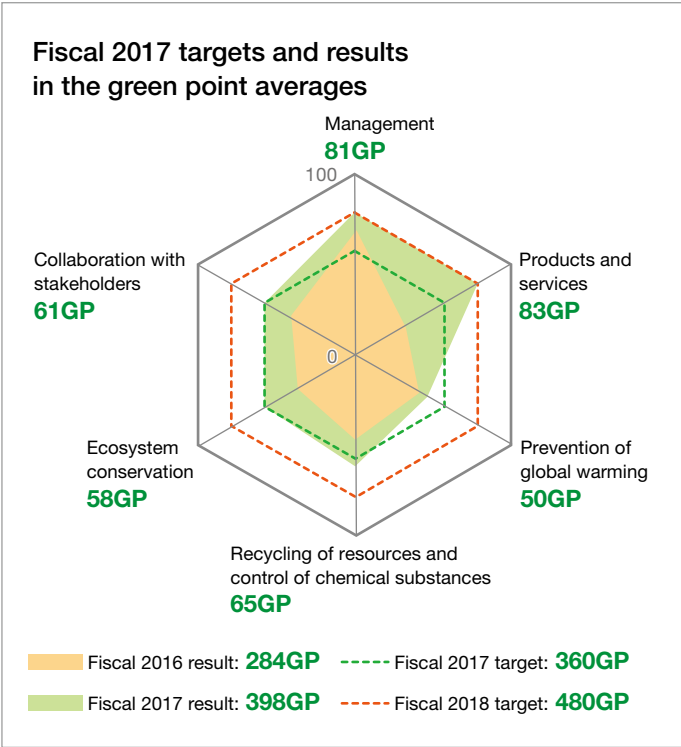
Hitachi Appliances Group's Environmental Action Plan (hereafter, "the Environmental Action Plan") set up a three-year plan of detailed action items to be addressed from fiscal 2016 to 2018.



Improving and reactivating activities by means of the assessment program for environmental activities

The Hitachi Group improves its environmental activities by using an original assessment program (GREEN21) for evaluating such activities at each works based on a certain set of standards. GREEN21 assesses each assessment item by means of five grades on a scale of 100 green points (GPs) for each item. Environmental activities are evaluated on a scale of 600 GPs in total. The assessment results are visualized on a radar chart to reconfirm the strengths and weaknesses of each item, and linking them for further improvement and activity reactivation.

The overall score of GREEN21 for fiscal 2017 amounted to 395 GPs, exceeding our target of 360 GPs. However, we fell far short of our target of addressing global warming. This was because our result for energy consumption per unit in fiscal 2017 fell short of our fiscal 2017 target from the Environmental Action Plan. This fiscal year, we will accelerate the introduction of efficient equipment, improvement of the production process, and other energy conservation measures, in an attempt to increase our energy consumption per unit and achieve our target in GREEN21.





Efforts toward a Low-carbon Society

Reducing energy consumption is the key to reducing greenhouse gas emissions that lead to The Hitachi Appliances Group is committed to providing its customers with even more energy- We also address the need to reduce energy consumption in the production process.

Improving the environmental performance of products

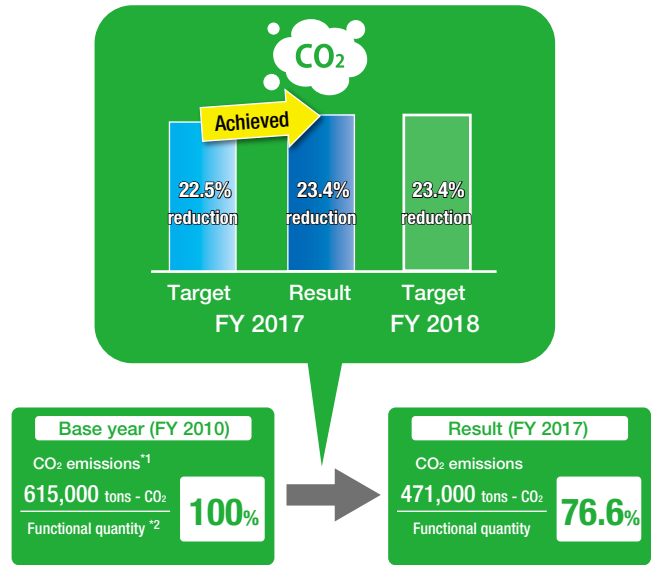
The Hitachi Appliances Group is committed to increasing the energy consumption and other environmental performance aspects of its products. By spreading eco-friendly products, the Group aims to help settle environmental issues.

In product development, the Group combines functional improvement with reduced environmental burden by assessing its reduction rate in CO₂ emissions as an indicator of the use of products by function.

The indicator is assessed on refrigerators, washers, LED lights, and heat pump water heaters in which such a measure could significantly reduce CO₂ emissions (power consumption) in the use of products. It evaluates not only reductions in power consumption in the use of products but also the internal volume of refrigerators and the increased washing capacity of washers as the effect of reduction of CO₂ emissions.

Based on such assessment, the Group aims to increase its sales of highly energy-saving products to reduce CO₂ emissions. Fiscal 2017 achieved a 23.4% reduction against its reduction target of 22.5% from fiscal 2010.

Reduction rates in CO₂ emissions for four products (refrigerators, washers, LED lights, and heat pump water heaters) in which CO₂ emissions can be significantly inhibited (from fiscal 2010)



*1: CO₂ emissions based on the assumption that a required number of units were used to obtain a functional quantity comparable to that of products from the assessment fiscal year

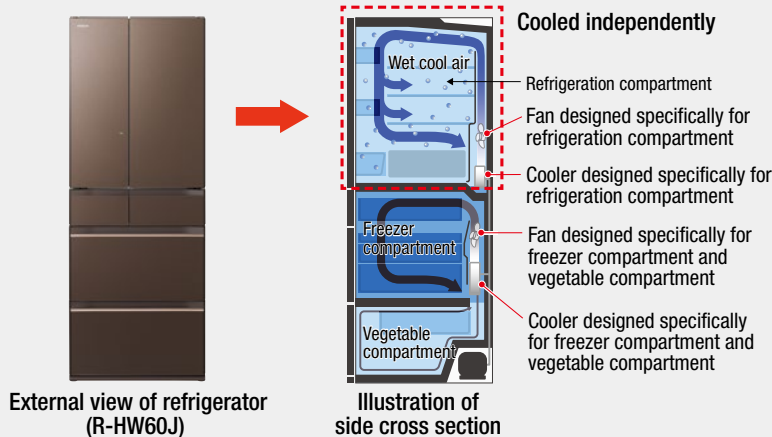
*2: Among the main functions of products, the function correlated with CO₂ emissions.

An example of efforts to improve the environmental performance of products

Development of refrigerators combining energy conservation with large capacity

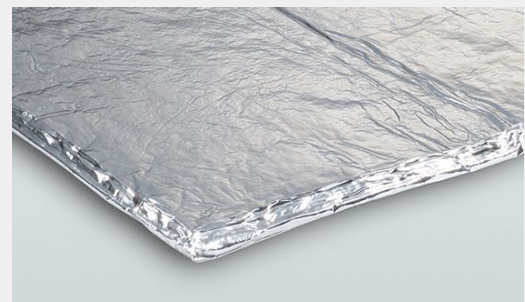
Energy conservation by means of a cooling system with an independent refrigeration compartment

Two coolers and two fans are provided, one each for the freezer compartment and the vegetable compartment, respectively. An independent refrigeration compartment makes it possible to raise the temperature of the cooler designed specifically for the refrigeration compartment, thereby reducing energy consumption.



Larger capacity with thin-wall design

Newly developed highly fluid foamed polyurethane is combined with a highly heat-insulating vacuum heat-insulating material to make the walls thinner, while retaining their heat-insulating performance and ensuring a larger capacity.



Vacuum heat-insulating material

*Vacuum heat-insulating material is used at different locations and comes in different shapes and quantities depending on the model.

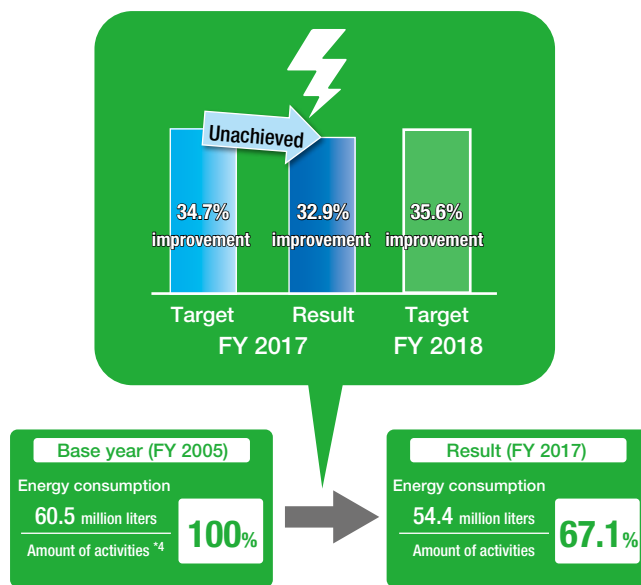
global warming.
 saving products to reduce energy use in the use of products.

Reducing energy use in the production process

The energy consumption in corporate activities is one emission source of carbon dioxide (CO₂) and other greenhouse gases that cause global warming. The Hitachi Appliances Group also uses energy when producing products. It therefore promotes the efficient use of energy consumed in its production activities. More specifically, the Group uses energy consumption per unit^{*3} as an indicator and is committed to a target of improving it by 35.6% by fiscal 2018 from the level in fiscal 2005.

In fiscal 2017, the Group achieved only a 32.9% improvement, falling short of its 34.7% target. The major cause is the Group's failure to improve its energy consumption per unit due to its add-on equipment, a rise in workload, the increased use of air conditioners due to intense heat, and other causes. In the future, we will further promote the introduction of efficient machinery, improvement of the production process, and other energy conservation actions not only at works that fell short of their goals but also at works that met their goals, thereby promoting its activities toward achieving its targets for fiscal 2018.

Improvement rate of energy consumption per unit (from fiscal 2005)



*3: Quotient of energy consumption in its crude oil equivalents divided by the amount of activities

*4: A value linked closely to energy consumption (such as production and quantity produced)

Typical activities to reduce energy consumption in the production process

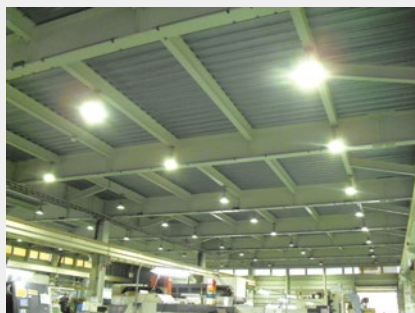
Introducing LED lights and other efficient equipment

The Group works to improve energy consumption per unit by systematically introducing LED lights, inverter air-conditioning, and other efficient equipment at specific works, in an attempt to increase the energy use efficiency of lamps and machinery.

The Taga Works of Hitachi Appliances replaced its old equipment with LED lights, efficient injection molders, amorphous transformers, and other efficient machinery in fiscal 2017. These actions resulted in about a 3% rise in energy consumption per unit from the previous year at the Taga Works.



Exchange-type LED lights



LED lights for high ceiling



Efficient injection molder



Attempts to Realize a Resource Efficient Society

To address resource depletion, waste, water shortages, and other environmental issues, the Group and thus remains committed to improving its use efficiency of water and resources.

Promoting product recycling

Enforced in 2001 to reduce waste emissions and effectively use resources, the Act on Recycling of Specified Kinds of Home Appliances obligates manufacturers to recycle used products from four home electronics products*¹ that they have manufactured. For each product, the Act also sets standards for the recycling rate*², thereby obligating manufacturers to achieve recycling rates exceeding the standards.

In response to said Act, Hitachi Appliances established Kanto Eco Recycle Co., Ltd. in 1999 as a company for recycling four used home electronics products at the Tochigi Works. Information obtained at the factory is fed back to product design and used to increase the recycling rate of products. Five suppliers*³ including Hitachi Appliances in the same industry collaborate in developing recycling technology, as well as establishing and running an efficient nationwide recycling system. These efforts allowed the recycling rate of used home electronics in fiscal 2017 to reach 81% for refrigerators and freezers, and 93% for washers and clothes dryers, thus exceeding the legal standards.



Washers being recycled

*1: Room air conditioners, refrigerators, freezers, washers, clothes dryers, and TVs (of the CRT, liquid crystal and plasma types).

*2: Of used home electronics taken in by manufacturers and similar agents, the percentages of those transferred for a fee or free of charge as parts and raw materials are measured in terms of weight. The legal standard for the recycling rate of refrigerators and freezers is 70%; that for washers and clothes dryers is 82%.

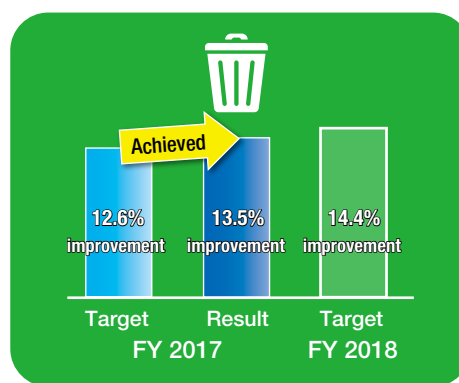
*3: Sharp Corporation, Sony Corporation, Fujitsu General Limited, Mitsubishi Electric Corporation, Hitachi Appliances, Inc. (five companies in total)

Reducing waste in the production process

Resource issues due to economic development and population growth are common worldwide, and actions are being demanded to control the mass consumption of resources and the large quantities of waste. The Hitachi Appliances Group also views waste and sellable scraps (valuables) in a similar way, and is therefore committed to inhibiting such waste and scraps. The Group is working toward achieving a target of increasing waste and valuable materials generated per unit*⁴ by 14.4% from fiscal 2005 in fiscal 2018.

In fiscal 2017, the Group in its entirety saw an upward trend in the amount of waste due to its business growth and promoting actions to make efficient use of materials, by such means as recycling auxiliary materials and mills ends generated in the production processes at its works. This allowed the amount of waste and valuable materials generated per unit to rise to 13.5%, exceeding its target of a 12.6% improvement. The Group will improve material use efficiency even further, aiming to achieve the fiscal 2018 target.

Improvement rate of the amount of waste and valuable materials generated per unit (from fiscal 2005)



*4: Quotient of the amount of waste and valuable materials divided by the amount of activities

*5: A value linked closely to the amount of waste and valuable materials (such as production and quantity produced)



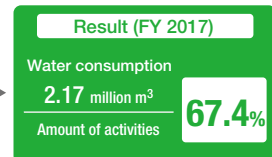
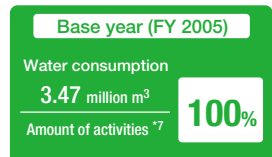
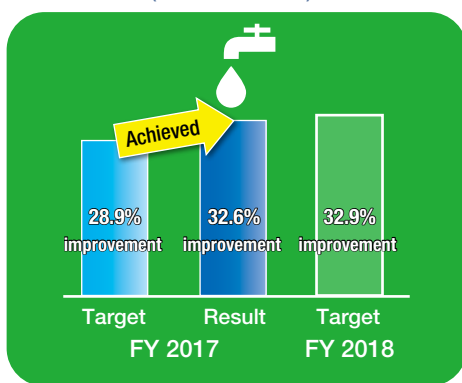
Hitachi Appliances Group promotes the reduction of water consumption in its production process,

Reducing water consumption in the production process

The Hitachi Appliances Group uses water in its product testing, equipment cooling, painting, and other production processes. Water resources are faced with a shortage of household and agricultural water due to population growth, ground subsidence stemming from the pumping-up of underground water, and other issues involving various aspects. To help settle these issues, the Group has been promoting a decline in water consumption as one unit. As activity targets, the Group is working on improving water consumption per unit*6 toward a 32.9% rise from fiscal 2005 in fiscal 2018.

In fiscal 2017, the Group as a whole worked to improve water consumption per unit by 28.9%. The Group then repaired piping leaks at its works, reused wastewater from painting, reduced the number of parts to be painted, and made various other efforts to control water intake, thereby managing to improve water consumption per unit by 32.6% and achieving the target.

Improvement rate of water consumption per unit (from fiscal 2005)



*6: Quotient of water consumption divided by amount of activities
*7: A value linked closely to water consumption (such as production and quantity produced)

Typical efforts to make effective use of resources

Using recycled plastic

To make effective use of resources, the Group reuses plastic collected from used home electronics as material for new parts. The Hitachi Appliances Group has installed its equipment on the premises of Hitachi Appliances Techno Service, Ltd. at the Taga Works to manufacture recycled plastic. Plastic recycled there is used for the parts of washers, refrigerators, and other home electronics.



Typical application of recycled plastic

Recycling painting wastewater

To make effective use of water resources, the Hitachi Appliances Group's overseas works—Hitachi Consumer Products (Thailand)—has installed a filtration unit in the drainage equipment of the painting process, thereby recycling water used in painting. This reduced water use in painting equipment by about 720 m³ (about 67%) in fiscal 2017.



Painting wastewater treatment equipment



Efforts to Create a Society Harmonized with Nature

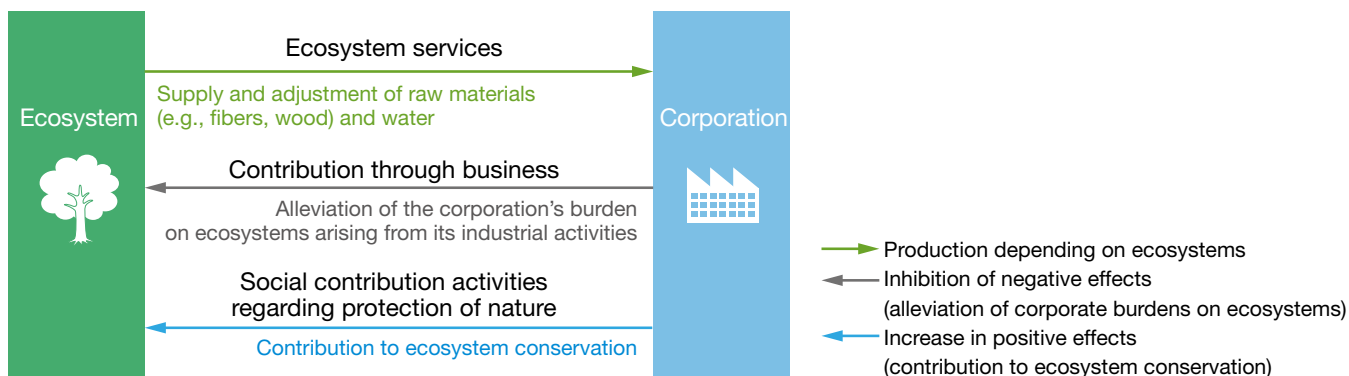
In its business operations, the Hitachi Appliances Group affects ecosystems more than a little. The Group appropriately controls chemicals that may affect ecosystems as part of its efforts to It is also committed to reducing chemical emissions in its production processes.

Relations between ecosystem conservation and corporations

Our life is based on the various benefits of nature ("ecosystem services") provided by air, water, soil, animals, plants, and other natural capital. The Hitachi Appliances Group also affects ecosystems to a certain extent in all value chains, including the procurement of raw materials, product manufacturing, and use of energy for transporting materials and products. We therefore work to maintain and recover ecosystem services by means of contribution through business and by social contribution activities

regarding protection of nature. Of these activities, contribution through business promotes design and production activities that alleviate a corporation's burden on ecosystems, while providing energy-saving products. We also control chemical substances properly by positioning it as part of ecosystem conservation activities. Moreover, social contribution activities regarding protection of nature promotes ecosystem conservation, involving Group companies both in and outside Japan.

Relations between ecosystem conservation and corporations



Typical efforts to conserve ecosystems

Planting mangroves

Representatives of Hitachi Consumer Products (Thailand) planted mangrove trees at the Mangrove Protection Center, Klong Khon, Samut Songkhram Province, Thailand in September 2017. The company has been engaged in various volunteer projects every year as part of its CSR activities. The tree-planting project was one of those activities. In that region, mangrove

trees have been removed to make culture ponds, thereby reducing forests. To help conserve forests this time, the company planned this project. The project attracted 220 participants, comprising employees and local inhabitants. They joined forces and planted 300 trees.



Mangrove trees being planted

conserve ecosystems.

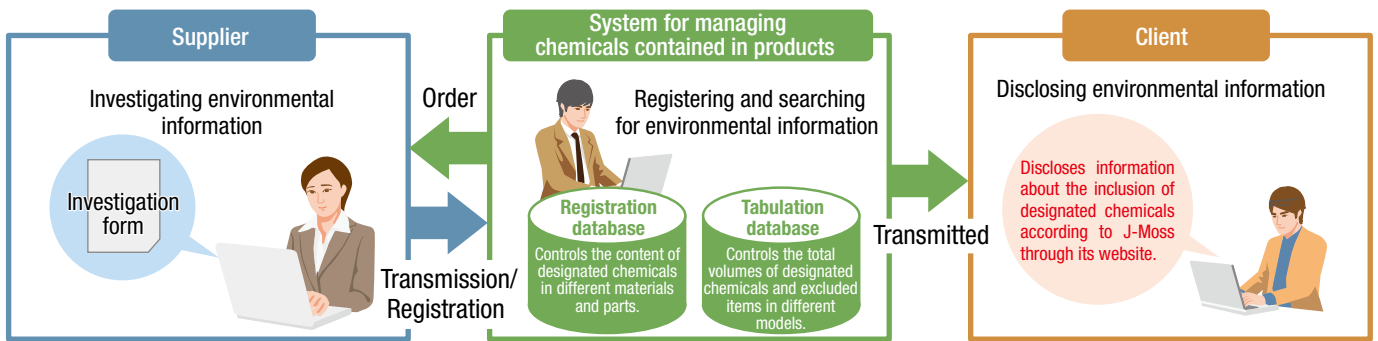
Controlling chemicals contained in products

As part of its ecosystem conservation activities, the Hitachi Appliances Group manages chemicals contained in materials, parts, and other members in the stages of product development, design, procurement, and manufacture. Of these, the most important process is procurement. Chemicals in that process of procurement are strictly controlled according to the Hitachi Group Green Procurement Guidelines published by the Hitachi Group. In collecting information about the inclusion of chemicals, the Group investigates the content of chemicals in all purchased members involved in production, such as not only parts incorporated into products but also oils used in

production processes, in collaboration with its suppliers. The Group also centrally manages information about the inclusion of substances obtained from surveys and shares it among related departments. And based on J-Moss^{*1}, the Group discloses information about the inclusion of chemicals in products to outside parties through its website.^{*2}

^{*1}: A common designation for JIS C 0950 (Marking for the presence of specific chemical substances for electrical and electronic equipment)
^{*2}: For refrigerators, washers, clothes dryers, microwave ovens, and air conditioners

Overview of the management of chemicals contained in products



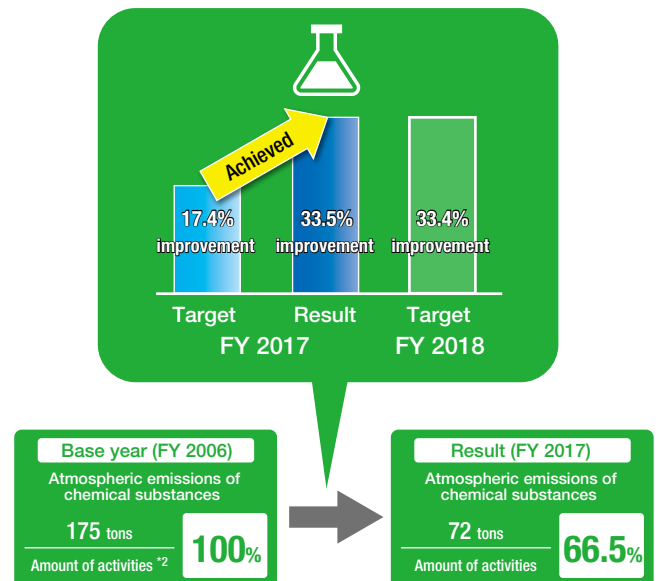
Reducing chemicals in the production process

The Hitachi Appliances Group prevents air pollution by being committed to properly managing chemicals and reducing the emissions of volatile organic compounds (VOCs) and other substances discharged by factories. Its target is a 33.4% improvement from fiscal 2006 in fiscal 2018 by using the amount of chemical emissions into the atmosphere per unit^{*1} as an indicator.

The improvement in the atmospheric emissions of chemical substances per unit in fiscal 2017 reached 33.5%, far exceeding the 17.4% target. The Group's main improvement action was to reduce painted parts, thereby reducing chemical emissions derived from paints. As a result, it managed to improve the atmospheric emissions of chemical substances per unit.

The Group also monitored the emission levels of sulfur oxides (SOx), nitrogen oxides (NOx), and other substances, whose measurement is obligated by laws applicable in locations where the Group's operates both at home and abroad. In so doing, the Group properly controls its use of chemicals according to applicable laws.

Improvement rate of chemical substance emissions into the atmosphere per unit (from fiscal 2006)



^{*1}: Quotient of chemical substance emissions into the atmosphere divided by the amount of activities
^{*2}: A value linked closely with the atmospheric emissions of chemical substances (such as the amount of chemical substances handled and their production)



Environmental Communication and Social Contribution Activities

The Hitachi Appliances Group recognizes that it is important to interact with its actual and potential their families, and many other stakeholders. It therefore disseminates information among outside websites, and other means, and engages in volunteer activities with the participation of its employees,

Employee training

In 2009, the Hitachi Appliances Group received an order to remove certain information from its catalogs and other documentation on its refrigerators as per the Act against Unjustifiable Premiums and Misleading Representations. In connection with that order, the Group had caused great inconvenience to its customers and stakeholders. To prevent itself from ever forgetting the lesson that it learned there, the Group has since been inviting outside lecturers to give seminars and symposiums on ads and displays to its employees every year.

On April 14 in fiscal 2017, the Group invited Ms. Yukiko Furuya, a captain of the Consumer Conference for Sustainability, and Mr. Ikuo Sugimoto, a representative of the Citizens Environmental Foundation (an accredited NPO), to give lectures on contemporary issues regarding notices, displays and communication with consumers from the viewpoint of preventing greenwashing.



Symposium in action

Disseminating information to stakeholders

When a company aims to help build a sustainable society, it is very important to disseminate information to its stakeholders. The Hitachi Appliances Group issues Environmental Reports to properly disclose its environmental information. It is also active in its briefing sessions for customers, on its websites, and other means to disseminate information to its suppliers and customers.

Issuing Environmental Reports

The Hitachi Appliances Group issues an Environmental Report every year to disclose its environmental conservation efforts to increase public awareness of the Group.

These Environmental Reports are one of the Group's tools for communicating with its stakeholders. With particular attention given to its customers, the Group has made this year's edition even easier to understand than its previous ones. In that effort, it received useful advice from Ms. Furuya of the Consumer Conference for Sustainability and Mr. Sugimoto of the Citizens Environmental Foundation (an accredited NPO).



A meeting in action by Environmental Report editors

Disseminating information to suppliers

The Hitachi Appliances Group manages chemicals included in materials and parts by investigating chemical substances contained in materials and parts according to the Hitachi Group Green Procurement Guidelines established by the Hitachi Group. Such investigation requires the understanding and cooperation of its suppliers, so that the Group holds a briefing

session for its suppliers when necessary, thereby seeking their understanding and collaboration. In these sessions, the Group explains the latest trends in the Green Procurement Guidelines and legal regulations on chemicals in different countries, methods of analyzing chemicals included in products, and other issues.

consumers, distributors, suppliers, members of the community near its works, employees, parties through internal training sessions attended by outside knowledgeable people, thereby promoting communication in various forms.

Disseminating information to customers

The Hitachi Appliances Group strives to help its customers select the appropriate energy-saving products by letting them know about the energy conservation performance of its products through its websites, catalogs, and other documents. More specifically, the Group displays its achievement rates of energy conservation standards and its annual power consumption, while presenting where its representative models and other energy-saving technologies are used.

The Group also strives to help its customers save electric energy by presenting the points of effective energy saving that they can follow at home through its websites, where such information is summarized for each product.

Lectures to local businesses

As a member of the local communities, member companies of the Hitachi Appliances Group interact closely with local businesses through Chambers of Commerce and Industry and other channels.

In September 2017, the Tochigi Works of the Hitachi Appliances Group sent a person responsible for environmental conservation to an environmental symposium sponsored by the Ohira-machi, Tochigi-shi Industrial Society, where he gave a lecture on how the Tochigi Works had been striving to reduce its industrial waste emissions.



Symposium in action

Social contribution activities

The Hitachi Appliances Group engages in social contribution activities in line with its common principles of social contribution activities.

[Policy on social contribution activities]

The Hitachi Group promotes interactive communication with local society through social contribution activities related to business activities, employee volunteers and charitable activities in the key fields of human development, environment and community support.

The Hitachi Global Lights-off Campaign

The Hitachi Appliances Group participated again this year in the Hitachi Global Lights-off Campaign, which Hitachi has been carrying out each year. This campaign has been conducted in conjunction with Earth Hour, an event sponsored by the World

Wildlife Fund (WWF). This year, on March 24, 2018, the Hitachi Appliances Group turned off the Hitachi signs, office lights, lights on the premises of its manufacturing centers, and other lightings from 20:30 to 21:30 local time.

Cleaning around the works

The Hitachi Appliances Group has been cleaning the neighborhoods near its works as part of its social contribution.

The Ome Works of Hitachi Appliances, Inc. did some cleaning around its works as part of the Nationwide Fire Prevention Campaign in November 2017 and March 2018.



Cleaning in progress

Corporate Overview

Company name	Hitachi Appliances, Inc.
Main business	Development, manufacture and sales of kitchen and home appliances, lighting and housing equipment, and sales and services of refrigerating and air conditioning products
President & Director	Toshiaki Tokunaga
Capital Stock	20 billion yen (Hitachi, Ltd. 100%)
Established	April 1, 2006 (Registered establishment date: November 26, 1998)
Consolidated revenues	418 billion yen (for the fiscal year ended March 31, 2018)
Consolidated number of employees	8,300 (as of the end of March 2018)
Manufacturing sites	Tochigi Works, Taga Works, and Ome Works
Locations of sales and service sites	Hokkaido, Miyagi, Fukushima, Tochigi, Gunma, Ibaraki, Saitama, Tokyo, Kanagawa, Nagano, Toyama, Aichi, Kyoto, Osaka, Hyogo, Hiroshima, Yamaguchi, Kagawa, and Fukuoka
Website	http://www.hitachi-ap.com/

Group Companies

Home appliances and environmental equipment

- Hitachi Appliances Techno Service, Ltd.
- Shanghai Hitachi Household Appliances Co., Ltd.
- Hitachi Compressor (Thailand), Ltd.
- Hitachi Consumer Products (Thailand), Ltd.

Refrigerators and air-conditioners

- Hitachi-Johnson Controls Air Conditioning, Inc.
- Hitachi Air Conditioning Kanto Co., Ltd.
- Niigata Hitachi Co., Ltd.
- Hitachi Air Conditioning Kansai Co., Ltd.
- Hitachi Air Conditioning Kyushu Co., Ltd.

Others

- Kanto Eco Recycle Co., Ltd.
- Hitachi Softec Co., Ltd.

Cover
photo

Nepal holly tree at the Taga Works
This tree was planted in front of the main building in 1960. Reportedly more than 650 years of age, the tree serves as a symbol of the greens at the Taga Works.

Scope of the report

Applicable period	Fiscal 2017 (April 1, 2017 to March 31, 2018)
Applicable organization	Hitachi Appliances, Inc. and its consolidated subsidiaries
Method of setting data for the reference year	See JIS Q 14064-1: 2010 (Greenhouse Gases – Part 1: Specifications and Guidelines for Quantifying and Reporting the Emission and Absorption Levels of Greenhouse Gases in Organizations).

Contact Address

Hitachi Appliances, Inc. Environment Promotion Department, Business Strategy Division

Hitachi Atago Bldg., 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8410 Japan
TEL: +81-3-3502-2111 FAX: +81-3-3506-1527

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