

Eco-Management—2

GREEN 21 Evaluation of Environmental Activities

Promoting GREEN 21 activities

Since 1998 the Hitachi Group has been promoting GREEN 21, a self-evaluation system intended to continually enhance and improve environmental conservation activities. The Hitachi Chemical Group is a participant.

GREEN 21 evaluations cover all environmental conservation activities based on a set of standards for promoting environmental management.

Furthermore, processes for attaining the goals and the level of accomplishment are numerically expressed as Green Points (GP), objectively weighted by designated criteria in each category, thereby encouraging year-on-year progress in the level of overall environmental conservation activities.

Results of activities for 2005

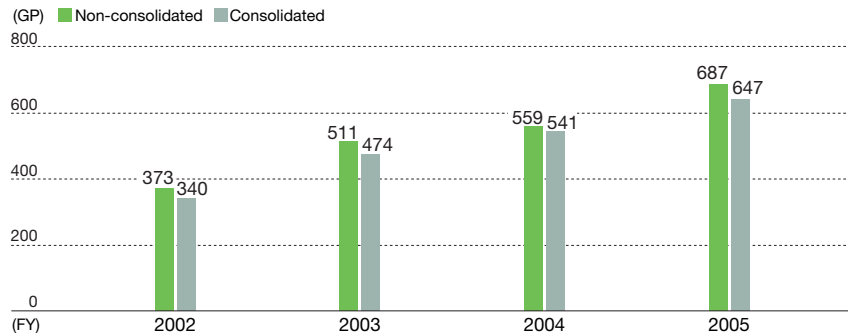
In 2002 the Group started the GREEN 21 Version 2 initiative targeting 640 GP. Our intent has been to achieve both social contributions and profitability, while also strengthening our efforts to develop eco-friendly products and reduce emissions of chemical substances.

The number of points earned in 2005 increased over the previous year from 559 GP to 687 GP on a non-consolidated basis and from 541 GP to 647 GP on a consolidated basis, meeting our goal of 640 GP.

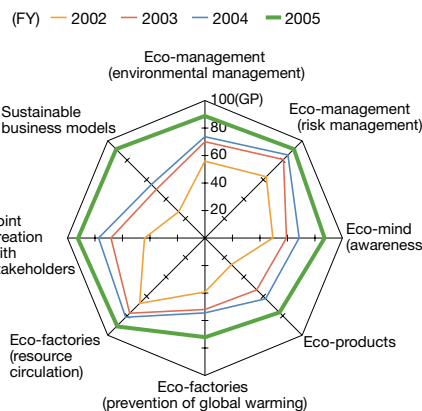
Activity goals for 2006

Having attained the goals of the GREEN 21 Version 2 activities in 2005, the Hitachi Group launched GREEN 21 Version 3 activities covering the years 2006 to 2010. In concrete terms, in addition to evaluating our overall efforts to reduce environmental impact, we will evaluate environmental considerations for a product's entire life cycle and strengthen environmental conservation efforts by overseas Group companies. Our goal through these activities is to achieve 1,280 GP by the final year of the project.

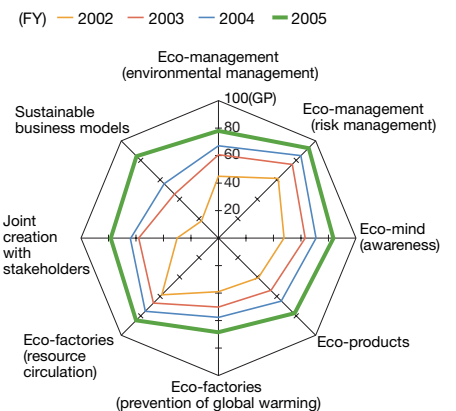
GREEN 21 Version 2 evaluation results



Evaluation radar chart (Non-consolidated)



Evaluation radar chart (Consolidated)



Evaluation criteria of GREEN 21 Version 2

Category	Principal performance indicators
Eco-management (environmental management)	Environmental management, action plans, and environmental accounting
Eco-management (risk management)	Compliance with laws and voluntary standard setting
Eco-mind (awareness)	Training and education of employees
Eco-products	Assessment of products and services, green procurement and transportation
Eco-factories (prevention of global warming)	Energy saving and CO ₂ reduction
Eco-factories (resource circulation)	Waste reduction and chemical substance control
Joint creation with stakeholders	Information disclosure, communication, and community activities
Sustainable business models	Organization, plans, product recycling, and activity for environmental restoration

Evaluation criteria of GREEN 21 Version 3

Category	Principal performance indicators
Eco-management (environmental management)	Environmental management, group control, environmental accounting, legal compliance
Eco-mind (awareness)	Environmental education (Group-wide, general, specialized, internal auditor)
Eco-products (green products)	Enhanced product lineup, improvement in factors, control of chemical substances contained in products
Eco-products (green procurement)	Promotion of green procurement and purchasing
Next products and services strategy	Promotion of sustainable business
Eco-factories (prevent global warming)	Energy conservation, reduced CO ₂ emissions, environmental considerations in physical distribution
Eco-factories (resource circulation)	Waste reduction, resource recycling and reuse, chemical substance control
Collaboration with stakeholders	Information disclosure, communication, activities as a global citizen