

Advancing Our Environmental Vision and Long-Term Environmental Targets

The Environmental Vision and Hitachi Environmental Innovation 2050

In order to fulfill its corporate social responsibility for reducing global and local environmental burden, Hitachi has made striving to resolve related issues through its business operations part of its management strategy. In response to the 2015 adoption of the Paris Agreement on climate change and the UN's Sustainable Development Goals (SDGs), in September 2016 we established our Environmental Vision and long-term environmental targets called Hitachi Environmental Innovation 2050. In order to achieve these long-term targets, we drew up our Environmental Action Plan, a set of short-term targets that are updated every three years. Implementation of the Environmental Action Plan for 2021, covering fiscal 2019–2021 and formulated in line with the 2021 Mid-term Management Plan, is currently underway, and we are steadily accumulating achievements as we work to meet the detailed KPIs that the plan includes.

Our environmental strategy, centered on the Environmental Vision and our long-term environmental targets, is deliberated over by the Executive Sustainability Committee, chaired by the president and CEO, and advanced by the Hitachi Group as a whole.

Environmental Vision

Hitachi will resolve environmental issues and achieve both a higher quality of life and a sustainable society through its Social Innovation Business in collaborative creation with its stakeholders.

We also aim to achieve a decarbonized society, a resource efficient society, and a harmonized society with nature—the components of a sustainable society—in accordance with this Vision.

Long-Term Environmental Targets: Hitachi Environmental Innovation 2050

For a decarbonized society

CO₂ emissions per unit through the value chain

80% reduction by fiscal 2050, **50% reduction** by fiscal 2030 (compared to fiscal 2010)

Achieve carbon neutrality by fiscal 2030 at business sites (factories and offices)

For a resource efficient society

Build a society that uses water and other resources efficiently with customers and society

50% improvement of efficiency in use of water/resources by fiscal 2050 (compared to fiscal 2010 in the Hitachi Group)

For a harmonized society with nature

Minimize impact on natural capital

Policy Goals

102-11 | 102-15 | 103-2

Progress in Reaching Long-Term Environmental Targets

Goals Activities

The quantitative targets of the Hitachi Environmental Innovation 2050 are specified in the Environmental Action Plan for 2021 (covering fiscal 2019–2021). Progress toward major targets is being made, as shown in the table below, and we are generally on track. We will continue increasing our efforts to achieve these long-term targets.

Efforts Toward Achieving a Decarbonized Society				
Products and Services				
	Fiscal 2019 result	Fiscal 2021 target	Fiscal 2030 target	Fiscal 2050 target
Reduction rate of CO ₂ emissions per unit from use of products and services (base: FY 2010)	19%	20% or higher	50%	80%
Business Sites (Factories and Offices)				
	Fiscal 2019 result	Fiscal 2021 target	Fiscal 2030 target	Fiscal 2050 target
Reduction rate of total CO ₂ emissions (base: FY 2010)	17%	20% or higher	100% (carbon neutral)	(Maintain 100%)

Note: The reduction rate of total CO₂ emissions is an indicator that includes such variables as the amount of CO₂ emissions reduced due to self-consumption of energy, the amount of renewable energy purchased, and the amount of reduction using non-fossil fuel energy certificates.

Efforts Toward Achieving a Resource Efficient Society				
Enhanced Efficiency in the Use of Water				
	Fiscal 2019 result	Fiscal 2021 target	Fiscal 2030 target	Fiscal 2050 target
Reduction rate in water use per unit (base: FY 2010, Hitachi Group)	26%	26% or higher	-	50%
Enhanced Efficiency in the Use of Resources				
	Fiscal 2019 result	Fiscal 2021 target	Fiscal 2030 target	Fiscal 2050 target
Reduction rate in waste and valuables generation per unit (base: FY 2010, Hitachi Group)	14%	12% or higher	-	50%

Notes: • See the referenced pages for details on the figures cited.
• In fiscal 2019, slowdowns in factory operations due to COVID-19 may have resulted in CO₂ and other emission reductions.

Improving Environmental Performance of Products and Services Through Environmentally Conscious Design Assessments ▶

Contributing to a Decarbonized Society at Business Sites (Factories and Offices) ▶

Building a Water Efficient Society ▶

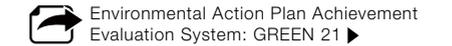
Building a Society That Uses Resources Efficiently ▶

Environmental Action Plan

To achieve its Environmental Vision and the Hitachi Environmental Innovation 2050 long-term environmental targets, Hitachi draws up an Environmental Action Plan containing indicators and targets for the three-year period covered by the Mid-term Management Plan and promotes its steady implementation.

Environmental Action Plan for 2021 (Fiscal 2019–2021)

Goals Activities



We are pressing forward with environmental activities based on the Environmental Action Plan for 2021 formulated in line with the 2021 Mid-term Management Plan. The table below outlines the

targets for fiscal 2019–2021, as well as the results for fiscal 2019. GREEN 21 is used as a system for evaluating and managing the achievement made over the three years for each goal.

Environmental Action Plan for 2021

Our environmental activities and targets are updated every three years with a view to achieving our long-term environmental targets.

Environmental Management

Items	Indicators	Fiscal 2019 targets	Fiscal 2019 results (achievement level)	Fiscal 2020 targets	Final fiscal year (2021) targets
Promote environmental human capital development	Environmental human capital development of the Hitachi Group				
Enhance global environmental management	Implementation rate of voluntary environmental audits (number of implementing sites/number of sites outside Japan)	20%	26% ◆◆◆	50%	80%

A Decarbonized Society						A Resource Efficient Society						A Harmonized Society with Nature							
Items	Indicators	Fiscal 2019 targets	Fiscal 2019 results (achievement level)	Fiscal 2020 targets	Final fiscal year (2021) targets	Items	Indicators	Fiscal 2019 targets	Fiscal 2019 results (achievement level)	Fiscal 2020 targets	Final fiscal year (2021) targets	Items	Indicators	Fiscal 2019 targets	Fiscal 2019 results (achievement level)	Fiscal 2020 targets	Final fiscal year (2021) targets		
Reduce CO ₂ emissions of products and services	Reduction rate of CO ₂ emissions per unit (base: FY 2010)	19%	19% ◆◆◆	20%	21%	Water circulation (factories and offices)	Enhance efficiency in the use of water Respond to water shortages	Reduction rate in water use per unit (base: FY 2010)	23%	26% ◆◆◆	24%	26%	Chemical substances (factories and offices)	Reduce chemical emissions	Reduction rate in chemical atmospheric emissions per unit (base: FY 2010)	16%	21% ◆◆◆	17%	18%
Address climate change risks and opportunities	Identification and review of risks and opportunities						Promotion of measures based on water risk survey results												
Reduce CO ₂ emissions of business sites (factories and offices)	Reduction rate of CO ₂ emissions per unit*1 (base: FY 2010)	7%	5% ◆◆	8%	9%	Resource circulation (factories and offices)	Enhance efficiency in the use of resources Reduce and recycle waste materials	Reduction rate in waste and valuables generation per unit (base: FY 2010)	10%	14% ◆◆◆	11%	12%	Ecosystem preservation	Reduce impact on natural capital	Calculation of negative impact (environmental impact assessment of business activities)				
Reduce CO ₂ emissions from transportation (shipping)	Reduction rate of transportation energy consumption per unit (Japan)*2 (base: FY 2010)	9%	7% ◆◆	10%	11%		Calculation of positive impact (forest conservation activities)							Contribute to ecosystem preservation	Promotion of ecosystem preservation activities				

Evaluation system for the achievement of the Environmental Action Plan | GREEN 21

◆◆◆ Achieved ◆◆ Partially achieved

*1 Reduction rate of CO₂ emissions per unit refers to reductions in CO₂ emissions from just Hitachi's consumption of energy.

*2 This is a target for Japan only. Targets in other countries are set on a voluntary basis.

Environmental Action Plan Achievement Evaluation System: GREEN 21

System Activities

GREEN 21 is used as a system for evaluating and managing our achievements made over three-year periods toward the targets set in our Environmental Action Plan.

GREEN 21 converts the level of achievement toward the Environmental Action Plan targets at each of the approximately 200 major manufacturing sites classified as category A into green points (GPs), then makes an evaluation on a category-by-category basis. A perfect score for any category is 100 GPs. Points are awarded for meeting the Environmental Action Plan's annual targets and, as an added incentive, for particularly ambitious activities. Representing progress in terms of GPs shows how much each site has achieved in each category, and allows sites to be compared with each other, the results of which are in turn used in the Environmental Action Plan's PDCA (plan-do-check-act) cycles.

The Sustainability Promotion Division also uses the results of the GREEN 21 evaluation as a condition for awarding its Eco-Factories & Offices Select certification for business sites that promote activities demonstrating a high level of environmental consciousness and produce notable results in that area.

Achievements in FY 2019

From fiscal 2019, progress has been evaluated for individual categories (environmental management, a decarbonized society, a resource efficient society, and a harmonized society with nature) newly created based on the Environmental Action Plan for 2021. The total score for all the categories was 177 GPs, exceeding the fiscal 2019 benchmark of 160 GPs. One factor behind the higher score was progress made in water risk assessment as part of our efforts to build a resource efficient society.

GREEN 21: FY 2019 Evaluation Results (Hitachi Group)

..... FY 2019 target: 160 GPs
■ FY 2019 result: 177 GPs

