

2

Management

Management

CEO's Message

➤ Chief Sustainability Officer's Message

Hitachi Group Identity

Sustainability Management

Engagement and Initiatives

External Assessments and Awards

// Chief Sustainability Officer's Message GRI 102-14/102-15

Sustainability will be the Growth Driver

**Lorena Dellagiovanna**Vice President and Executive Officer, Chief Sustainability Officer,
Head of Global Environment Division, and CDIO
Hitachi, Ltd.

Hitachi believes a strong commitment to sustainability will be the Growth Driver. Sustainability is not a cost nor is it for compliance. It is a value creation for the business first, and as a consequence, for society. It is important to clarify that sustainability is not a concept up in the air, something nice to have, but it's a key driver for any business to survive in the mid-to-long term future. It has become increasingly accepted that the objective of maximizing shareholder value requires not only top competitive performance, but also the attention to a variety of sustainability's issues.

As indicated in the Mid-term Management Plan 2024, we aim to enhance our corporate value through sustainability with a focus on planetary boundaries and wellbeing.

Speaking to the environment, to accelerate and promote the achievement of Hitachi's long-term environmental targets as measures, Hitachi developed two business strategies, GX for GROWTH (customer and society decarbonization) and GX for CORE (Hitachi decarbonization). Under GX for GROWTH, we will support customers in reducing CO₂ emissions by expanding Hitachi's greener and more efficient product portfolio and providing customers with End to End (E2E) solutions across sectors. By fiscal

2024, we aim to contribute to reduce CO₂ emissions by approximately 100 million metric tons per year. We will accelerate the development of various solutions realizing energy transition, the electrification of mobility and the energy saving. GX for CORE aims to decarbonize our own operations. We aim to achieve reductions in Scope 1 and 2 by investing approximately 37 billion yen over the next three years to meet the carbon neutrality target in fiscal 2030 and 50% CO₂ emissions reduction throughout the value chain by the same fiscal year. In addition, we launched a framework for issuing green bonds to mobilize more funds to accelerate activities toward carbon neutrality. Based on these efforts, including preparation of SBTi net zero certification, we aim to improve ESG evaluation.

At the same time, we are also looking to the future by investing in the R&D of green technologies, such as hydrogen, methanation, and Direct Air Capture (DAC).

Hitachi supported COP26 held on November 2021 as 1st Principal Partner in Japanese companies. In COP26, Hitachi had opportunities to discuss with VIPs such as Ministers and present our activities in several events. Through these activities in COP26, we developed good

2

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relationships with stakeholders including government. We recognize that we have a role to play as part of the global community. Through COP26, we were able to demonstrate



Vice President and Executive Officer Dellagiovanna speaks at COP26

our strong commitment to climate action. We will focus on advancing decarbonization with our clients and partners to deliver our commitment pledged in COP26. We will continue to monitor the development in COP27.

In terms of society, Hitachi believes that, through the inclusion of diverse talents, we will be able to collaborate and create innovation in data and technology in the digital age to realize a sustainable society and support people's wellbeing. In addition to strengthening the acquisition and development of digital talents, we aim to enhance employee engagement by creating a culture in which every employee can contribute in solving social issues, and a work environment in which Diversity, Equity and Inclusion (DEI) are fostered on a global scale, thereby achieving both business growth and a sustainable society.

All of the above are in line with Hitachi's mission to contribute to society but respecting human rights is essential. It is indispensable for the development and sustainability of the company. In accordance with the Hitachi Group Human Rights Policy, we are promoting human rights due diligence (HRDD) and other efforts to embed human rights risk management into our operation and too see that people's rights and dignity are respected throughout the value chain.

We look forward to co-creating solutions with our customers, partners, and the global community to solve sustainable issues. Together, we will innovate for a sustainable society.

Mid-term Management Plan 2024

[Consolidated Financial Results for the Year Ended March 31, 2022 and Mid-term Management Plan 2024](https://www.hitachi.com/New/cnews/month/2022/04/220428.html)

<https://www.hitachi.com/New/cnews/month/2022/04/220428.html>

Green Strategy

[Green / Innovation Strategy](https://www.hitachi.com/IR-e/library/presentation/webcast/220613_01_gis.html)

https://www.hitachi.com/IR-e/library/presentation/webcast/220613_01_gis.html