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Environmental

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Executive Summary

➤ **Advancing Our Environmental Vision and Long-Term Environmental Targets**

– The Environmental Vision and Hitachi Environmental Innovation 2050

Environmental Action Plan

Environmental Governance

Achieving a Decarbonized Society

Achieving a Resource Efficient Society

Achieving a Harmonized Society with Nature

Environmental Data

/// Advancing Our Environmental Vision and Long-Term Environmental Targets

The Environmental Vision and Hitachi Environmental Innovation 2050

Policy Target GRI 102-11/102-15/103-2

Taking into account the growing urgency of environmental issues in the world and the management policies of Hitachi, we formulated an Environmental Vision that clearly outlines our vision for society from a long-term perspective. In working toward achieving this vision, we have established a set of long-term environmental targets aimed at building a decarbonized society, a resource efficient society, and a harmonized society with nature under the banner of Hitachi Environmental Innovation 2050 and are working to advance them.

With regard to achieving a decarbonized society, we originally set a target of reducing CO₂ emissions by 80% throughout the value chain by fiscal 2050 (compared to fiscal 2010) in response to the adoption of the Paris Agreement and the UN Sustainable Development Goals (SDGs) in fiscal 2016. However, in consideration of the IPCC Special Report on Global Warming of 1.5°C, and in recognition of the corporate social responsibility Hitachi is expected to fulfill, we raised our targets. In fiscal 2020, we revised our target to achieve carbon neutrality at Hitachi business sites (factories and offices) by fiscal 2030. And then in fiscal 2021, we revised our target again to achieve carbon neutrality in our value chain by fiscal 2050.

In seeking to realize a resource efficient society, we aim to improve the usage efficiency of water and other resources by 50% by fiscal 2050 (compared to fiscal 2010 levels). And in aiming to build a harmonized society with nature, we are advancing initiatives to minimize our impact on natural capital by reducing our negative impacts and maximizing our positive impacts across the value chain.

Hitachi's environmental initiatives, including the achievement of these long-term environmental targets, are mandated by the short-term Environmental Action Plan which is updated every three years and pursued Group-wide.

Environmental Vision and Long-term Environmental Targets: Hitachi Environmental Innovation 2050

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.

The aim of Hitachi's environmental management

Decarbonized Society Climate Change Mitigation/Adaptation	Resource Efficient Society Saving and Recycling Resources	Harmonized Society with Nature Preservation of Ecosystems
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Long-term Environmental Targets

Hitachi's resolution looking toward 2050 and 2030

Hitachi Environmental Innovation 2050

<p>For a decarbonized society</p> <p>Achieve carbon neutrality by FY 2050 through the value chain</p> <p>Reduce CO₂ emissions 50% by FY 2030 (compared to FY 2010)</p> <p>Achieve carbon neutrality by FY 2030 at business sites (factories and offices)</p>	<p>For a resource efficient society</p> <p>Build a society that uses water and other resources efficiently with customers and society</p> <p>Efficiency in use of water/resources</p> <p>FY 2050 50% improvement (compared to FY 2010 in Hitachi Group)</p>	<p>For a harmonized society with nature</p> <p>Impact on natural capital</p> <p>Minimized</p>
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Environmental Action Plan

Set environmental action items and targets every three years in order to achieve the long-term targets

P041 Achieving a Decarbonized Society

P056 Achieving a Resource Efficient Society

P062 Achieving a Harmonized Society with Nature

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Progress in Reaching Hitachi Environmental Innovation 2050 Targets

Target	Activities
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We are making progress with major Hitachi Environmental Innovation 2050 targets, as shown in the table below. We are generally on track, and we will continue strengthening our environmental activities to achieve these targets. Regarding the achievement of our long-term value chain target to help build a decarbonized society, we are developing activities which help to reduce CO₂ emissions by providing products with top-tier environmental performance.



Efforts to Achieve a Decarbonized Society

Reduced CO₂ Emissions at Business Sites (Factories and Offices)

	FY 2021 target	FY 2021 result	FY 2030 target	FY 2050 target
Reduction rate of total CO ₂ emissions (compared to FY 2010)	20%	37%	100% (carbon neutrality)	(Maintain 100%)



Efforts to Achieve a Resource Efficient Society

Enhanced Efficiency in the Use of Water at Business Sites (Factories and Offices)

	FY 2021 target	FY 2021 result	FY 2030 target	FY 2050 target
Reduction rate in water use per unit (compared to FY 2010 Hitachi Group)	26%	36%	—	50%

Enhanced Efficiency in the Use of Waste and Valuable Generation at Business Sites (Factories and Offices)

	FY 2021 target	FY 2021 result	FY 2030 target	FY 2050 target
Reduction rate in waste and valuable generation use per unit (compared to FY 2010 Hitachi Group)	12%	18%	—	50%

Note: See the referenced pages for details on the figures cited.

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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 steadily promotes its implementation.

Environmental Action Plan for 2021 (Fiscal 2019–2021)

Target	Activities
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Hitachi has promoted environmental activities under the Environmental Action Plan for 2021 (Fiscal 2019–2021) that were based on the 2021 Mid-term Management Plan. The targets set for fiscal 2021, which is the final year, as well as the actual results are as follows. GREEN 21 is used as a tool for evaluating and managing our achievements made over three-year periods toward the targets set.

◆◆◆ : Achieved ◆◆ : Partially achieved

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.			
	Items	Indicators	FY 2021 targets	FY 2021 results (achievement level)	
Environmental Management	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)	80%	56% ◆◆	
A Decarbonized Society	Reduce CO ₂ emissions of products and services	Reduction rate of CO ₂ emissions per unit (compared to FY 2010)	21%	28% ◆◆◆	
	Address climate change risks and opportunities	Identification and review of risks and opportunities			
	Reduce CO ₂ emissions of business sites (factories and offices)	Reduction rate of CO ₂ emissions per unit ^{*1} (compared to FY 2010)	9%	6% ◆◆	
	Reduce CO ₂ emissions from transportation (shipping)	Reduction rate of transportation energy consumption per unit (Japan) ^{*2} (compared to FY 2010)	11%	11% ◆◆◆	
A Resource Efficient Society	Water circulation (factories and offices)	Enhancing efficiency in the use of water	Reduction rate in water use per unit (compared to FY 2010)	26%	36% ◆◆◆
		Respond to water risks	Promotion of measures based on water risk survey results		
	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 (compared to FY 2010)	12%	18% ◆◆◆
A Harmonized Society with Nature	Chemical substances (factories and offices)	Reduce chemical emissions	Reduction rate in chemical atmospheric emissions per unit (compared to FY 2010)	18%	35% ◆◆◆
	Ecosystem preservation	Reduce impact on natural capital	Calculation of negative impacts (environmental impact assessment of business activities)		
		Contribute to ecosystem preservation	Promotion of ecosystem preservation activities	Calculation of positive impacts (forest conservation activities)	

Environmental Action Plan Achievement Evaluation System | GREEN 21

*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.

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Environmental Action Plan for 2024 (Fiscal 2022–2024)

Target	Activities
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Hitachi has established a new Environmental Action Plan for 2024 (Fiscal 2022–2024) based on the 2024 Mid-term Management Plan as an initiative beginning in fiscal 2022. We will strengthen our efforts further in working to achieve the Hitachi Environmental Innovation 2050 long-term environmental targets.

Environmental Action Plan for 2024						
	Items		Indicators	FY 2022 targets	FY 2023 targets	Final FY (2024) targets
Environmental Management	Environmental human capital development	Promote environmental human capital development	Promote environmental human capital development	Environmental human capital development mindful of changes in personnel composition, including generational shifts		
A Decarbonized Society	Factories and offices	Total CO ₂ reduction	Total CO ₂ reduction (compared to FY 2010)	32%	35%	50%
		Improvement of transportation energy consumption per unit (Japan)	Improvement rate of transportation energy consumption per unit (Japan) (compared to FY 2010)	2%	3%	4%
	Products and services	Reduce CO ₂ emissions of products and services	Reduction rate of CO ₂ emissions (compared to FY 2010)	12%	13%	14%
		Promote eco-design	Contribution to CO ₂ emissions reduction	Contribution to CO ₂ emissions reduction of 100 million t per year (FY 2024)		
A Resource Efficient Society	Factories and offices	Enhancing efficiency in the use of resources	Number of sites achieving zero landfill waste*1	90	124	158
			Reduction in waste and valuables generation per unit (compared to FY 2010)	14%	17%	20%
			Reduction rate in water use per unit (compared to FY 2010)	22%	23%	24%
			Effective utilization rate of plastic waste	77%	81%	85%
Water risks	Respond to water risks	Respond to water risks	Minimization of business impacts regarding water risks			
A Harmonized Society with Nature	Chemical substance	Reduce chemical emissions	Reduction rate in chemical atmospheric emissions per unit (compared to FY 2010)	5%	6%	8%
	Ecosystem preservation	Impact on natural capital	Calculation of negative impacts (business unit/Group company-level LCA implementation) / Calculation of positive impacts (forest conservation activities)			

*1 Pursued in assumed conformance with regulations, conditions, etc. and less than 0.5%

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Environmental Action Plan Achievement Evaluation System: GREEN 21

System	Activities
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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 160 major sites classified as category A into green points (GPs) and 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 also enables sites to be compared with each other. The results are also 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 2021

The overall evaluation, which is the sum of the evaluation scores for each category, was 269 GPs which is lower than the reference score of 320 GPs in fiscal 2021. Due to the impact of the COVID-19, business trips outside of Japan were restricted and there was a decrease in production. The scores for enhancing global environmental management and reducing CO₂ emissions per unit of business site came in below the targets.

▶ **GREEN 21: Fiscal 2021 Evaluation Results (Hitachi Group)**

..... FY 2021 reference score: 320 GPs

■ FY 2021 result: 269 GPs

