News Release

HITACHI
Inspire the Next

Launching New Service to Optimize ESG Data Collection, Visualization, and Analysis for the Promotion of Sustainable Management

Hitachi, Ltd. ("Hitachi") announces the development and launch of the ESG Management Support Service ("ESG-MSS"), which promotes sustainable management through optimized ESG data collection, visualization, and analysis within the company.

In recent years, there has been an increasing emphasis on sustainable management that considers environment, social, and governance aspects, along with the growing importance of disclosing ESG information to investors as ESG investment expands.

Meanwhile, the collection of enormous and diverse ESG data must often be done manually, the data formats differ by department and country, data need to be unified when departments are merged and split, and prompt action is needed when ESG disclosure themes change. All of these present major challenges in terms of workload.

ESG-MSS is a cloud service that provides templates for disclosure items needed by each industry by ESG item as well as functions for data collection, visualization, and analysis, with the aim of facilitating effective and efficient analysis and disclosure of various forms of ESG data relating to CO_2 reductions, health and safety, and risks of fraud. By linking several departments and groups within the company, it becomes possible to seamlessly conduct everything from ESG data collection to dashboard visualization and organization of disclosure data such as integrated reports. Moreover, based on monitoring and analytical results regarding the progress of ESG-related measures, it supports rapid cycling of management decisions and improvement measures.

Features of ESG-MSS

1. Introducing ESG-MSS at the department and project level to support small starts toward sustainable management
ESG-MSS, which allows for ESG data collection and visualization for sustainable management, will be quickly and inexpensively implemented and provided as a contract-based cloud service on the department and project level. Moreover, coordination among departments is made easy by the account integration function. As such, it is possible to work stepwise by starting with a single project, for example "Wanting to reduce greenhouse gas emissions from the plants," without the need for large-scale building and introduction across the whole company.

2. Easy input and management supports efficient collection of enormous and diverse ESG data
By providing input and management tools for ESG data that utilize existing arrangements, such as emails and Excel, data collection is optimized in a way that is user-friendly. Via the system, you can do everything from defining (creating) information you want to collect to sending request emails in bulk, inputting and returning mandatory items at the collection point, and effortlessly collect and manage data. Files collected from various departments are automatically entered into the database, after which they are tallied and centrally managed by project, thus allowing you to utilize the data collected.

Depending on the collection status, the automatic error function can visualize defects in the response data and the reminder function can send automatic notifications to participants who have not yet responded at regular intervals. In addition, by linking with organizational information, it becomes possible to quickly respond to organizational changes and personnel transfers as well.

3. More sophisticated sustainable management through visualization and analysis of ESG data

Data collected are visualized by department, years, and measures by utilizing a BI tool. For example, if you select items needed for sustainable management, such as CO_2 reduction, health and safety, and intellectual property, you can display a list of the current status and change over the years or get an overview of qualitative information (text data), including factors for increases or decreases in various values. Moreover, you can define target values in advance to be compared with actual results, which allows you to probe ESG measures and understand their progress, opening up for discussions about management decisions and additional measures.

Moreover, ahead of the launch of ESG-MSS, Hitachi Construction Machinery Co., Ltd. ("Hitachi Construction Machinery") conducted a demonstration experiment on the theme of health and safety, which showed a reduction of about 34% in work processes in the collection of data needed for risk assessment. It embodies Hitachi know-how in the organization of practical matters in PDCA cycles, including data collection in the field and, decisions   and implementation of improvement measures, as well as the data identification for problem-solving and process design. ESG-MSS was fully adopted by Hitachi Construction Machinery after a series of trials, entering into use at the Safety & Health Department in August this year.

Hitachi, especially the Hitachi departments working to promote sustainable management are making efforts to adapt ESG-MSS to the Group, so we are continuously improving it with added, superior functions based on initiatives within Hitachi. Centering on the digital innovation accelerator Lumada[*], it is supporting DX for corporate sustainable management and contributing long-term corporate value growth.

* Lumada: A collective term for solutions, services and technologies using Hitachi's advanced digital technologies to generate value from customer data and accelerate digital innovation

Comments from the Safety & Health Department, Human Capital Group, Hitachi Construction Machinery

Hitachi Construction Machinery aims to "rebuild our safety culture" by reinforcing a system that encourages employees to independently take action with regard to safety. In conventional data collection and usage, there have been challenges associated with correcting for variability in input data, sharing information between departments, making objective decisions and assessments based on data, visualizing hazards in the workplace, and performing risk assessment PDCA. By using the ESG Management Support Service, risk assessment becomes more effective in terms of work hazard prevention, quality is improved, risks become recognizable as threats to "anyone, anywhere," and arrangements can be promoted to support "safety first" actions.

Based on the recognition that health and safety in work are key priorities for a company, we will keep combining various types of data and work to build working environments that are even safer and give more peace of mind.

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About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society with data and technology. We will solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products, under the business structure of Digital Systems & Services, Green Energy & Mobility, Connective Industries and Automotive Systems. Driven by green, digital, and innovation, we aim for growth through collaboration with our customers. The company's consolidated revenues for fiscal year 2021 (ended March 31, 2022) totaled 10,264.6 billion yen ($84,136 million USD), with 853 consolidated subsidiaries and approximately 370,000 employees worldwide. For more information on Hitachi, please visit the company's website at https://www.hitachi.com.