

Stepping up activities with group standards

Our group makes progress in our activities by planning activities for environmental conservation and setting targets for each activity in accordance with Hitachi Group Sustainability Compass which shows environmental management directions and activities. We evaluated our activities with GREEN21 to further improve the level.

GREEN 21 activities

We evaluated our activities for environmental conservation using the eight evaluation items of GREEN21 Ver. 3 shown in the table at bottom right. Our group obtained 946 GP (green points) in fiscal 2007, which exceeded the target set for the year of 896 GP. The group points for all eight items for fiscal 2007 exceeded those for fiscal 2006. The points for Item 5, future products and service strategies, were particularly good, exceeding the previous year score by more

than 150 points. The points for Item 3, eco-products / environmentally friendly products, and Item 4, eco-products / green procurements, exceeded those of the previous year, but can be improved considerably. This is because the activities of the entire company including group companies fell short. Our group will aim for 1,024 GP for fiscal 2008 by strengthening insufficient items and further enhancing good items.

Plans for our entire group

Category	Environmental activity plans	Plan for FY2007	Results of FY2007	Evaluation	Plan for FY2008	Final fiscal year (FY2010)	
Promotion to create environmental value	GREEN 21 Ver.3	Raising green points (GP)	896 GP	946 GP	○	1024 GP	1280 GP
	Promotion of emission neutral	To match the "direct environmental impact (converted to CO ₂)" caused during procurement, production and distribution with the "reduction in social environmental impact (converted to CO ₂)" realized during use of the products. (base year: 2005)	—*	—*	—*	Understanding direct environmental impact overseas (total materials input, transportation, waste disposal).	Achieve emission neutral (FY2015).
Eco-mind & global environmental management	Promotion of environmental management	Strengthening consolidated environmental management and implementing a system to comply with environmental regulations.	Same as left	Strengthening the TCM group under the new environmental system. Submission an environmental impact report by each company.	○	Strengthening consolidated environmental management and complying with environmental regulations.	
	Environmental management system	Introducing an environmental management system including associates	Acquisition of ISO14001 certification, 2 business establishments in Japan	2 business establishments in Japan and 1 business establishment overseas acquired.	○	Apply to one more business establishment in Japan.	Increase the number of business establishments with certification.
	Environmental accounting	Embedding consolidated environmental accounting	Increase the number of companies	Two companies added. Consolidation of nine companies.	○	Increase the number of companies	Increase the number of companies
	Fostering environmental literacy (practical capacity)	Raising awareness and promoting environmental training	Start from subject business establishment	Environmental e-learning at 11 companies	○	Increase the number of business establishments	Increase the number of business establishments
Worldwide environmental partnerships	Promotion of green purchasing	Raising the green purchasing ratio (base year: 2006)	30%	89% (business establishment in Japan)	○	82%	90%
	Information disclosure	Active information disclosure concerning environmental activities and environmental accounting	Issue CSR report, opening business establishments to the public	CSR report issued in June. Plants opened to the public in November.	○	Issue CSR report, opening business establishments to the public	Issue CSR report, opening business establishments to the public
Global citizen activities	Constructive planning of, and participation in, social contribution.						

○: achieved △: not achieved

Plans for non-manufacturing establishments (head office, East Japan Division, West Japan Division, group companies in service, sales and rental business, etc.)

Category	Environmental activity plans	Plan for FY2007	Results of FY2007	Evaluation	Plan for FY2008	Final fiscal year (FY2010)	
Super eco-factories & offices	Prevention of global warming	Reduction in CO ₂ emissions generated by energy	Reduction of electricity consumption by 3% (base year: 2004)	Increased by 35%	△	4% reduction	6% reduction
	Effective use of resources	Promotion of 3Rs (reduce, reuse, recycle)	Targets for each business establishment (base year: 2004)	Recycling rate of 92%	○	Targets for each business establishment	Targets for each business establishment
	PCB management (in Japan)	Thorough management (for quantities, leaks, etc.) and treatment of electrical equipment using PCB (transformers, condensers, etc.)	Same as left.	Confirming the number of machines containing PCB during regular checking	○	Thorough management and treatment	Complete disposal by 2016

○: achieved △: not achieved

Plans for manufacturing business establishments

Category	Environmental activity plans	Plan for FY2007	Results of FY2007	Evaluation	Plan for FY2008	Final fiscal year (FY2010)		
Next generation products & services	Prevention of global warming	Development of technology to reduce CO ₂ emission	Creation of a plan	Creation of a plan	○	Promoting research and development		
	Environmentally friendly products	Environmentally friendly design assessment for new products	6 models	10 models.	○	100% to be maintained	100% to be maintained	
	Promoting production which fulfills environmental CSR	Promotion of green procurement, increasing green supplier rate	(79% Hitachi Construction Machinery)	73% (production establishments in Japan) (83% Hitachi Construction Machinery)	○	79%	100%	
		Management of chemicals contained in products	—*	—*	—*	Setting up a system	Setting up management system	
Sustainable society business model	Making efforts to expand range of sustainable business models including sales increase of Hi-OSS and collection and recycling of used products	Same as left.	Collecting used counterweights of 248t	○	Targets set for each division	Targets set for each division		
Super eco-factories & offices	Prevention of global warming	Reducing CO ₂ emissions generated by energy	• Reducing CO ₂ emissions (in Japan) (base year: 1990) • Reducing CO ₂ emissions per sales (in Japan) (base year: 1990) • Reducing CO ₂ emissions per sales (overseas) (base year: 2003)	8% increase 22% reduction 2% reduction	Up 21% because of construction of a new plant, etc. 27% reduction 4% reduction	△ ○ ○	Change to emission neutral 23% reduction 3% reduction	Change to emission neutral 25% reduction 5% reduction
		Reducing energy requirement of transportation	• Rate of reduction of transportation energy per sales (base year: 2006) (in Japan)	1% reduction	5% reduction	○	2% reduction	4% reduction
		Reduction in quantity of wastes generated	• Reduction of emissions per sales (base year: 2000)	7% reduction	36% reduction	○	8% reduction	10% reduction
	Effective use of resources	Promotion of 3Rs (reduce, reuse, recycle)	• Final disposal ratio max. 1% and less than 5t/year of finally disposed waste (covering industrial waste and ordinary waste)	To be completed at the relevant business establishments	Total of 5 business establishments in Japan (2 business establishments added).	○	To be completed at the relevant business establishments	Increasing the number of business establishments
		Effective use of water	• Reducing water consumed per sales (overseas) (base year: 2005)	2% reduction	4% reduction	○	3% reduction	5% reduction
		Plant drainage, water quality management	• Thorough monitoring based on self-management standards • Thorough monitoring based on self-management standards	To comply with the wastewater standards values	One case of exceeding wastewater standards values (measured implemented.)	△	To comply with the wastewater standards values	To comply with the wastewater standards values
	Reducing use of new packing materials for supply parts per sale (base year: 2005)		2% reduction	2% reduction	○	3% reduction	5% reduction	
	Chemical management	Reduction of VOC emissions	• Reducing VOC emissions in total sales (base year: 2000) (in Japan)	16.5% reduction	36% increase	△	20% reduction	25% reduction
PCB management	Thorough management (for quantities, leaks, etc.) and treatment of electric equipment using PCB (transformers, condensers, etc.)	Same as left.	Confirming number of machines containing PCB during regular checking	○	Thorough management and treatment	Completing disposal by 2016		

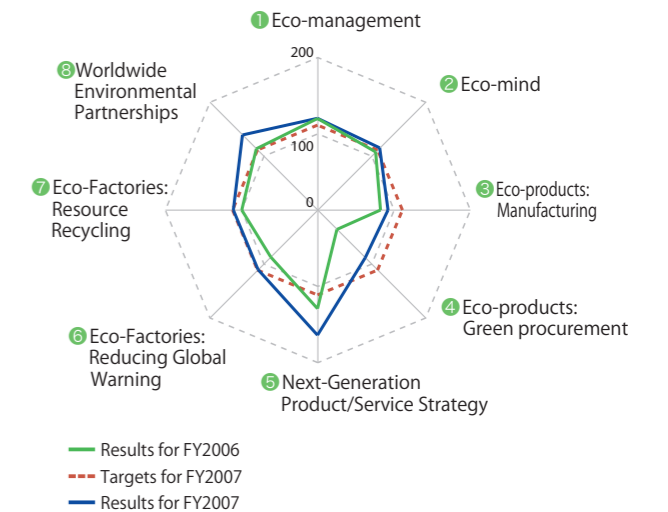
○: achieved △: not achieved

*Items for which "—" is marked for plan for FY2007 start from FY2008. Items for which "—" is marked for plan for FY2008 ended in FY2007.

Trends in green point targets and results

Evaluation standards	GREEN21 Ver. 3				
Fiscal year	2006	2007	2008	2009	2010
Target	768GP	896GP	1024GP	1152GP	1280GP
Result	780GP	946GP	—	—	—

Details of green points



Assessment items of GREEN21 Ver. 3

1 Eco-management	Action plan, environmental accounting, risk management
2 Eco-mind	Employee training and education
3 Eco-products Manufacturing	Eco-design management system, Eco-Products, control of hazardous substances contained in products
4 Eco-products Green procurements	Green procurement, green purchasing
5 Next-Generation Product/Service Strategy	Business and product strategy, sustainable business, publicity
6 Eco-Factories Reducing Global Warming	Energy saving at production facilities, environmentally responsible distribution
7 Eco-Factories Resource Recycling	Waste reduction, chemical substance management
8 Worldwide Environmental Partnerships	Information disclosure, communication activities, global citizen activities

