

Creating a Vibrant, Safe and Healthy Working Environment Responsibility to Employees

Respect for human rights

← P12 CSR Policy 4 7

Sustainable corporate development requires respect for human rights and the personality of each employee as well as the creation of a corporate culture that allows workers to freely demonstrate their individuality and creativity.

Based on this stance, the Hitachi Chemical Group has been promoting human rights education in Japan and offered training for managers and new employees in 2007.

Overseas, we strive to comply with local regulations in accordance with the central labor standards of the ILO*, including protecting freedom of association and the right to collective bargaining; prohibiting forced labor; abolishing child labor; and eliminating discrimination in hiring and employment practices.

* ILO: International Labour Organization. This is a United Nations organ that provides recommendations and guidance to governments on improving working conditions and enhancing social welfare

Promotion and support of diverse human resources

← P12 CSR Policy 7

● Global promotion of diversity in human resources

The Hitachi Chemical Group is globalizing its business to realize its corporate vision of leading in the creation of new

and innovative value throughout the world.

This requires hiring and training outstanding human resources representing various ways of thinking and backgrounds, regardless of nationality or gender. We are actively seeking diverse personnel across the Group, developing training systems for middle management at overseas affiliates and educating domestic employees to understand other cultures.

● Support for balancing work and private life

The Hitachi Chemical Group has established various programs for supporting employees in balancing work and private life.

Starting in April 2008, we extended the period of childcare leave to the end of the child's first year of elementary school, and employees can now select to work reduced hours up to the time the child finishes sixth grade.

We also operate a re-employment program for former employees who had resigned due to childcare, family care needs or the relocation of their spouse; as well as telecommuting programs to support childcare and family care; exemptions from late-night work and reduced overtime.

We are developing new programs and periodically revising them, in addition to encouraging more employees to take advantage of these support programs by explaining them in simple terms on our intranet.

Corporate nursery supports employees in balancing their work and raising children

In April 2008, the Hitachi Chemical Group opened the Sakura Hiroba, an in-house nursery near the Yamazaki Works, as part of our efforts to support employees balance work and raising children.

The nursery's management is contracted to Pigeonhearts Corporation, which operates such services

nationwide, and it can accept up to 20 pre-school age children of employees at Group companies. In our effort to ensure employees with children can work with confidence, we also provide extended childcare, monthly childcare and temporary custody programs.

Sakura Hiroba corporate nursery



Creating a Vibrant, Safe and Healthy Working Environment

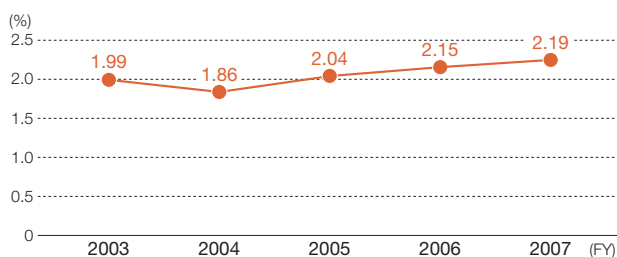
Responsibility to Employees

● Recruitment of persons with disabilities

The Hitachi Chemical Group is expanding the number of positions available for disabled employees and improving facilities to actively offer opportunities for social participation by disabled persons who are eager to work.

The ratio of disabled employees was 2.19% in 2007 and exceeded the legal employment rate on a non-consolidated basis. However, some Group companies have yet to achieve the legal rate, and we are exchanging information to promote employment Group-wide.

Ratio of employees with disabilities (Hitachi Chemical Co., Ltd.)



Enhancing employee capabilities and career development

← P12 CSR Policy 7

Hitachi Chemical provides various educational and training opportunities to support employees in enhancing their capabilities and skills.

Our company-wide training system is organized under two overarching categories—training by job level and by job

category—to clarify knowledge requirements based on each employee's level and category, along with educational offerings from which employees can freely choose. We also utilize e-learning so that employees may study at any time.

● Major training programs for enhancing capabilities and skills

Core training on *Monozukuri* (manufacturing)

This training program is intended to assist technical staff gain deeper knowledge of basic and important manufacturing technology. We seek to enhance manufacturing skills through courses on workflow, synthesis, blending and dispersion, basics on coating and visual inspection and image processing.



Core training on *Monozukuri*



Basic course for sales and marketing staff

This is a training program for newly hired sales personnel for improving business manners and communication skills. Skills are strengthened through role playing exercises that simulate actual sales situations and lectures on the ideal sales model.

FORUM activities by national staff to encourage self-motivated initiatives

Hitachi Chemical is creating an environment for further developing its Group business, including annual FORUM activities centered on management-level staff at overseas Group companies.

In 2007, our President and CEO explained to all forum participants the company's management principles and strategies. Workshops were then organized to discuss common themes

for the improvement of networking skills for national staff in overseas companies. By doing so, this will further encourage domestic staff in Japan to develop a global mindset to achieve common concrete action plans.

Hitachi Chemical actively supports communication and information sharing among staff from different nationalities and cultural backgrounds, and encourages independent initiatives.



FORUM

Driving Diversity and Inclusion

As a global enterprise we actively cultivate a corporate culture in which employees from diverse backgrounds can fully demonstrate their capabilities



Customers and Suppliers

Employees

Society

The Environment

To realize our corporate vision of leading the way in creating new and innovative value, we must respond quickly and flexibly to a changing business environment from a global perspective.

The Hitachi Chemical Group respects the diverse values held by its employees and intends to create a multicultural organization that takes advantage of differences to generate positive synergies.



Toward changing employee mindsets

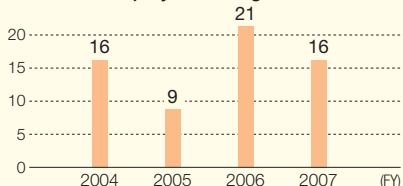
Lecture to promote appropriate ideas about diversity and inclusion

In February 2008, we invited Ms. Yukako Uchinaga, Chairwoman of the incorporated nonprofit organization J-Win (Japan Women's Innovative Network) to give a lecture on the theme, "Management Strategy and Diversity and Inclusion" at the Hitachi Chemical head office.



Over 300 employees listened to the lecture, which was broadcast to each business site via the Intranet

Number of employees taking childcare leave



Ms. Uchinaga pointed out that diversity and inclusion is the key to bring new energy to organizations. Our President and CEO declared that we will actively drive a diversity and inclusion strategy, which is synonymous with our global management strategy. Employees shared their impressions, indicating that this deepened their understanding of the importance of a diversity and inclusion strategy in our company. We intend to continue holding lectures and other educational activities to firmly instill the concept of diversity and inclusion among employees.

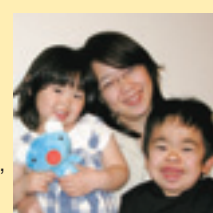
We participate in J-Win

J-Win, an incorporated nonprofit organization, was established in 2007. Hitachi Chemical joined as a first-year member and participates along with 88 other companies. J-Win supports companies seeking to promote and establish diversity and inclusion as a management strategy by holding exchanges across industry sectors, introducing case studies from different companies, building networks and holding study groups.



J-Win members

From actual experience



Ayumi Nitta
Planning Group,
Purchasing
Dept.

Pursuing my own career style after taking two childcare leaves

I returned to my current position after giving birth in 2000 and 2004. As a parent, who assumes the responsibility for providing nursing care for a child with an illness, I have busy days both physically and mentally.

Although I was aware of the childcare leave program in our company, none of my older colleagues had applied before. It took some courage to take the first step. From that time until now, I have been fortunate that my superiors and colleagues provided encouragement and support. When I received a diagnosis of a complication in pregnancy, I became anxious about balancing work, family and nursing, and was at a loss what to do. But, my superior always listened with sincerity and coordinated with the related divisions. Life isn't easy, but my gratitude and respect for those around me gives me the energy to go on.

Communication with employees

← P12 CSR Policy ③ ⑦

● CSR Workshop Discussions

Hitachi Chemical holds regular CSR Workshop Discussions to raise the level of our CSR activities by incorporating the feedback of young and middle-level employees.

In fiscal 2007, we extended this activity to Group companies and held discussions in December and February at the Saitama Works and Tokyo Head Office of Shin-Kobe Electric Machinery Co., Ltd., respectively. Each workshop was attended by around 20 employees, who offered their solutions for sustainable development.



CSR Workshop Discussion held at Shin-Kobe Electric Machinery's Saitama Works

● Employee survey

Hitachi Chemical has been conducting employee surveys every other year since 2006, involving all employees in gauging the level of satisfaction at work.

We plan to continue these surveys and apply the results to create a more motivating work environment.

Prevention of harassment

← P12 CSR Policy ⑦

We develop educational activities using the *Hitachi Chemical Group CSR Guidebook* to prevent sexual and moral harassment (see p. 16). We provide guidance to managers during training sessions on preventing harassment.

Sexual Harassment Consultants and Complaint

Processing Committees have been set up at each business site as part of a system for responding promptly and appropriately to incidents of harassment. Consultations and reports are also accepted through the Group Hotline (see p. 16–17).

Occupational safety and health

← P12 CSR Policy ⑦

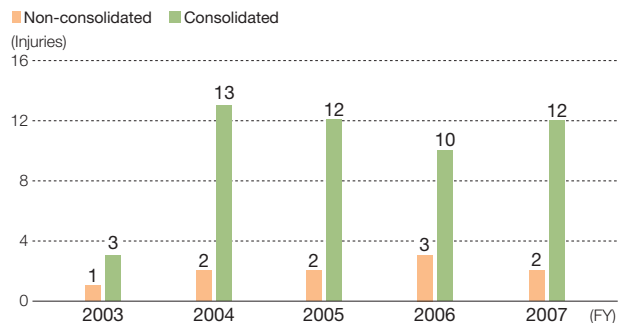
● Measures for occupational safety and health

The Hitachi Chemical Group is actively involved in preventing occupational accidents and in maintaining and improving employees' health to create a safe and comfortable working environment.

In our domestic operations, Safety and Health Committees comprising company physicians, and health supervisors along with members of management and labor unions have been arranged at each business site to implement measures for securing the safety and health of employees and for maintaining their physical and mental health.

To increase the effectiveness of measures for preventing occupational accidents, we are also seeking to obtain OHSAS 18001* certification and to firmly establish these standards. As of January 2008, two business sites have obtained certification, and we intend to expand this to other sites. We are working to reduce the risk of accidents and disasters by identifying sources of danger and formulating improvement plans based on OHSAS 18001 and risk

Number of lost-workday injuries



assessment and by combining the “Hiyari-Hatto” (Near-miss) program and risk prevention training.

An our overseas business sites, we comply with relevant national regulations and implement measures similar to those at our domestic business sites.

* OHSAS 18001: International standards for occupational safety and health.

● **Implementing safety audits**

The Hitachi Chemical Group conducts annual environmental safety audits at each domestic business site. An audit team composed of staff from other sites is organized according to the size of the site being audited. The team checks the effectiveness of the safety management system by reviewing documentation and conducting on-site audits and provides guidance for improvement.

Overseas, we are conducting Environmental Safety Mutual Audits between the Southeast Asian Block and the Chinese Block every year in order to maintain and improve occupational safety and health.

● **Promoting occupational safety and health education**

The Hitachi Chemical Group regularly conducts safety and health management training. Three programs are offered according to position level: a Basic Course, a Manager Course and a Supervisory Management Course.

The Checkpoints for Workplace Safety Audit, which identifies the checkpoints for each machine and equipment based on past examples of accidents, is used as the text in these training courses. We also prepared English and

Chinese language versions for training employees at overseas Group companies.

In July, we hold an annual company-wide Safety Presentation Workshop, attended primarily by managers and supervisors, to share information on promoting safety and health.

● **Conducting disaster drills**

Every year, comprehensive disaster prevention drills are conducted at each business site in May and November to review our disaster prevention management plans and safety facilities and to raise employee awareness of safety.

The Hitachi Chemical Group also maintains its own firefighting teams to provide emergency response in case of accidents and disasters. The teams regularly conduct drills ensuring rapid response to emergencies.

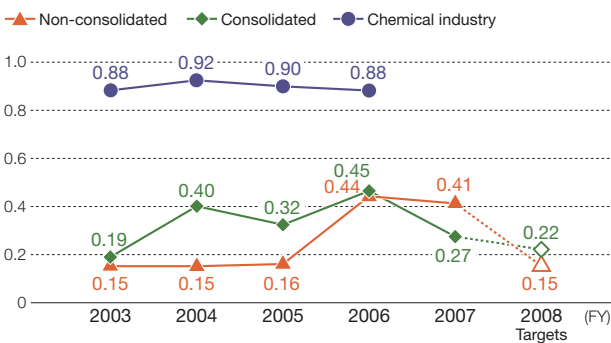
● **Physical and mental healthcare**

The Hitachi Chemical Group provides health checkups for employees at least once a year. The Group sponsors lectures by experts and interviews with company physicians at each business site to ensure that employees remain mentally as well as physically fit and encourages active communication among employees.

We provide advice on health concerns by telephone to employees and members of their families covered by the health insurance union.

As part of health management, we also offer yoga classes and hold walking events.

Frequency rate



Severity rate

