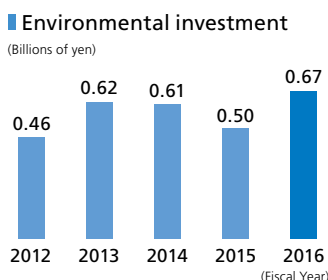
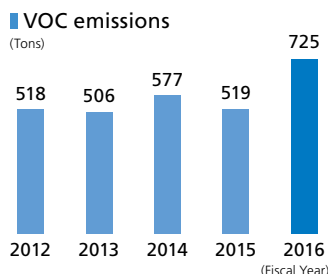
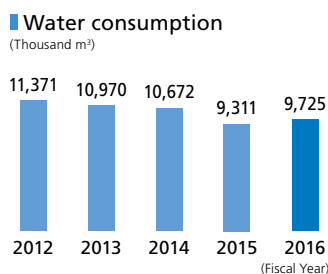
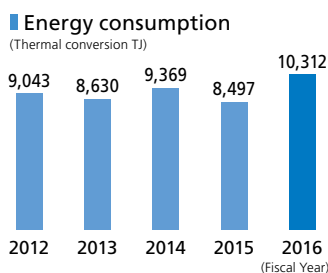
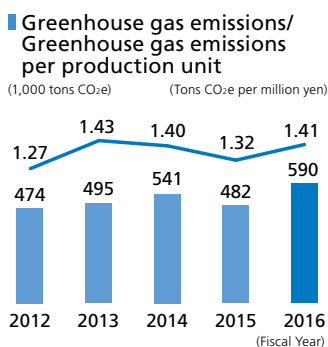


# Environment



For detailed information on environmental management, refer to **Hitachi Chemical's website ▶ About Hitachi Chemical ▶ CSR ▶ Environmental Report**.



## Engaging in Environmental Management

### Fiscal Year 2016 Initiatives

#### Reducing Greenhouse Gas Emissions

Hitachi Chemical deliberates on business risks and opportunities that accompany environmental issues at the Group Environment and CSR Committee, and sets global policies. The entire Group is working as one to reduce greenhouse gas emissions, having established numerical targets for CO<sub>2</sub> emissions in the 2018 Medium-term Management Plan. From a management perspective, we are also engaging in management by assessing the financial impact of CO<sub>2</sub> emissions on Hitachi Chemical through the Carbon Management Strategy. In fiscal year 2016, greenhouse gas emissions totaled 590,000 tons CO<sub>2</sub>e and greenhouse gas emissions per production unit were 1.41 tons CO<sub>2</sub>e per million yen, due in part to the expansion of the scope of major production sites managed more intensively.

#### Promoting Sustainable Engineering

Hitachi Chemical promotes sustainable engineering through the integration and fusion of core technologies aimed at the "realize sustainable environment"—a value to be realized under the 10-year Strategy. In the process, we are creating new products and new businesses that can contribute to reducing the environmental burden in the value chain while meeting customers' needs. In fiscal year 2016, revenue of Environmental Conscious Products accounted for 68.9% of total revenue.

#### Reducing Use of Water Resources

Hitachi Chemical is working on reducing water usage especially in regions where water risk is high. In fiscal year 2016, water consumption at major production sites slightly increased from fiscal year 2015 to 9,725,000m<sup>3</sup> but water consumption per production unit improved by 30.3%; the target improvement rate was thus achieved. We also conducted a survey on the scale of current and future water risks in each region, the results of which will be reflected in future water resources management.

### Plan for Fiscal Year 2017

In the Environmental Conservation Action Plan for 2016 to 2018, we have formulated an action plan with a total of 12 items in three categories, namely, "high-standard eco-factories and offices," "next-generation products and services," and "promotion of environmental management." In fiscal year 2017, we will make further improvements to reduce environmental impact throughout the value chain based on the results through fiscal year 2016.

#### Environmental Conservation Action Plan for 2016 to 2018 (some of the main items)

Category	Item	Objective	Description	FY2016			FY2017	FY2018
				Target	Result	Rating	Target	Target
High-standard eco-factories and offices	Prevent global warming	Improve energy consumed per production unit from FY2005 base year	Contribute to measures against global warming by improving the efficiency of energy use and promoting the reduction of CO <sub>2</sub> emissions and activities to suppress emissions	13.7%	13.4%	Not achieved	14.2%	15.8%
	Use resources effectively	Improve water usage per production unit from FY2005 base year	To resolve the water scarcity problem, which is a worldwide concern, promote efficient water usage by strengthening water risk management	27.7%	30.3%	Achieved	26.6%	28.5%
	Manage chemical substances	Improve chemical substances released into atmosphere per production unit from FY2006 base year	Reduce atmospheric emissions of chemical substances such as volatile organic compounds (VOCs) that have an impact on the human body and ecosystem by improving processes and providing alternative solutions	45.1%	43.9%	Not achieved	41.6%	42.6%

Note: To see all items in the Environmental Conservation Action Plan for 2016 to 2018, refer to <http://www.hitachi-chem.co.jp/english/csr/stakeholder/environment/plan-3rd.html>