

Chief Sustainability and HR Officer Message

Sustainability Management that Supports Growth

Sustainability has been deeply rooted in our corporate philosophy and identity since Hitachi's founding. In my time with the Company, I have been involved in a great number of projects across different roles, working in countries including Italy, the United Kingdom, and Japan. Through these experiences, I have seen how initiatives for sustainability and diversity and inclusion spur innovation and lead to new business opportunities, further accelerating company growth.

Under the Mid-term Management Plan 2024, we are contributing to the realization of a sustainable society by protecting the global environment while being mindful of the planetary boundaries and improving people's wellbeing. We have identified six materiality topics, set KPI targets, and have been making steady progress toward achieving them. For example, one of our environmental measures aims to reach carbon neutrality at our business sites, and we achieved a 74% CO₂ reduction compared to the fiscal 2010 baseline in the fiscal 2023. We also project we will reach a three-year average CO₂ reduction of 153 million metric tons per year, outperforming our Mid-term Management Plan 2024 goal of 100 million metric tons per year. Regarding Diversity, Equity and Inclusion (DEI), the ratio of non-Japanese among Executives and Corporate Officers has reached 25%, steadily progressing toward the target of 30% in fiscal 2030. To further accelerate our sustainability management, sustainability targets were introduced into the compensation system for Executive Officers in fiscal 2023, and in fiscal 2024, we introduced DEI criteria into the performance assessment framework, for all employees to set DEI-related targets.

Our Efforts toward Long-Term Sustainable Growth

With shifting geopolitical risks and intensifying climate change, the environment surrounding sustainability is constantly changing. However, Hitachi's long-term vision of contributing to the realization of a sustainable society remains unchanged. Hitachi's goal to achieve carbon neutrality through our value chain by fiscal 2050 is not something the Company can accomplish alone. We share this responsibility with our value chain procurement partners and customers, and Hitachi is making contributions toward the decarbonization of society as the entire through its operations.

Resolution of current societal issues requires evolution of technologies, and it is also necessary to properly address large-scale societal changes such as the increased demand for electrical power accompanying the advent of generative AI. For these reasons, Hitachi is raising its sustainability responsiveness by continuously reviewing our materiality assessment.

Furthermore, to balance technological advancement and a sustainable society, a multifaceted perspective is necessary to evaluate the impacts on the entire value chain, including factors such as the increasing amounts of waste and human rights issues. In any period of time, it is the "people" who make decisions and take actions based on these perspectives. In other words, people play a central role in creating the necessary innovations, mindset, governance systems



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and collaborations required for sustainability. Therefore, interorganizational coordination between the Company's sustainability and human resources divisions is crucial, whether in top-down approaches from management or, bottom-up initiatives prompted by employees, along with multiple approaches across regions and generations groups. My mission as the role of Chief Sustainability Officer and CHRO is to drive Hitachi's human resources strategy for sustainable growth and implement initiatives based on clear KPI goals.

The sustainability initiatives and investment with the cross-organizational One Hitachi approach will improve medium- and long-term returns, reduce capital costs through risk reduction, and further promote Hitachi's overall innovation and growth. We will work to ensure transparency including compliance with the sustainability disclosure standards, in addition to the utilization of technology and the use of data to improve the efficiency of our management and business operations.

As Chief Sustainability Officer and CHRO, I will accelerate Hitachi's transformation journey to enhance its corporate value from both sustainability and human capital strategy perspectives and contribute to the realization of a sustainable society.

*1 CHRO: Chief Human Resources Officer

*2 CDEIO: Chief Diversity, Equity & Inclusion Officer