

# Promoting CSR activities with objectives and policies shared by our group

We set a CSR objective (to clarify the direction of CSR activities) and a policy for each CSR theme and investigated CSR activities in FY2005. In FY2006, the plan for CSR activities was based on the results of the investigation to promote CSR activities. We will further promote CSR activities with the PDCA cycle, with next year's plan based on the results of the current year.

### CSR objectives

"We are resolved to globally develop activities based on our corporate philosophy and continue to contribute to society."

### Issue of CSR report

We issued our first CSR report in Japanese and English last year. We distributed the report to our stakeholders including our shareholders, analysts, business partners, students, and posted it on our web site to give them as many opportunities to know our group's CSR activities. We also distributed it to all of our group's employees to ensure that every employee knows about the CSR activities of our group. This year, we will also issue the CSR report in Chinese for people in China. We will set up our website to receive the opinions of stakeholders about each article on the CSR report.

### CSR training and CSR activity investigation for group companies in Japan

We trained 22 of the companies in our group in Japan in CSR, because all group companies are required to participate in CSR activities. We also investigated each company's CSR activities using questionnaires and interviews. Based on the results, group companies in Japan will plan CSR activities and perform the activities in accordance with the plan in FY2007. We will do the same for overseas group companies this fiscal year.



CSR training at TCM

### CSR and brand management explanation at the Hitachi Construction Truck Manufacturing all employee meeting

Mr. Walter, the president of Hitachi Construction Truck Manufacturing in Canada, explained CSR and brand management at the all employee meeting in December 2006, and activities for CSR and brand management started at the company. They will perform CSR activities as "Kenki-jin".

### Hitachi Sumitomo Heavy Industries Construction Crane set their company vision

Hitachi Sumitomo Heavy Industries Construction Crane laid out their company vision in January 2007 to establish corporate culture through the merger of Hitachi and Sumitomo and to be the top crane company. The company will perform CSR activities based on the vision consisting of the company duty, attitude and principles of conduct.

## ◆ CSR activity plans and their execution for FY2006, and targets for FY2007

| Policy   | Plan for FY2006   | Result of FY2006  | Relevant Page                           | Plan for FY2007   |
|--|---|---|---|---|
| <b>1. Commitment to Corporate Social Responsibility(CSR)</b>   | <ul style="list-style-type: none"> <li>·Publishing CSR report.</li> <li>·Providing CSR training to Hitachi Construction Machinery and 22 group companies in Japan.</li> </ul>   | <ul style="list-style-type: none"> <li>·Japanese version (June 2006) and English version (September 2006) published.</li> <li>·Executed.</li> </ul>   | P18<br>P19                              | <ul style="list-style-type: none"> <li>·Issue of Japanese, English and Chinese versions of CSR report.</li> <li>·Training and activity investigations for overseas Group companies.</li> </ul>  |
| <b>2. Contributing to Society through our Business</b>         | <ul style="list-style-type: none"> <li>·Continuous quality improvement.</li> <li>·Summing up customer information.</li> <li>·Developing new model demining equipment.</li> <li>·Developing environmentally friendly products.</li> <li>·Developing products for recycling.</li> </ul>   | <ul style="list-style-type: none"> <li>·"Gleaning" performed by 8 companies, 1 company investigated about global production, 1 company investigated about PS (product safety).</li> <li>·Executed.</li> <li>·2 models tested in Cambodia.</li> <li>·6 models commercialized.</li> <li>·3 models commercialized.</li> </ul>  | P22<br><br>P24<br>P12<br>P42<br>P43     | <ul style="list-style-type: none"> <li>·Execution to continue.</li> <li>·Introduction of system to use information.</li> <li>·Demonstration in mine-ravaged countries.</li> <li>·Execution to continue.</li> <li>·Execution to continue.</li> </ul>   |
| <b>3. Disclosure of Information and Stakeholder Engagement</b> | <ul style="list-style-type: none"> <li>·Posting information of CSR report and activities on website.</li> <li>·Strengthening security by categorizing confidential documents and fingerprint authentication.</li> <li>·Personal information protection audit for four group companies.</li> </ul>   | <ul style="list-style-type: none"> <li>·CSR report in Japanese (July 2006) and English (October 2006) posted on website. CSR activities introduced accordingly.</li> <li>·Executed.</li> <li>·Performed at three group companies.</li> </ul>  | P18<br><br>P26<br>P26                   | <ul style="list-style-type: none"> <li>·Execution to continue with addition of Chinese version.</li> <li>·Commencing operation of security platform.</li> <li>·Audit of six Group companies.</li> </ul>   |
| <b>4. Corporate Ethics and Human Rights</b>                    | <ul style="list-style-type: none"> <li>·Compliance training to all employees of Hitachi Construction Machinery and RECs and employees of group companies working at Tsuchiura Works.</li> <li>·Compliance audit of six group companies.</li> <li>·Export control training: 1 group company, export control audit sales division and 3 group companies</li> <li>·Measures to prevent disclosure of technical information overseas.</li> <li>·Acknowledgement of risks of companies.</li> </ul> | <ul style="list-style-type: none"> <li>·Executed (289 times, attendees: 6,540)</li> <li>·Performed at three companies.</li> <li>·Export control training provided. Export control audit performed for sales division and 1 Group company.</li> <li>·Rules established and informed to relevant companies.</li> <li>·Information gathered.</li> </ul>                                | P21<br><br>—<br>P21<br><br>—<br><br>P21 | <ul style="list-style-type: none"> <li>·Compliance training for group companies in Japan.</li> <li>·Audit for 6 companies.</li> <li>·Practical training for related sections. Audit of four companies.</li> <li>·Provision of support for prevention measures to group companies in Japan.</li> <li>·Acknowledgement of risks.</li> </ul> |
| <b>5. Environmental Conservation</b>                           | Refer to page 34.   | Refer to page 34.   |   | Refer to page 34.   |
| <b>6. Corporate Citizenship Activities</b>                     | <ul style="list-style-type: none"> <li>·Preparing policy for contributions to society.</li> <li>·Contributing to society based on a plan.</li> </ul>  | <ul style="list-style-type: none"> <li>·Executed.</li> <li>·Supported an NPO, Good Earth Japan, and special sponsorship for Kasumigaura Marathon.</li> </ul>  | P30<br>P16, P17                         | <ul style="list-style-type: none"> <li>·Support for the NPO, Good Earth Japan, and special sponsorship for Kasumigaura Marathon.</li> </ul>   |
| <b>7. Working environment</b>                                  | <ul style="list-style-type: none"> <li>·Expansion of training for international projects, raising capable people for rental business and group companies.</li> <li>·Examination of employee satisfaction survey.</li> <li>·Thorough 3C interviews.</li> <li>·Mental health study.</li> </ul>  | <ul style="list-style-type: none"> <li>·Kasumigaura General Training Center opened for various training.</li> <li>·Prior investigation performed.</li> <li>·90% performed. Training for assessors given.</li> <li>·Health examinations provided to employees at head office, East Japan Division, West Japan Division and overseas offices. Introduction of EAP decided.</li> </ul> | P28<br>—<br>P28<br>P29                  | <ul style="list-style-type: none"> <li>·Execution to continue.</li> <li>·Employee satisfaction survey.</li> <li>·Complete performance of 3C interviews.</li> <li>·Introduction of EAP.</li> </ul>   |
| <b>8. Responsible Partnership with Business Partners</b>       | <ul style="list-style-type: none"> <li>·Revision of material procurement basic policy.</li> </ul>   | <ul style="list-style-type: none"> <li>·Material procurement basic policy revised, informed to business partners.</li> </ul>  | P23                                     | <ul style="list-style-type: none"> <li>·Execution to continue.</li> <li>·Provision of CSR training to suppliers.</li> </ul>   |