

# News Release

FOR IMMEDIATE RELEASE

## **Hitachi Selected as “Excellent TCFD Disclosure” by GPIF's External Asset Managers for the Third Consecutive Year**

**Tokyo, April 4, 2024** – Hitachi, Ltd. (TSE: 6501, “Hitachi”) has been selected as an “excellent TCFD<sup>\*1</sup> disclosure” from external asset managers entrusted with the Japanese equity investment of Japan's Government Pension Investment Fund (GPIF) for the third consecutive year. Hitachi received a high evaluation from eight asset managers, which is the highest number among the selected companies.

<sup>\*1</sup> The Task Force on Climate-related Financial Disclosures

The reasons for the selection are as follows.

- The description of each item is in line with the TCFD Recommendations and Implementation Guidance and the high level of initiatives. The descriptions are also very clear.
- For each business segment, segment strategies are disclosed in a matrix based on the business environment, risks, and opportunities under the 1.5°C and 4°C scenarios and the market environment perception based on factors other than the environment that do not depend on the 1.5°C and 4°C scenarios. The company clearly states that it is highly resilient under any scenario.
- The 1.5°C and 4.0°C scenario analysis for each of the main businesses, together with the consideration of non-environmental factors, indicates a high degree of resilience. The establishment of a green strategy promotion structure can be understood through sustainability-related meetings.
- The contribution to decarbonization and the linkages to their own business are disclosed clearly throughout. The detailed disclosure of decarbonization business opportunities and reduction contributions shows a commitment to contributing to decarbonization through its business. It is also highly commendable that internal carbon pricing enables the company to invest in decarbonization.
- Beyond the TCFD framework, high quality disclosures can be identified on climate change and related environmental topics. It can provide investors with clear and understandable information on key points, even though it covers multiple business areas.
- All four items of the TCFD, including specific targets, detailed settings and use cases, are commended for their easy-to-understand disclosure to the reader.
- Sustainability governance, particularly compensation governance, is highly effective. The company clearly states that it is highly resilient across the value chain through transition planning and scenario analysis. It expresses the size of its contribution potential and business opportunities through, for example, proactive disclosure of reduction contribution targets and results.
- There is a balanced disclosure of the actions that have been taken so far regarding the four TCFD elements 'Governance', 'Strategy', 'Risk Management' and 'Metrics and Targets'. In particular, the disclosure of actual and targeted reductions in greenhouse gas emissions is easy to understand and highly evaluated.

Hitachi began disclosing risks and opportunities related to climate change with Hitachi Sustainability Report 2014. The requirement of the disclosure was highlighted in the TCFD Final Report (TCFD recommendations) released in 2017. In response, Hitachi expressed its support for the TCFD recommendations in 2018 and began enhancing its disclosures based on the TCFD recommendations with Hitachi Sustainability Report 2018. Additionally, since its establishment in 2019, Hitachi has been actively involved as a planning committee member in the TCFD Consortium<sup>\*2</sup>.

Going forward, Hitachi is committed to pursuing business activities aimed at achieving its Environmental Vision and long-term environmental targets outlined in “Hitachi Environmental Innovation 2050”, while also continue to advance the disclosure of information in a demand of stakeholders.

\*2 An organization that facilitates discussions on effective corporate information disclosure and aims to link disclosed information with appropriate investment decisions by financial institutions and others.

### **Hitachi Sustainability Report 2023**

<https://www.hitachi.com/sustainability/download/>

### **Hitachi Integrated Report 2023**

<https://www.hitachi.com/IR-e/library/integrated/>

### **Hitachi’s Sustainability Initiatives**

<https://www.hitachi.com/sustainability/>

### **Hitachi’s Sustainable Procurement**

<https://www.hitachi.com/procurement/csr/>

### **Hitachi’s Environmental Activities**

<https://www.hitachi.com/environment/>

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### **About Hitachi, Ltd.**

Hitachi drives Social Innovation Business, creating a sustainable society through the use of data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the business structure of “Digital Systems & Services” - supporting our customers’ digital transformation; “Green Energy & Mobility” - contributing to a decarbonized society through energy and railway systems, and “Connective Industries” - connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company’s consolidated revenues for fiscal year 2022 (ended March 31, 2023) totaled 10,881.1 billion yen, with 696 consolidated subsidiaries and approximately 320,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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