

3

Environmental

Environmental

Executive Summary

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

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 Goals

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

Hitachi's Mid-term Management Plan places an emphasis on environmental value clearly indicating the company's commitment to delivering strong environmental performance. In response to the adoption of the Paris Agreement on climate change and the UN Sustainable Development Goals (SDGs), in 2016 we established a set of long-term environmental targets under the banner of Hitachi Environmental Innovation 2050 and have been working toward achieving them. The IPCC Special Report on Global Warming of 1.5°C published in 2018 states that greater efforts will be required in order to limit the global temperature increase to 1.5°C. In response, regions and countries around the world, including the European Union and Japan, have been stepping up their commitments. At Hitachi, we had set a long-term environmental target of reducing CO₂ emissions by 80% throughout the value chain by fiscal 2050 (compared to fiscal 2010). However, in consideration of recent trends both internal and external, and in recognition of the corporate social responsibility Hitachi is expected to fulfill, we have now revised our target of achieving a decarbonized society as described below, explicitly aiming to achieve carbon neutrality.

Efforts to Achieve a Decarbonized Society

- Achieve carbon neutrality throughout our value chain by fiscal 2050 and reduce CO₂ emissions by 50% by fiscal 2030 (compared to fiscal 2010)
- Achieve carbon neutrality at business sites (factories and offices) by fiscal 2030

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. 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.

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

Long-term Environmental Targets

Hitachi's resolution looking toward 2050 and 2030

Hitachi Environmental Innovation 2050

For a decarbonized society

Achieve **carbon neutrality** by FY 2050 through the value chain

Reduce CO₂ emissions **50%** by FY 2030 (compared to FY 2010)

Achieve **carbon neutrality** by FY 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

Efficiency in use of water/resources

FY 2050 **50%** improvement (compared to FY 2010)

For a harmonized society with nature

Impact on natural capital

Minimized

Environmental Action Plan

Set environmental action items and targets every 3 years in order to achieve the long-term targets

3

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Progress in Reaching Long-Term Environmental Targets

Goals Activities

We are making progress on major targets, as shown in the table below, and we are generally on track. We will continue increasing our efforts to achieve these long-term 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 2020 result	FY 2021 target	FY 2030 target	FY 2050 target
Reduction rate of total CO ₂ emissions (base: FY 2010, Hitachi Group)	39%	20% or higher	100% (carbon neutral)	(Maintain 100%)



Efforts to Achieve a Resource Efficient Society

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

	FY 2020 result	FY 2021 target	FY 2030 target	FY 2050 target
Reduction rate in water use per unit (base: FY 2010, Hitachi Group)	24%	26% or higher	—	50%

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

	FY 2020 result	FY 2021 target	FY 2030 target	FY 2050 target
Reduction rate in Waste and Valuable Generation use per unit (base: FY 2010, Hitachi Group)	14%	12% or higher	—	50%

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

3

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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 promotes its steady implementation.

Environmental Action Plan for 2021 (Fiscal 2019–2021)

Goals **Activities**

Hitachi is promoting environmental activities under the 2021 Environmental Action Plan (fiscal 2019–2021) that are based on the 2021 Mid-term Management Plan. The targets set for fiscal 2020 and fiscal 2021 as well as the actual results for fiscal 2020 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.																
Environmental Management																
Items		Indicators					FY 2020 targets		FY 2020 results (achievement level)		Final FY (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)					50%		34%◆◆		80%					
A Decarbonized Society					A Resource Efficient Society					A Harmonized Society with Nature						
Items	Indicators	FY 2020 targets	FY 2020 results (achievement level)	Final FY (2021) targets	Items	Indicators	FY 2020 targets	FY 2020 results (achievement level)	Final FY (2021) targets	Items	Indicators	FY 2020 targets	FY 2020 results (achievement level)	Final FY (2021) targets		
Reduce CO ₂ emissions of products and services	Reduction rate of CO ₂ emissions per unit (base: FY 2010)	20%	20%◆◆◆	21%	Water circulation (factories and offices)	Enhancing efficiency in the use of water	Reduction rate in water use per unit (base: FY 2010)	24%	24%◆◆◆	26%	Chemical substances (factories and offices)	Reduce chemical emissions	Reduction rate in chemical atmospheric emissions per unit (base: FY 2010)	17%	33%◆◆◆	18%
Address climate change risks and opportunities	Identification and review of risks and opportunities					Respond to water risks	Promotion of measures based on water risk survey results					Ecosystem preservation	Reduce impact on natural capital	Calculation of negative impacts (environmental impact assessment of business activities)		
Reduce CO ₂ emissions of business sites (factories and offices)	Reduction rate of CO ₂ emissions per unit ¹ (base: FY 2010)	8%	1.4%◆◆	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)	11%	14%◆◆◆	12%		Contribute to ecosystem preservation	Calculation of positive impacts (forest conservation activities)		
Reduce CO ₂ emissions from transportation (shipping)	Reduction rate of transportation energy consumption per unit (Japan) ² (base: FY 2010)	10%	1%◆◆	11%		Promotion of ecosystem preservation 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.

3

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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 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 Fiscal 2020

The overall evaluation, which is the sum of the evaluation scores for each category, was 223 GPs which is lower than the reference score of 240 GPs in fiscal 2020. 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 2020 Evaluation Results (Hitachi Group)

..... FY 2020 reference score: 240 GPs

■ FY 2020 result: 223 GPs

