

Creating Social Value through Business



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THERE has been a growing awareness of corporate social responsibility (CSR) in recent years as it has taken on a significant role across many companies. While CSR has traditionally been thought of in terms of regulatory compliance and playing a positive part in society through volunteer work or other forms of philanthropy, the essence of CSR is about meeting the demands and expectations of stakeholders, meaning that it is nothing less than a fundamental part of management and of business operations.

The international standard for CSR, ISO26000, was published in 2010. Taking impetus from this establishment of common international rules, many companies are adopting CSR strategies that go beyond compliance, respect for human rights, CSR procurement, and other aspects of risk management, and are also placing emphasis on CSR as a competitive strength that can enhance corporate value. The concept of “creating shared value” promoted by Professor Michael E. Porter of Harvard University has attracted attention as an advanced form of CSR that generates value for both society and corporations by simultaneously helping to resolve social issues and strengthen corporate profitability and competitiveness.

Contributing through business activities to resolving the challenges faced by society and engaging with local communities in ways that are distinctive of

a particular company have an important role to play in developing global business activities in a sustainable way and earning the acceptance of stakeholders. This issue of *Hitachi Review* is broadly divided into two parts, both of which are informed by these new developments in CSR.

The Technotalk and Overview articles focus on Hitachi’s CSR philosophy, including the implementation strategy for CSR and how CSR relates to our business. These articles also make reference to Hitachi’s Mission that lies at the heart of our CSR activities and dates back to the company’s formation, and to the Five-year CSR Roadmap that lays out directions for the future.

The remaining articles include examples of education promotion, environmental protection, recycling, and regional development involving solutions that draw on Hitachi’s technical capabilities, including examples from the Social Innovation Business that forms the core of our activities. In each of these, the focus is on examples of how solutions achieved through business activities result in the creation of new social value that is the essence of CSR.

I hope that you will find these articles on Hitachi’s CSR activities and philosophies to be both interesting and useful.