

Responsibility to Employees

Respect for human rights

P16 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 continued to offer training for managers and new employees in fiscal 2008.

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

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The Hitachi Chemical Group is globalizing its business to realize its corporate vision of leading the creation of new and innovative value throughout the world. As a corporate group engaged in global operations, the Hitachi Chemical Group respects the diverse values held by its employees, regardless of nationality or gender, and intends to create a multicultural organization that takes advantage of differences to generate positive synergies.

● Promoting understanding of diversity of human resources

The Hitachi Chemical Group began offering diversity e-learning courses in fiscal 2008 to encourage deeper understanding of diversity and to cultivate a corporate culture in which human resources with diverse backgrounds can fully demonstrate their abilities. The courses were taken by 88% of all Group employees. We will continue to enhance the understanding of diversity through the courses in fiscal 2009, primarily with new employees.

We also launched a mentoring program for female employees, who constitute the largest minority across the Group. The program is designed to support the long-term, independent career development of female employees, who tend to lack accessible role models and often experience their scope of communication as being limited to their own divisions. Participants benefit from exchanges with Executive Officers and senior managers who serve as their mentors in addition to on-the-job training from their direct supervisors. Another goal of the program is to help Executive Officers and senior managers understand the diversity of our employees and enhance their own communication skills. The second year of the program began in April 2009 with the participation of 24 employee/mentor pairs.

● Global promotion of diversity in human resources

The Hitachi Chemical Group believes in the importance of hiring and training outstanding human resources representing various ways of thinking and backgrounds, regardless of nationality or gender, who are capable of responding quickly and flexibly from a global perspective to changes in the business environment.

Based on this conviction, we are actively engaged in discovering human resources across corporate boundaries within the Group, establishing a training system for local managers at overseas business sites, and conducting training to raise cross-cultural awareness among domestic employees.

● **Support for balancing work and private life**

The Hitachi Chemical Group supports its employees in balancing work and private life through various programs.

For example, three-year childcare leaves up to the end of the child's first year in elementary school and the option of reduced work hours until 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.

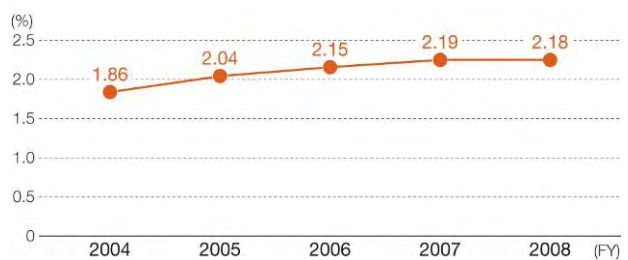
We are implementing these programs with periodical reviews and encouraging more employees to take advantage of these support programs by explaining them in simple terms on our intranet.

● **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.

In fiscal 2008, the ratio of disabled employees in Japan was 2.18% on a non-consolidated basis and 2.01% on a consolidated basis, both exceeding the legally mandated rate of 1.8%. Some Group companies, however, have not yet achieved the legal rate, and we are therefore exchanging information across the Group to reinforce employment efforts.

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



Hitachi Chemical employee wins fourth place in the Beijing 2008 Paralympic Games

Yuki Kato, who works in the Human Resources and Administration Office, participated in the 100-meter and 200-meter women's track and field competition in the Beijing 2008 Paralympic Games. This marked her second major competition, the first being the Athens 2004 Paralympic Games, in which she won a bronze medal in the 100-meter sprint.

In the finals held at the Bird's Nest Olympic Stadium in Beijing on September 13 and 16, 2009, Kato battled her way to fifth in the 200-meter sprint and fourth in the 100-meter sprint. Her performance in the 100-meter competition was particularly noteworthy. Despite the adverse conditions of thunder and rain, Kato beat her personal record and came in just 0.02 seconds behind the third-place runner.

Hitachi Chemical will continue to fully support the achievements of its diverse employees.



Kato (far left) in the final 100-meter sprint race

Winning the grand prize in Ibaraki Prefecture's Awards for Childcare Supporting Companies

In January 2009, Hitachi Chemical's Yamazaki Works and Hitachi Chemical Techno Service Co., Ltd. received the grand prize in the Support for Balancing Work and Childcare Section of the Childcare Supporting Companies Awards organized by Ibaraki Prefecture. The prize is awarded to companies that are leading in these areas through innovative efforts, such as by introducing childcare programs that exceed legal requirements for childcare and family leave.



Receiving the award from the Governor of Ibaraki

In April 2008, Hitachi Chemical's Yamazaki Works and Hitachi Chemical Techno Service opened Sakura Hiroba, an in-house nursery near the Yamazaki Works, as part of our group-wide efforts to support employees balance work and raising children. The Hitachi Chemical Group is also promoting various programs, including childcare leave, reduced work hours, telecommuting and benefits for employees raising children. The award recognizes our efforts in this series of programs.

Encouraged by the award, the Hitachi Chemical Group will further reinforce its efforts to develop a lively environment in which diverse human resources can pursue their careers.

Enhancing employee capabilities and career development

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Hitachi Chemical focuses on on-the-job training as the core of its employee training and provides additional programs to supplement learning that cannot be gained through this type of training alone, thereby supporting employees in enhancing their capabilities and skills and encouraging self-development.

In our training programs, knowledge requirements for each job level and job category are defined in the curriculum, and we also offer other types of training from which employees can choose.

Employee survey

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Hitachi Chemical conducted a second employee survey in July 2008, involving all employees (approximately 4,300), following the first survey in 2006. The survey primarily focuses on the levels of work satisfaction and overall stress at the workplace. Results revealed the Company's strengths and weaknesses as well as challenges for the future.

We plan to continue these surveys every other year and apply the results to create a more motivating work environment and corporate climate.

Prevention of harassment

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We develop educational activities using the Hitachi Chemical Group CSR Guidebook to prevent sexual and moral harassment (see p. 22). 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. 22).

Occupational safety and health

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● 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, within the framework of the Industrial Safety and Health Law and related laws as well as our own working regulations, Safety and Health Committees comprising company physicians and health supervisors, along with 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 these measures for preventing occupational accidents, we have been working to obtain OHSAS 18001* certification and to firmly establish these standards. As of May 2009, all Hitachi Chemical business sites have obtained certification. Next we intend to thoroughly establish occupational safety and health measures incorporating the concepts of this system at all Group companies, which will then be encouraged to obtain certification as appropriate.

We will continue to reduce the risk of accidents and disasters by combining management systems for occupational safety and health and risk assessment under OHSAS 18001* with "Hiyari-Hatto" (Near-miss) programs and risk prevention training.

* OHSAS 18001: International standards for occupational safety and health management system

● Implementing OHSAS 18001 standards

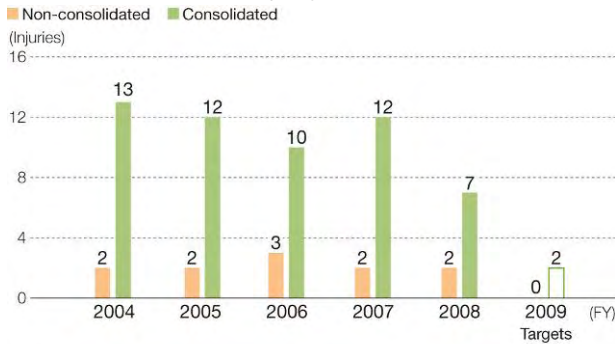
Hitachi Chemical reduces occupational accidents and related management risks by systematically and effectively analyzing and controlling occupational safety and health risks faced by employees and other stakeholders during operations. This is done in line with OHSAS 18001 standards and by consistently improving our management system for occupational safety and health.



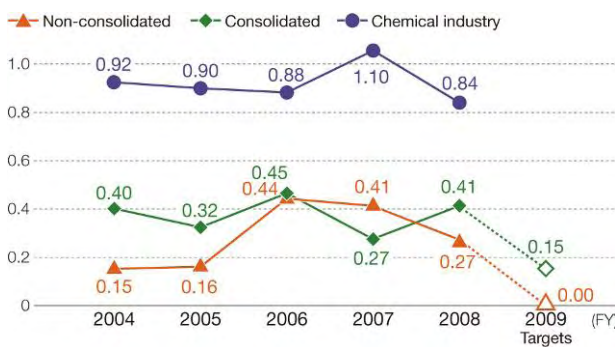
Review for OHSAS 18001 certification

We will continue to create a safer and more comfortable working environment for all employees.

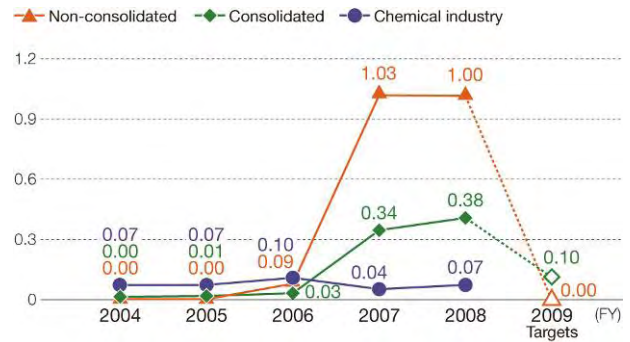
Number of lost-workday injuries



Frequency rate



Severity rate



● 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 where necessary.

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 Supervisory Management Course and a Manager 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 textbook 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 Group-wide Environmental Safety Presentation Workshop, attended primarily by managers and supervisors, to share information on promoting measures for environmental protection, and employee 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 all employees at least once a year. We particularly emphasize the prevention of lifestyle diseases, and we offer specialized checkups and guidance based on the results in collaboration with the health insurance union. We help our employees maintain their health by encouraging them to undergo a variety of checkups, including complete physical and psychological examinations. Medical checkups are also available for employee spouses.

With respect to mental healthcare, a variety of our measures includes allocating certified psychological counselors on a full-time basis at Hitachi Chemical's head office and provision of counseling services for all employees. In addition, at each of our business sites, we regularly offer opportunities for interviews with company physicians as well as mental healthcare lectures to raise employee awareness of the importance of maintaining both physical and mental health, thereby encouraging them to care for themselves.

Close-up

Efforts in Mental Healthcare

We are promoting mental healthcare from the dual perspectives of self-care and line-care* to create a safe and comfortable working environment for all employees.

The growing number of individuals with mental health problems has emerged as a major social concern, and Hitachi Chemical recognizes that maintaining and improving the health of employees, as the backbone of our business, is a management priority. We are implementing comprehensive measures not only to reduce stress-related illnesses and absence from work, but to also adopt the positive perspective of creating an environment in which all employees can work comfortably and with a sense of joy.

* Line-care: Care offered by line managers

Launching a comprehensive approach to mental healthcare

Hitachi Chemical has consistently supported mental healthcare at each business site by offering counselors for individuals and inviting outside lecturers to conduct training sessions. To further enhance the effectiveness of these measures at each site and ensure that employees in every location receive the same level of mental healthcare, certified psychological counselors were assigned to work full-time at the CSR Office from fiscal 2008. In addition, a comprehensive company-wide initiative was launched in light of survey results revealing the current status of mental health activities at each site and individuals with mental health problems.

We also established a Mental Healthcare Promotion Committee comprised of the division heads engaged in maintaining and improving the physical and mental health of employees. The committee will support effective mental healthcare at each business site through deliberation and planning of various measures.

System and measures for supporting mental healthcare



* EAP institutions: Institutions that provide Employee Assistance Programs

Establishing a counseling service on health issues

More and more individuals are suffering from anxiety and illness in the face of multiple stress factors, such as workplace relationships, workload quality and quantity, and changes in the work environment, as well as career and motivation issues. In February 2009, Hitachi Chemical established a counseling service at the Head Office for all Company employees in addition to the counseling systems already established at each business site and outsourced health counseling services offered by the health insurance union. In-house counselors respond to requests for consultation by phone, e-mail and dedicated mobile phones. Feedback from users has indicated that people experience relief at having the opportunity to speak with a counselor who knows the Company.

Seminars to support self-care

To promote effective mental healthcare, it is important for employees to understand the basics of mental health as well as methods for self-care and line-care. We therefore held seminars on mental healthcare for about 200 employees at the Yamazaki, Goi and Goshomiya Works during the latter half of fiscal 2008. We plan to continue offering systematic training sessions to provide information and support at each of the works.



Mental healthcare seminar at the Goshomiya Works

働く人のストレスチェックリスト（簡易版）

※本表で10項目以上で赤か黄か緑の項目が2項目以上ある場合は、無理、過度、過度、過度……と、自分の健康状態が心配な状態にある可能性があります。その場合は、上司や先輩、同僚などに相談してください。また、ストレスがひどい場合は、医師の診察を受けることも大切です。

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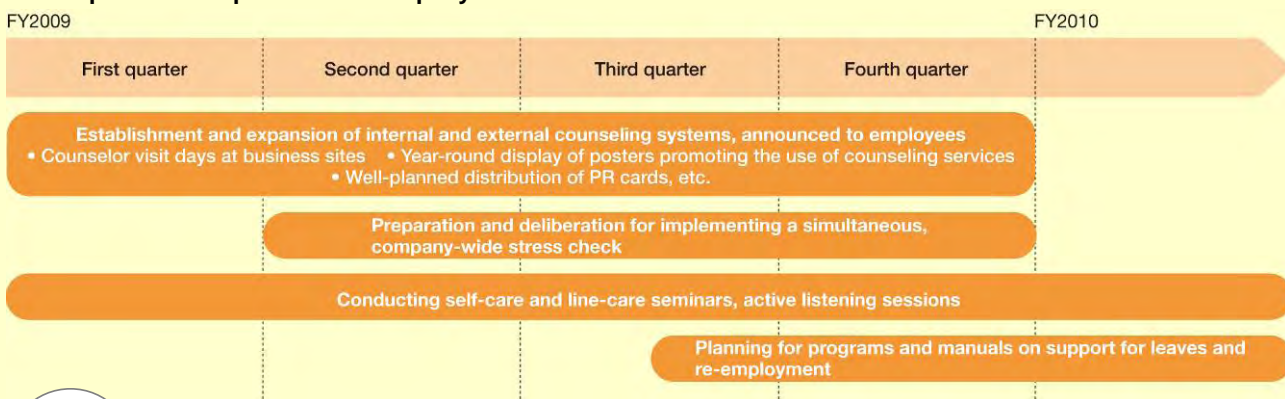
Self-check sheet

Systematic, ongoing mental healthcare to meet employee needs

Viewing the latter half of fiscal 2008 as the ramp-up period toward fiscal 2009 as the launch year for comprehensive company-wide action, Hitachi Chemical prepared various mental healthcare systems.

We intend to pursue systematic, ongoing measures, such as counseling services that everyone is comfortable using and mental healthcare education and training that are both easy to understand and practical. The goal is to enable all employees to maintain and improve their physical and mental health.

Action plan for comprehensive company-wide mental healthcare measures



From the field

Six professional service providers collaborate to support employee mental healthcare in Shimodate, Ibaraki Prefecture

Six personnel provide support to improve both the physical and mental health of employees working in Shimodate. Healthcare nurses and counselors work together to help employees alleviate their own psychological problems and concerns through counseling.



Counseling room

In 2008, we also held line-care seminars for managers and supervisors to encourage each business site to practice sound mental healthcare. We are following up in 2009 with systematic self-care seminars to provide the necessary knowledge and practices for employees to identify stress on their own.



Physical and mental healthcare staff in Shimodate