

## California State Assembly Bill No.1305

**< Net-Zero target for 2050 >**

Hitachi Industrial Equipment Systems Co., Ltd. ("HIES"), a core subsidiary of Hitachi Ltd., and its group companies ("HIES Group") have set a net-zero target of greenhouse gas ("GHG") emissions across its entire value chain by FY2050. This target aligns with Hitachi Ltd.'s "Decarbonization" target in the "[Hitachi Environmental Innovation 2050](#)", its long-term environmental targets.

While HIES Group's targets have not undergone individual verification, they are incorporated into Hitachi Ltd.'s net-zero target. Hitachi Ltd.'s SBTi targets have been accepted by SBTi.

**< Carbon Neutral target for 2030 >**

Hitachi Ltd., including HIES Group has set a goal to achieve carbon neutrality by 2030 (Scope 1<sup>※1</sup>, and 2<sup>※2</sup>).

**< GHG emissions in FY2024 >**

Aiming for a sustainable future, HIES Group achieved carbon neutrality (Scope 1, and 2) in FY2024, significantly ahead of our 2030 target. While our near-term Scope 1 and 2 emissions reduction targets are science-based, we have achieved carbon neutrality for these scopes through the purchase and retirement of high-quality carbon credits, in addition to our internal abatement efforts.

HIES Group has reduced GHG emissions at 54 sites<sup>※3</sup>, including domestic and overseas offices, factories, service stations, and other facilities that account for more than 95%<sup>※4</sup> of our group's total Scope 1 and 2 GHG emissions, as follows.

Scope 1 and 2 GHG emissions Reduction in HIES Group in FY2024 [kt-CO <sub>2</sub> e]	
[Reduction measures]	
Energy conservation measures	0.7
Introduction of renewable energy power equipment	2.0
Procurement of renewable energy power and certificates	30.5
[Offsets]	
Carbon credits <sup>※5</sup>	13.9

### < Emission calculation methods >

HIES Group and Hitachi Ltd. calculate GHG emissions in accordance with the GHG Protocol developed by the World Business Council for Sustainable Development (WBCSD).

The [GHG calculation method](#) is based on ISO 14064-1 and the Greenhouse Gas Emissions Calculation and Reporting Manual published by the Ministry of the Environment, Japan.

The GHG emission calculation data of the Hitachi Ltd.'s Scope 1 and 2 is validated by the third-party verifier as stated in the [Hitachi Sustainability Report](#). However, the GHG emission data of HIES Group has not undergone individual verification.

### < Progress management >

HIES Group manages progress in reducing GHG emissions by planning and collecting actual results as shown in the Figure.

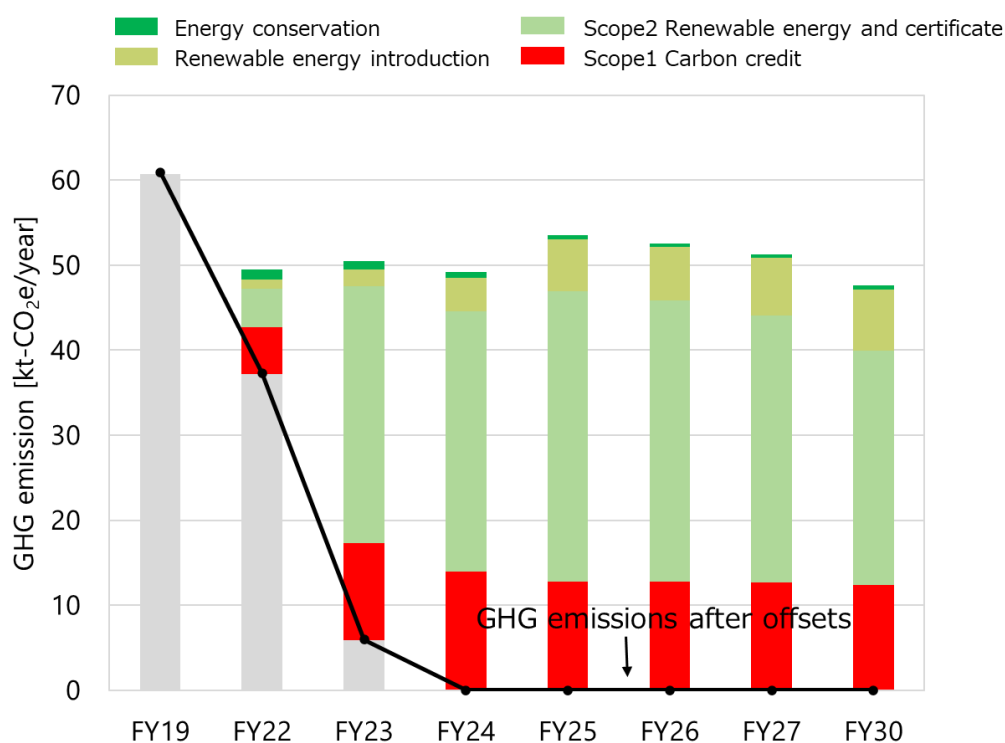


Fig. Results and reduction plan of the Scope 1 and 2 GHG emissions

※1 Scope 1:

Direct GHG emissions from fuel use and industrial processes at our own facilities (Including SF<sub>6</sub>, PFC, HFC, N<sub>2</sub>O, NF<sub>3</sub>, and CH<sub>4</sub>)

※2 Scope 2:

Indirect GHG emissions associated with the use of electricity and heat purchased by our company (CO<sub>2</sub> emissions from electricity consumption are calculated using a market-based calculation method.)

※3 Boundary of Carbon Neutral sites

<Japan sites>

1	Hitachi Industrial Equipment Systems Co., Ltd. Narashino business office
2	Hitachi Industrial Equipment Systems Co., Ltd. Nakajo business office
3	Hitachi Industrial Equipment Systems Co., Ltd. Taga business office
4	Hitachi Industrial Equipment Systems Co., Ltd. Shimizu business office
5	Hitachi Industrial Equipment Systems Co., Ltd. Sagami business office
6	Hitachi Industrial Equipment Systems Co., Ltd. Katsuta business office
7	Hitachi Industrial Equipment Systems Co., Ltd. Tsuchiura business office
8	Hitachi Industrial Equipment Systems Co., Ltd. Head office
9	Hitachi Industrial Equipment Systems Co., Ltd. Tohoku branch
10	Hitachi Industrial Equipment Systems Co., Ltd. Akita service station
11	Hitachi Industrial Equipment Systems Co., Ltd. Hachinohe service station
12	Hitachi Industrial Equipment Systems Co., Ltd. Fukushima service station
13	Hitachi Industrial Equipment Systems Co., Ltd. Hokkaido branch
14	Hitachi Industrial Equipment Systems Co., Ltd. Akanehama area department
15	Hitachi Industrial Equipment Systems Co., Ltd. Monnaka area department
16	Hitachi Industrial Equipment Systems Co., Ltd. Saitama area department
17	Hitachi Industrial Equipment Systems Co., Ltd. Tochigi service station
18	Hitachi Industrial Equipment Systems Co., Ltd. Takasaki service station
19	Hitachi Industrial Equipment Systems Co., Ltd. Ibaraki service station
20	Hitachi Industrial Equipment Systems Co., Ltd. Tsukuba service station
21	Hitachi Industrial Equipment Systems Co., Ltd. Yokohama service station
22	Hitachi Industrial Equipment Systems Co., Ltd. Niigata service station
23	Hitachi Industrial Equipment Systems Co., Ltd. Koshin service station
24	Hitachi Industrial Equipment Systems Co., Ltd. Hokuriku branch
25	Hitachi Industrial Equipment Systems Co., Ltd. Chubu branch
26	Hitachi Industrial Equipment Systems Co., Ltd. Shizuoka service station
27	Hitachi Industrial Equipment Systems Co., Ltd. Himeji service station
28	Hitachi Industrial Equipment Systems Co., Ltd. Kyoji service station

29	Hitachi Industrial Equipment Systems Co., Ltd. Kansai branch
30	Hitachi Industrial Equipment Systems Co., Ltd. Shikoku branch
31	Hitachi Industrial Equipment Systems Co., Ltd. Chugoku branch
32	Hitachi Industrial Equipment Systems Co., Ltd. Okayama service station
33	Hitachi Industrial Equipment Systems Co., Ltd. Sanin service station
34	Hitachi Industrial Equipment Systems Co., Ltd. Yamaguchi service station
35	Hitachi Industrial Equipment Systems Co., Ltd. Kyusyu branch
36	Hitachi Industrial Equipment Systems Co., Ltd. Kitakyusyu service station
37	Hitachi Industrial Equipment Systems Co., Ltd. Minamikyusyu service station
38	Hitachi Industrial Equipment Systems Co., Ltd. Niihama service station
39	Hitachi Industrial Equipment Systems Co., Ltd. Kumamoto service station
40	HITACHI KE SYSTEMS, LTD.
41	Hitachi Industrial Equipment Drive & Solutions Co., Ltd.

<Global sites>

1	Hitachi Global Air Power US, LLC
2	Hitachi Global Air Power (SUZHOU) Co., Ltd.
3	HITACHI INDUSTRIAL EQUIPMENT (NANJING) CO., LTD.
4	HITACHI INDUSTRIAL TECHNOLOGY (THAILAND), LTD.
5	HITACHI INDUSTRIAL EQUIPMENT (MALAYSIA) SDN. BHD.
6	HITACHI GLOBAL AIR POWER (CHANGSHU) CO., LTD.
7	HITACHI SOE ELECTRIC & MACHINERY CO., LTD.
8	TELESIS TECHNOLOGIES, INC.
9	Hitachi Global Air Power Australia Pty Ltd.
10	HITACHI INDUSTRIAL EQUIPMENT & SOLUTIONS AMERICA, LLC Chicago, IL
11	HITACHI INDUSTRIAL EQUIPMENT & SOLUTIONS AMERICA, LLC Charlotte, NC
12	HITACHI INDUSTRIAL EQUIPMENT & SOLUTIONS AMERICA, LLC Ontario, CA
13	HITACHI INDUSTRIAL EQUIPMENT & SOLUTIONS AMERICA, LLC Belle Oaks Ink Facility

## ※5 Details of carbon credits

Name of the entity selling the offset (Section 44475.1(a))	Offset registry (Section 44475.1(a))	Offset Project Number (Section 44475.1(b))	Offset Project Name (Section 44475.1(c))	Project Type - Removal or Avoided Emissions (Section 44475.1(d))	Site location (Section 44475.1(d))	Specific Protocol Used (e.g., methodology used) (Section 44475.1(e))	Third-Party Verification (Section 44475.1(f))	Project Status & Relevant Updates
Sumitomo Corporation	Verra	1865	Xiquan Afforestation Project in Guizhou Province	Removal	China	AR-ACM0003	Yes	<b>Project Status:</b> On Hold <b>Reason:</b> The project is currently under review on the Verra registry following a stakeholder request. Credit replacement may be required depending on the outcome of the review.
Sumitomo Corporation	Verra	2083	Liangdu Afforestation Project	Removal	China	AR-ACM0003	Yes	<b>Project Status:</b> Withdrawn <b>Reason:</b> The project was removed from the Verra registry following its transition to China's national carbon program (China Certified Emission Reduction – CCER).
World Kinetic Energy Services	Verra	959	'Guanaré' Forest Plantations on degraded grasslands under extensive grazing	Removal	Uruguay	AR-ACM0001	Yes	<b>Project Status:</b> Registered