Sustainability 2030
Our Plan & Targets
Introduction

Sustainability 2030 is our strategic plan for sustainability where we summarize the main commitments to act and drive business in a sustainable way.

Based around four pillars: Planet, People, Peace and Partnerships, our strategy draws from the UN’s Sustainable Development Goals (SDGs), where each pillar has corresponding targets that drive our business to contribute social value, environmental value and economic value.
Sustainability 2030: Towards a sustainable energy future

Claudio Facchin
CEO
Hitachi Energy

We have placed sustainability at the heart of our Purpose – Advancing a sustainable energy future for all.

Sustainability must move to a carbon-neutral energy future to cope with the challenges of climate change. Following the pandemic, policymakers, industry, and the general public have sharpened their focus on the environment. Climate targets have been set across all continents and the ambition level is higher than ever before. The energy transition is crucial to achieving a sustainable future, from a social, environmental and economic perspective.

Electricity is rapidly becoming the backbone of the entire energy system.

According to the IEA’s Net Zero by 2050 report, ‘the path to net zero emissions is narrow: staying on it requires immediate and massive deployment of all available clean and efficient energy technologies.’ By 2030, the world economy is expected to be 40% larger but consuming 7% less energy to be on track for net zero in 2050. By 2050, “the energy sector will be dominated by renewables” and ‘electricity accounts for almost 50% of the total energy consumption’ up from 20% today. We will be sharing our planet with two billion more people, many of whom will be living in cities and have higher expectations for quality of life.

Clean energy generation, network infrastructure and electrification of end-use sectors are crucial to decarbonization.

To efficiently meet the changing needs of a growing population and limit climate change, large-scale volumes of variable energy generated from renewable sources (i.e. wind and solar) need to be efficiently integrated into the world’s energy system. The electrification of transportation, industry and building sectors will continue to be ramped up to fulfill demand. The energy landscape is in transition – and the shift is exponentially increasing in pace.

A sustainability plan aligned with a net-zero emissions future is integral to our business, to our growth and long-term success. We have placed sustainability at the heart of our Purpose:

Advancing a sustainable energy future for all.

We are advancing the world’s energy system to be more sustainable, flexible and secure.

As the pioneering technology leader, we collaborate with customers and partners to enable a sustainable energy future – for today’s generations and those to come.

Through Sustainability 2030, we have defined our strategy, which combines innovative solutions with a diverse and inclusive company culture, to contribute to a more sustainable society – aligned with the UN’s Sustainable Development Goals (SDGs).

Now is the time for all stakeholders to collaborate to solve the challenges of our time. Together with our customers and partners, we are co-creating and deploying flexible and resilient energy systems at scale, which are sustainable, efficient, safe and secure. As a global technology and market leader, we bring a rich heritage of pioneering breakthroughs that have evolved the world’s electrical systems. To enable the deployment of technology at the scale and speed required, we must also adapt and adopt new business models and collaborate with all stakeholders to support sustainable (green), flexible (smart), and secure (strong) infrastructure such as power grids.

Today, we are pioneering digital and energy platforms which help to overcome complexity, increase efficiency and accelerate the shift towards a carbon-neutral energy future. In 2021, we took an important step launching EconiQ™ – our eco-efficient portfolio of products, solutions and services, which are sustainability-oriented in design and proven to deliver a superior environmental performance compared to conventional solutions.

Sustainability 2030 is also for our people. At the inception of our new company in 2020, we introduced ‘Diversity 360’ – our vision for diversity and inclusion - as essential to our sustainability goals helping to connect our people to our purpose of advancing a sustainable energy future for all. Diversity 360 is an employee-centered experience designed to nurture diversity of thought and embrace the power of connections to foster innovation for our customers, partners and broader society.

We have made a promise to contribute to a sustainable energy future. Now we inject a sense of urgency to progress fast with near-term implementation, setting out Sustainability 2030, underpinned by short and medium-term concrete and measurable targets.

We have much work to do and I am personally excited by the potential we have to contribute to accelerating the transition to a sustainable energy future that everyone can benefit from.

Best regards,

Claudio Facchin
CEO
Hitachi Energy
Our 2030 Targets

Planet
Carbon-neutral in our own operations¹
↓ 50% reduction of CO₂ equivalent emissions² along the value chain
↓ 50% reduction of waste disposed²
↓ 25% reduction of freshwater use³
↓ 25% reduction of hazardous substances and chemicals⁴

People
Zero harm
Top quartile health absence rates
Life-long learning culture
Increase female diversity from 19% to 25% by 2025

Peace
Zero incidents of corruption and bribery

Partnerships
Increase involvement in multi-stakeholder partnerships

¹ Minimal use of carbon offsets
² 2019 baseline
³ 2013 baseline
⁴ 2022 baseline
Discover Sustainability 2030

Through Sustainability 2030, we are making a significant contribution to eight of the UN’s 17 SDGs.

Sustainability 2030 reinforces our commitment to all of the UN Sustainable Development Goals, and in particular, we commit to making a significant contribution to the below eight SDGs.

Affordable and clean energy; responsible consumption and production; clean water and sanitation; good health and well-being; quality education; gender equality; peace, justice and strong institutions; and partnerships for the goals.

*Planet, People, Peace and Partnerships* are the four pillars of our Sustainability 2030 strategic plan. Each pillar aligns with one or more of the SDGs, and includes corresponding sustainability target(s). These are ambitious and are designed to guide, stretch and advance our whole business, as we strive towards a sustainable society.
By 2030, we aim to achieve carbon-neutrality in our own operations. We target to reduce our emissions along the value chain by 50% with customers, partners, and suppliers, supporting SDG 7 ‘Affordable and Clean Energy’ and in alignment with the Paris Agreement – to limit global warming to 1.5 degrees.

Matthew North
Head of HSE & Sustainability
Hitachi Energy

To achieve carbon-neutrality in our own operations, our first step is to invest in fossil-free electricity and energy efficiency, ensuring our facilities are as efficient as possible.

100% fossil-free electricity in our operations

In January 2022, Hitachi Energy has reached its first-step target to use 100% fossil-free electricity in its own operations, showing fast progress in achieving its Sustainability 2030 target of becoming carbon-neutral in own operations. By using 100% fossil-free electricity in our own operations, we reduced our CO2 equivalent emissions by over 50% compared to 2019. We did this through projects generating own fossil-free electricity, such as installing solar roof panels, switching electricity contracts to green tariffs, buying Energy Attribute Certificates (EAC), and signing Power Purchase Agreements (PPA).

Hitachi Energy is continuing to invest in its journey towards carbon-neutrality by further increasing energy efficiency, as well as electrifying its own operations. In Ludvika, Sweden, the company is now using 100% renewable electricity generated from hydropower and, to a smaller extent, from solar panels to support its operations. Ludvika, which is one of Hitachi Energy’s largest production facilities, has gone beyond tackling their electricity supply and are now close to removing the use of all fossil fuels from the whole of their operations.

We are advancing a sustainable energy future for all and have a responsibility to support our customers and other key stakeholders to accelerate the energy transition and deliver solutions which help to reduce the overall carbon footprint. Our products and solutions drive energy efficiency not only for our operations but also for society.

Two examples of pioneering technologies that we have introduced, include:

HVDC Light® – efficient integration of large-scale renewable energy

We pioneered commercial HVDC technology more than 65 years ago. HVDC has been a breakthrough in connecting remote regions with grids, efficiently transmitting large amounts of electricity, with a significantly smaller environmental and carbon footprint through the integration of renewable energy into the grid and its transmission with extremely low losses. HVDC has been recognized as a key technology for enabling the clean energy transition, contributing to the SDG 7: increasing access to affordable, reliable, sustainable and modern energy for all.

HVDC Light® is a highly efficient alternative to alternating current (AC) for transmitting large amounts of electricity with higher efficiency, over longer distances, and with lower electrical losses. HVDC Light contributes to the secure and stable transmission of power across networks that operate on different voltages and frequencies. This makes the technology suitable for many key power applications, enabling the integration of renewable energy such as offshore wind farms and interconnecting and strengthening AC networks.
EconiQ™ – eco-efficient portfolio

EconiQ is Hitachi Energy’s eco-efficient portfolio of products, solutions and services which are scientifically proven to deliver an exceptional environmental performance. With EconiQ, customers can further reduce carbon emissions across the life-cycle and progress towards a carbon-neutral future. Two examples from the industry-leading eco-efficient portfolio include: 1. EconiQ transformers - co-created with customers, the transformers contribute additional environmental value in the areas of decarbonization, enhanced safety for people, protection of ecosystems and responsible use of resources across the transformer’s life-cycle. 2. EconiQ high-voltage - they contain no sulphur hexafluoride (SF6), a greenhouse gas, and are proven to reduce the carbon footprint throughout the entire life-cycle.

Our ambition extends beyond carbon-neutrality. We are working to reduce waste – along with our consumption of precious resources, like freshwater. We will support ‘Clean Water and Sanitation’ (SDG 6) and ‘Responsible Consumption and Production’ (SDG 12).

Matthew North
Head of HSE & Sustainability
Hitachi Energy
We have performed several Life-cycle Assessments (LCAs) to assess and improve the environmental impact from our products over their life span. In our own operations, we have reduced the amounts of waste sent to disposal by over 40% since 2013 and we will continue to promote a circular economy. We will also increase digitalization to extend the life-cycle of our solutions in support of our sustainability efforts.

While all of these targets are set for 2030, we want to accelerate our actions to achieve significant impacts over the next few years. In 2021, in addition to transitioning to fossil-free electricity, we will put our focus on our top ten factories. We will look closely at how they can become carbon-neutral, beyond the electricity they use and leverage best practices.

The world’s window towards mitigating climate change and achieving carbon-neutrality is narrow. It is important that we act now. Working with our supply chain, our partners and our customers in the power, industry, mobility and other sectors, we will drive emission reduction throughout the value chain. Collaboration will be a key success factor – across stakeholders, geographies and sectors. Together, with our partners, we are committed to accelerating the energy transition – advancing a sustainable energy future for all.

We are contributing to ‘Good Health and Wellbeing’ (SDG 3) with health and safety targets that enable our people to work in an environment in which they can feel safe and perform at their best.

Matthew North
Head of HSE & Sustainability
Hitachi Energy
By cultivating life-long learning and creating inclusive learning opportunities, we foster innovation. We are continuously developing our experts and leaders to further advance their professional skills and knowledge, which enables our business to provide superior, high quality products, systems and services to our customers.

We make learning a daily habit within an integrated learning framework – not only off the job but also along and even more so on the job. We provide world-class learning journeys for leaders, nurture critical soft skills and functional competencies. An important part of our learning framework is on-demand learning, which we offer through Power Your Learning, Collaborative Learning and Power+ for early talents for example. Equally important are culture-building and mindset-shifting activities such as Learning Agility, Interrupting Unconscious Bias, Health Resilience and Power Your Leadership.

With our unique Leadership Pillars, we integrate learning and growth into the fabric of our people leadership. We believe that leaders are the engine that connects our people to purpose, people, potential and performance, creating a sustainable energy future.

Through Diversity 360, we are embracing the full power of diverse thought. We believe that ‘diversity plus collaboration equals great innovation’ – and through innovation, we will deliver the sustainable solutions needed to help solve the shared challenges of the energy transition. We partner with external organizations to help make education available to all.

Female Acceleration is an important part of Diversity 360. We are working to ensure full inclusion and equal opportunities for women at all levels of our business.

We are contributing to ‘Gender Equality’ (SDG 5) by increasing female diversity from 19% to 25% by 2025; and are championing our Diversity 360 approach and mindset in our daily work.

People

Sustainability is all about people. Our Diversity 360 promise is to deliver meaningful employee experiences, where our extraordinary people are given the right environment and are empowered to thrive – in a place where everyone can bring their best self to work every day.

As mission-critical infrastructure providers, we are proud of our people and their passion and commitment to pioneering a sustainable energy future. We are fostering safe working environments to protect our people, preserve business continuity and operate effectively in our modern world.

As an organization, we have established a very strong focus on safety and have helped our employees stay healthy – both, physically and mentally. Our targets for 2030 include zero harm – through rigorous risk assessments and training – and top-quartile health absence rates.

Through our Diversity 360 approach, as an enabler for sustainable and profitable growth, we are committed to attracting and developing the best talent. We partner with educational institutions, mentor and sponsor diverse talents at an early stage, for example with the “Women in Engineering” project in India.

We are contributing to ‘Quality education’ (SDG 4) by nurturing a life-long learning culture and creating inclusive learning opportunities for all.
Peace

We promote peaceful, inclusive and sustainable societies. Everything we do is based on safety, integrity and quality – our license to operate. We have a policy for zero tolerance for corruption and bribery - no matter how minor, we take resolute actions against any incidents of unfair business practices. We want to ensure an effective and accountable environment to prevent, detect, and respond to concerns raised. As part of this, we maintain a solid whistleblowing program that encourages the disclosure of issues and the protection of whistleblowers. We believe that we can play a vital role within and outside of our organization and will work with our partners, customers, suppliers, and authorities to achieve this.

Partnerships

Partnerships for the Goals is the inspiration for our final Sustainability 2030 pillar. The energy transition requires strong collaboration. Our ambition is to be the partner of choice for a sustainable energy future. We believe that diversity and collaboration equal great innovation. Together with customers, partners and other key stakeholders, we are co-creating sustainable, flexible, and secure technologies that are accelerating the energy transition - Advancing a sustainable energy future for all.

Sustainability 2030 gives us a clear focus on how we will contribute to our society and solve some of the biggest challenges of our time. Our Sustainability Strategy 2030 is not something that our business can achieve alone, we need our partners to help make it a reality. Only if we all work together, can we reach our targets.

With a clear framework and targets in mind, we are co-creating a carbon-neutral future, where electricity is the backbone of the entire energy system. By balancing economic, societal, and environmental value creation in harmony with one another, we know that true progress will be made. Together, we’re committed to advancing the world’s energy system to be more sustainable, flexible and secure. As the pioneering technology leader, we collaborate with customers and partners to enable a sustainable energy future — for today’s generations and those to come.

We are contributing to ‘Peace, Justice and Strong Institutions’ (SDG 16) by striving for zero incidents of corruption and bribery and making it a part of our DNA.

We are contributing to ‘Partnerships for the Goals’ (SDG 17) by increasing our involvement in multi-stakeholder partnerships.
About Us

Hitachi Energy is a global technology leader that is advancing a sustainable energy future for all. We serve customers in the utility, industry and infrastructure sectors with innovative solutions and services across the value chain. Together with customers and partners, we pioneer technologies and enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. We are advancing the world’s energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic value. Hitachi Energy has a proven track record and unparalleled installed base in more than 140 countries. Headquartered in Switzerland, we employ around 38,000 people in 90 countries and generate business volumes of approximately $10 billion USD.

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