HITACHI

Hitachi Rail



Sustainability Statement

Fiscal year 2025

Contents

Letter to stakeholders 3

1 General information 5

1.1 Basis for the preparation 6
1.2 Business model, strategy and value chain 7
1.3 Corporate governance and sustainability governance 17
1.4 Identifying relevant ESG impacts, risks and opportunities 24

2 Environmental information 27

2.1 Climate change 28
2.2 Pollution 40
2.3 Water 44
2.4 Resource use and circular economy 48

3 Social information 59

3.1 Own workforce 60
3.2 Value chain workers and workers of operational control perimeter legal entities 96
3.3 Customers 107

4 Governance information 112

4.1 Business Conduct 113

Annexes 124



Letter from Giuseppe Marino

CEO Hitachi Rail

As I reflect on the past year, I am struck by the contrast between the uncertainty shaping our world and the resilience I see every day across our business. Geopolitical tensions, economic volatility, energy security concerns, and ongoing conflicts continue to challenge societies around the globe. Yet they also reinforce something I firmly believe: the choices we make today in transportation infrastructure will shape the quality of life, economic prosperity, and environmental sustainability of future generations.

At Hitachi Rail, sustainability is not a separate agenda. It is a fundamental part of how we create value for customers, communities, and society. Together with digitalization, it is one of the most powerful drivers of long-term growth and innovation. By helping customers improve operational performance, reduce emissions, strengthen reliability and maximize the value of their infrastructure, we are enabling mobility that supports economic development, connects people and communities, and reduces environmental impact.

Fiscal Year 2025 marked an important milestone in our journey. It was the first full year of consolidated operations following the integration of the former Thales Ground Transportation Systems business into our Signaling and Rail Solutions organization. This was far more than a business integration. It brought together talented people, complementary expertise, and shared ambitions, creating a stronger organization with an even greater ability to support customers around the world.

Today, over 24,000 colleagues work across more than 50 countries, combining deep engineering expertise with a common commitment to innovation and excellence. What gives me confidence for the future is not simply our scale, but the dedication, creativity, and collaboration of our people. Throughout the year, I have seen teams across our sites and projects adapt to changing circumstances, embrace new opportunities and remain focused on delivering for our customers.

Following the close of FY2025, our progress was further recognized with an EcoVadis Platinum Medal, placing Hitachi Rail among the highest-performing companies assessed globally. While such recognition is encouraging, what matters most is what it represents: thousands of colleagues embedding sustainable thinking into everyday decisions, processes, and ways of working.

We also achieved significant progress across our own operations. Our Tito facility became our first manufacturing site with no natural gas consumption in operations, supported by an innovative geothermal system. We also expanded digital manufacturing capabilities at our Hagerstown facility.

In Pistoia, a major rooftop solar installation is expected to meet approximately 62% of the site's annual electricity demand. Together, these achievements demonstrate that our sustainability commitments are being translated into tangible action and measurable results.

At the same time, we continue to create value for customers through innovation. Drawing on Hitachi's technological heritage in Japan and the expertise of our teams around the world, From battery train technologies to digital asset management, our solutions are helping operators improve efficiency, reduce lifecycle costs, lower emissions and enhance the passenger experience. The convergence of digital technology, data and artificial intelligence with deep rail expertise is also opening new opportunities to improve

how networks are designed, operated and maintained. Used effectively, these technologies can help us and our customers improve performance, optimize resources and make infrastructure more resilient.

These achievements reinforce a principle that guides our business: sustainability, innovation and performance increasingly go hand in hand. Together, they can strengthen competitiveness and create long-term value.

While we have made significant progress, we remain focused on the journey ahead. Achieving our 2027 ambitions and our pathway to net-zero emissions by 2050 will require continued innovation, collaboration, and determination. The road ahead will not always be straightforward, but the progress we are making gives me confidence that we are moving in the right direction.

I would like to thank our employees, customers, partners, suppliers, and the communities we serve for their continued trust and support.

The transition towards lower-carbon, more resource-efficient and more resilient mobility will continue to reshape our industry. For Hitachi Rail, it represents both a responsibility and an opportunity: to use our technology, expertise and scale to create lasting value for our customers and society. We are proud of the progress we have made, and even more focused on what lies ahead. By continuing to innovate, collaborate and deliver for our customers, we can help build a mobility system that supports economic prosperity, connects communities and contributes to a more sustainable and resilient society.

Giuseppe Marino
CEO Hitachi Rail

“

Sustainability is integral to how we continue to build a strong and resilient business. By embedding it into our strategy, operations and decision-making, we can drive innovation and respond to evolving customer and stakeholder expectations. Ultimately, it is about creating long-term value for our business, our customers and society. For me, that means not only meeting our customers’ needs today, but anticipating how those needs will evolve and ensuring we are ready to respond.



Dr. Maiya Shibasaki
Chief Sustainability Officer, and Chief Diversity, Opportunity and Inclusion Officer

General information

In this section

1.1	Basis for the preparation	6
1.2	Business model, strategy and value chain	7
1.3	Corporate governance and sustainability governance	17
1.4	Identifying relevant ESG impacts, risks and opportunities	24

1.1

Basis for the preparation

This Sustainability Statement for the fiscal year 2025 (hereinafter also referred to as "FY25") covers 1 April 2025 to 31 March 2026 and marks the seventh annual report issued voluntarily by Hitachi Rail. It provides a transparent and comprehensive overview of the Organization's environmental, social and governance (ESG) performance and strategic ambitions.

Following on from previous reporting, this document has been prepared with reference to the European Sustainability Reporting Standards (ESRS). This reflects Hitachi Rail's commitment to progressively align with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

The reporting scope encompasses the Hitachi Rail Business Unit of Hitachi Ltd. (hereinafter also referred to as "Hitachi Rail", "Business Unit (BU)", or the "Organization") consisting of Hitachi Rail Ltd. and its subsidiaries under financial control.

In FY25, Hitachi Rail fully consolidated the integration of the former Thales Ground Transportation Systems (GTS) entities, following the strategic acquisition in 2024 that expanded Hitachi Rail's railway Signaling and systems business, now operating under the name Signaling and Rail Solutions (SRS). Consequently, FY25 data reflect the full fiscal year of consolidated operations, whereas in FY24, data from GTS companies were included only from the acquisition date in June 2024 onward.

From an organizational and business perspective, the Hitachi Rail Business Unit integrates certain rail operations located in Japan which, however, fall outside Hitachi Rail's financial consolidation perimeter as they are directly consolidated by the parent company, Hitachi Ltd.

In line with ESRS requirements, the Organization has assessed its operations and sites to determine where operational control is exercised. As a result, the Japanese sites have been identified as falling under the operational control of the Business Unit. For instance, certain policies, such as HSE and Quality, defined by Hitachi Rail also apply to the Japanese sites.

For the reasons described above, they have therefore been considered in the double materiality assessment and in the description of the value chain, as business relationships of Hitachi Rail.

Consequently, in accordance with ESRS E1 paragraph 50(b), mandatory environmental indicators for entities under operational control, such as Scope 1 and Scope 2 GHG emissions and, where material, pollutant emissions (ESRS E2-4), are presented separately for these sites throughout this Sustainability Statement. For Scope 3 GHG emissions, data relating to entities under financial control and operational control have been aggregated and presented in the relevant table.

Moreover, Hitachi Rail decided to voluntarily report additional environmental information for the Japanese sites.

Workforce data relating to entities included within the financial consolidation perimeter are reported in Chapter 3.1, Own Workforce. Information concerning the Japanese legal entities under operational control is disclosed separately in Chapter 3.2, Value Chain Workers and Workers of Operational Control Legal Entities, reflecting their strategic relevance and the Business Unit's commitment and responsibility towards the people working within these entities.

The Tokyo office, Mito site and all construction sites are currently excluded from the environmental data reporting scope, as it has not yet been possible to collect the relevant data through a data collection system or an estimation methodology. The implementation of a data collection system for these sites is currently underway.

The document is structured across four key sections:

- **Section 1: General information Pg 5**
- **Section 2: Environmental information Pg 27**
- **Section 3: Social information Pg 59**
- **Section 4: Governance information Pg 112**

This Sustainability Statement also includes relevant upstream and downstream value chain information, drawing on both internal and publicly available data. The value chain was considered in the Organization's double materiality assessment, which served to identify key ESG impacts, risks and opportunities. With the aim of fostering responsible practices across the entire ecosystem, relevant Hitachi Rail policies, actions and targets have been extended to value chain actors. Further details are available in specific sections of this document.

Metrics and qualitative information concerning value chain workers are also disclosed in chapter 3.2 Value chain workers and workers of operational control legal entities. The ESG targets disclosed in this document have all been set voluntarily by the Organization and are not mandated by any legislation.

No relevant information has been omitted from this report for reasons related to intellectual property, proprietary know-how or innovation confidentiality. The time horizons used for the purpose of this Sustainability Statement align with those defined under ESRS 1, and are as follows:

- **Short Term:** the reporting period covered by the financial statement;
- **Medium Term:** the period following the short term, up to five years;
- **Long Term:** a period extending beyond five years.

Throughout this report, certain metrics – particularly those related to Scope 3 GHG emissions – include estimates of upstream and / or downstream value chain impacts. These are based on indirect sources, such as industry averages, public databases or other proxy data when direct measurements were not feasible. Wherever estimations or assumptions have been applied, Hitachi Rail has explicitly disclosed the underlying methodologies, approximations and potential sources of uncertainty in the relevant sections of the document.

The gender pay gap metric required by ESRS S1-16 (Remuneration metrics), although identified as material through the double materiality assessment, is not reported for the current reporting period, as the underlying data could not be collected and consolidated with a level of quality deemed sufficient to ensure reliable and comparable disclosure. The Group is working to strengthen its data collection processes with a view to reporting this metric in future years.

In pursuit of continuous improvement in data accuracy and integrity, Hitachi Rail remains committed to progressively enhancing the use of primary data and reducing dependence on indirect estimates. Certain FY24 information relating to environmental and social indicators, has been restated following improvements to the underlying data collection and calculation processes. Restated figures are clearly identified by specific footnotes throughout the Sustainability Statement. Methodological specifications on energy consumption, Scope 1, 2 and 3 calculations are reported in the dedicated Annex I Methodological note on energy consumption and GHG emissions computation.

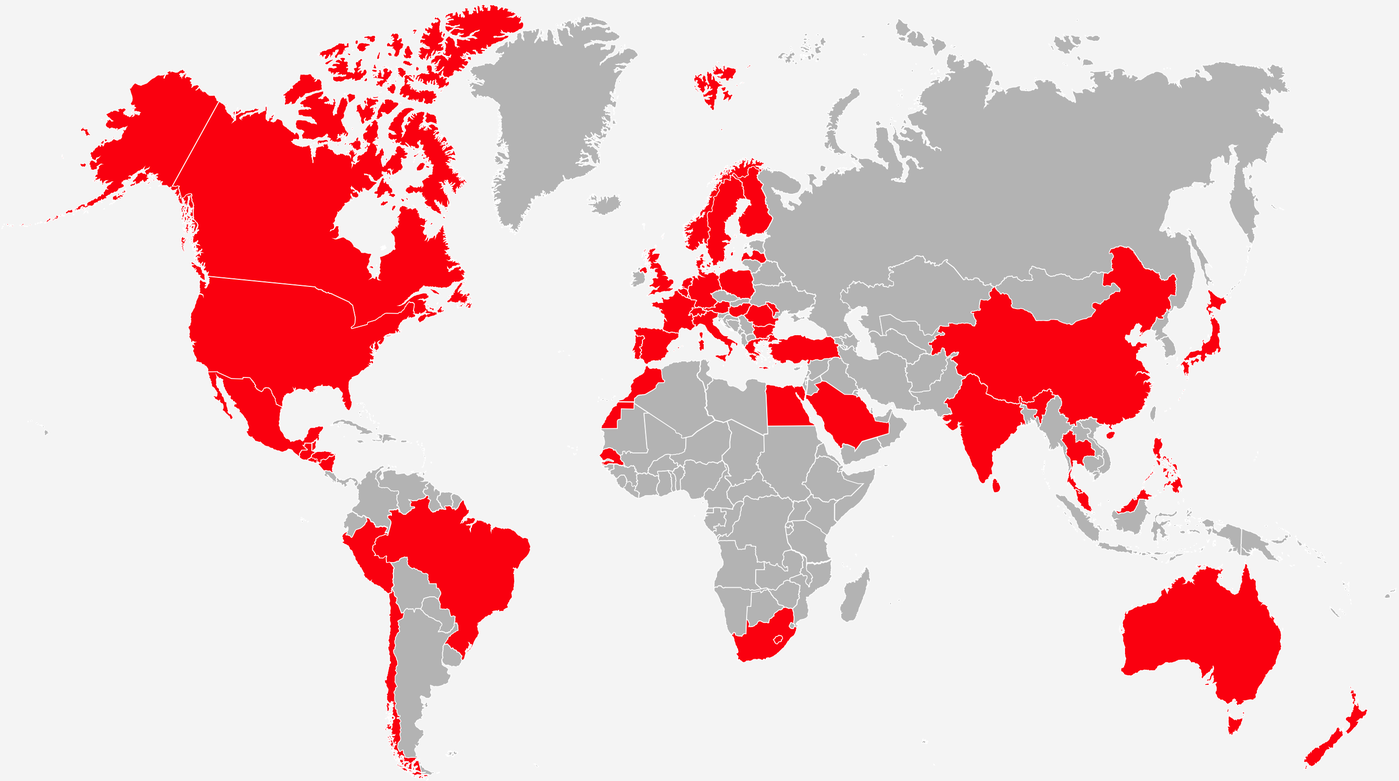
1.2

Business model, strategy and value chain

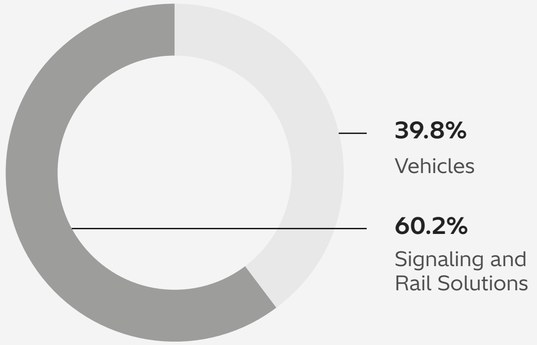
Hitachi Rail is a trusted partner to some of the world's leading transportation operators and offers a comprehensive portfolio of rail solutions and services across the urban, mainline and freight sectors. The Organization's offerings include a wide range of Rolling Stock Solutions, such as driverless trains, metro systems, trams, monorails and commuter, intercity, highspeed and battery-powered trains. In addition, Hitachi Rail provides advanced digital asset management capabilities. Its portfolio also encompasses rail control and Supervision Systems for urban, mainline and freight networks, as well as Ticketing and Payment Solutions. From individual components to full systems integration and turnkey railway solutions, Hitachi Rail supports the entire rail lifecycle – including operations, service and maintenance. Through its pioneering digital technologies, Hitachi Rail enables operators to connect, analyze and optimize their services across the full railway value chain. This integrated approach supports the seamless and sustainable movement of both passengers and freight, reinforcing Hitachi Rail's commitment to innovation and environmental responsibility.

Hitachi Rail employs 24,364 workers totally (financial and operational control perimeter), of which 3,009 are located in Japan, and operates across more than 50 countries, with a strong presence in Europe, Asia-Pacific, the Americas and the Middle East. Its core customer base, which is composed of over 300 customers across the globe, includes public transport authorities, national and regional rail operators and infrastructure clients. Throughout FY25, Hitachi Rail expanded its presence in the digital mobility space by offering integrated Mobility-as-a-Service (MaaS) solutions tailored to evolving urban transport needs, which led to the creation of a new dedicated business unit focused on digitalization and artificial intelligence, as described on page 8.

Hitachi Rail's global footprint



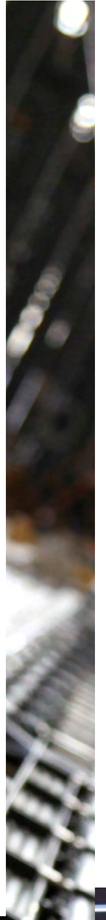
Total revenues for the FY25, reflecting the aggregated activities of the entire Business Unit – including entities within the scope of operational control perimeter – are allocated across the respective business segments as follows:

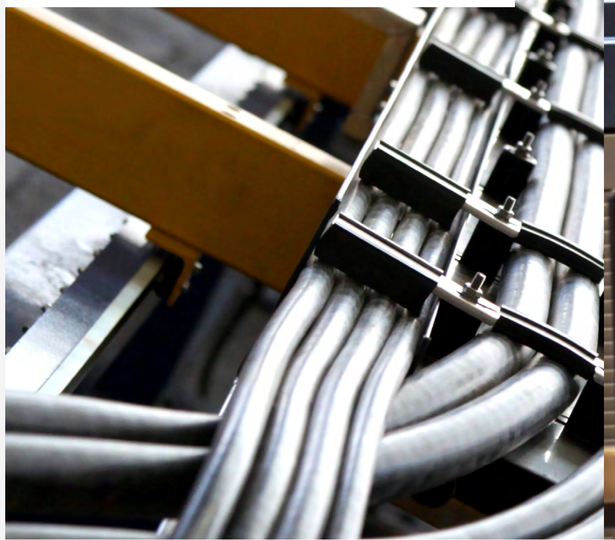


Hitachi Rail organizes its operations into three lines of business, each underpinned by upstream and downstream activities across Europe, Middle East, and Africa (EMEA), Asia-Pacific (APAC) and North America:

Vehicles

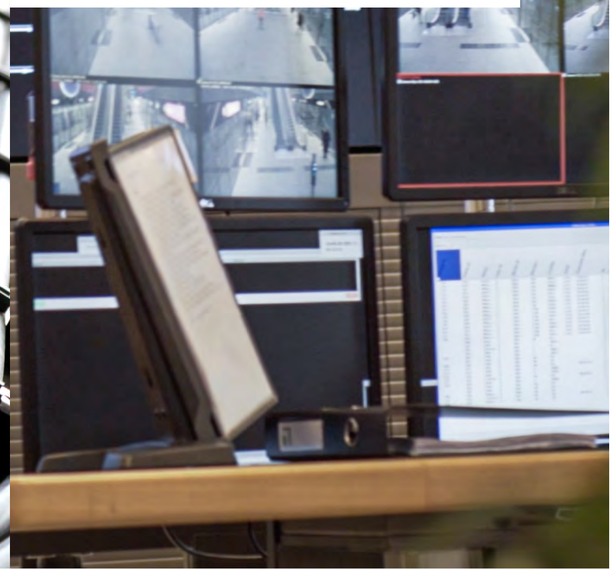
This covers the production of railway products, particularly high-speed trains, mainline trains and mass transit trains. The upstream value chain of Hitachi Rail includes critical inputs (e.g. steel, aluminum, copper, rare earths, energy etc.) and components (e.g. casting and moulding, machining and subsystem assembly etc.) sourced from a global network of suppliers, joint ventures and subcontractors. In its own facilities, the Organization integrates components into fully constructed trains, including electrical and mechanical systems and interior finishing, and validates safety and performance through rigorous testing. Downstream, completed trains are delivered to rail operators and infrastructure owners, who are provided with ongoing support, maintenance operation and upgrades. At end of life, components are returned to certified recyclers for metal recovery and safe disposal of hazardous materials.

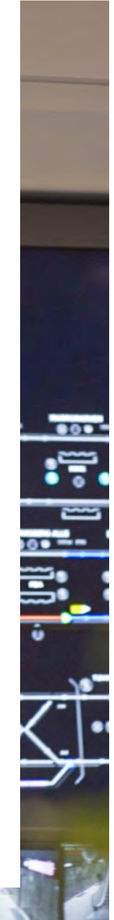




Signaling and Rail Solutions

This line of business brings together former Rail Control and GTS into a single, integrated unit. This encompasses the design, production and installation of advanced Signaling systems and comprehensive mobility solutions for the railways, transit and freight lines. Upstream, key inputs include metallic and non-metallic materials and specialized electronics (signal lights, sensors, control panels). In dedicated centers, Hitachi Rail builds wayside and onboard Signaling solutions including interlocking, train separation, automation and ground-control systems. These solutions undergo comprehensive testing, commissioning and quality-control processes. Finished signaling systems are deployed to rail operators and infrastructure managers worldwide. Ongoing maintenance, software updates and technical support ensures and sustains reliability and safety throughout system lifecycles.





Digital & AI

This unified digital Line of Business (LoB) supports Hitachi Rail's strategic ambitions. Operating as an orchestrated and collaborative network across the enterprise, it adopts a customer-centric approach by combining a strong core team with capabilities drawn from Hitachi Rail and the broader Hitachi ecosystem. This LoB delivers a suite of intelligent mobility solutions designed to drive digital transformation and help public transport operators, cities, and passengers achieve lower-emission transport solutions, such as AI Assisted Digital Asset Management platform, autonomous driving technologies and the Integrated Supervision Solution (ISS), a digital platform that enables real-time data sharing, integrated supervision and AI-enabled decision support across railway operations. Designed for metro, mainline and tram systems, ISS enhances operational efficiency, situational awareness and network resilience through capabilities such as intelligent alarm management, remote operational access, AI-assisted reporting and advanced 3D visualisation tools, supporting more collaborative and data-driven railway management. Hitachi Rail's upstream value chain for Digital & AI includes data centers that support the IT infrastructure necessary for digitalisation, as well as hardware inputs similar to those used in other business lines. R&D and software teams develop, test and deploy lower-emission applications in both cloud and on-premises environments. These solutions are then implemented by transit authorities, urban planners and private operators, who receive comprehensive support through implementation services, user training, help-desk assistance and regular software updates.

Value Chain

	Upstream	Own operations	Downstream
Vehicles	**Extraction of raw materials** Metallic and non-metallic minerals, petroleum resources	**Assembling and construction** Integration of components into fully constructed trains	**Distribution and outbound logistics** Delivery of finished trains to clients and rail operators
	Production of (semi-) components Casting, molding, machining and subsystem assembly	**Testing, commissioning and quality control** Rigorous tests and inspections to meet safety standards	**Product use** Operating all types of trains
	Inbound logistics Receipt and storage of materials and components	**Operation and maintenance** Ongoing support, maintenance, and upgrades	**Recycling and disposal** Management of recycling and disposal of train components
SRS	**Extraction of raw materials** Metallic and non-metallic minerals, petroleum resources	**Signaling solutions and technology** Assembling components by creating electrical connections	**Distribution and outbound logistics** Delivery of finished signaling systems and technology
	Production of components Manufacturing components such as signal lights and sensors	**Testing, commissioning and quality control** Rigorous tests and inspections to meet safety standards	**Product use** Operating all signaling systems and technology
	Inbound logistics Receipt and storage of materials and components	**Installation of turnkey solutions (optional)** Constructing entire railways	**Recycling and disposal** Management of recycling and disposal of signaling systems and technology
		Operation and maintenance Ongoing support, maintenance, and upgrades	
Digital & AI	**Extraction of raw materials** Metallic and non-metallic minerals, petroleum resources	**Software development** Development of softwares for lower-emission transport solutions	
	Production of components Manufacturing components for hardware and technological equipment	**Testing, commissioning and quality control** Rigorous tests and inspections to meet safety standards	**Product use** Operating softwares for lower-emission transport solutions
	Data centers Computing machines and hardware equipment for data management and housing	**Operation and maintenance** Ongoing support, maintenance, and upgrades	

PLEDGES

How Hitachi Rail is advancing its environmental and social priorities

Sustainability is a fundamental part of how Hitachi Rail creates value for customers, communities, employees, and society. Recognizing the important role that mobility plays in supporting economic growth, social inclusion, and environmental progress, the Organization has established **PLEDGES** – its sustainability strategy designed to integrate environmental, social, and governance (ESG) considerations into every aspect of the business.

Planet
Leadership
Empowerment
Diverse Perspectives
Governance
Engagement
Sustainability for All

See page 11 for more.

Aligned with Hitachi's broader sustainability vision and the Inspire 2027 business strategy, PLEDGES provides a clear framework for transforming long-term ambitions into concrete actions and measurable outcomes. It guides decision-making across the Organization, helping ensure that sustainability is embedded into products, services, operations, and relationships with stakeholders.

The strategy is built around seven interconnected pillars that address the challenges and opportunities facing both the rail industry and wider society. These pillars support Hitachi Rail's commitment to reducing its environmental footprint, promoting diversity and inclusion, strengthening ethics and governance, fostering innovation, and creating positive social impact.

By linking each strategic pillar and KPI to the relevant ESG dimension, the strategy clearly shows how Hitachi Rail's priorities support sustainable business performance and long-term value creation.

A focus of PLEDGES is climate action. Through its technologies, operations, and value chain partnerships, Hitachi Rail aims to contribute to the transition toward a low-carbon future, supporting customers and communities in achieving their own sustainability goals. The Organization continuously works to improve energy efficiency, reduce emissions, optimize resource use, and promote circular economy principles across the lifecycle of its solutions.

People are equally central to the strategy. Hitachi Rail is committed to fostering a safe, diverse, inclusive, and engaging workplace where employees can develop their skills, contribute their ideas, and thrive professionally. Beyond the workplace, the Organization seeks to create social value by supporting local communities, improving accessibility, and enabling more sustainable and connected mobility systems.

Innovation is another key enabler of the PLEDGES strategy. By leveraging digital technologies, data-driven solutions, and advanced rail systems, Hitachi Rail aims to improve operational performance while delivering meaningful environmental and social benefits. The Organization views innovation not only as a driver of competitiveness, but also as an opportunity to address some of society's most pressing challenges.

Ultimately, PLEDGES reflects Hitachi Rail's belief that long-term business success and sustainable development are closely connected. Through clear commitments, measurable targets, and a culture of continuous improvement, the Organization strives to create lasting value for all stakeholders while contributing to a more sustainable, inclusive, and resilient future.



Seven strategic pillars

Hitachi Rail's sustainability strategy is structured around seven pillars: six that reinforce the corporate foundation and a seventh that focuses on creating societal value.

		Sustainability themes included
P	**Planet** Lead Green Transformation globally to achieve decarbonization.	Decarbonization Circular Economy Nature positive
L	**Leadership** Lead transformation with people who can boldly take on societal issues and pave the way for a brighter future.	Human Capital Development
E	**Empowerment** Build a culture that praises learning and encourages challenges and growth.	Employee engagement Organizational culture
D	**Diverse Perspectives** Drive innovation by maximizing capabilities and performance of diverse talents.	Inclusive workplace and opportunities for all
G	**Governance** Build a resilient foundation with safety and ethics as a priority.	Business ethics and compliance Health and safety Quality and product safety
E	**Engagement** Build a sustainable value chain along with stakeholders	Sustainable procurement Human rights
S	**Sustainability for All** Accelerate value delivery to society and Hitachi's sustainable growth through PLEDGE.	Delivering value to society



Hitachi Rail’s EcoVadis medal

Hitachi Rail UK ltd. was awarded the **EcoVadis Platinum Medal**, a distinction granted to the **top 1%** of companies assessed by EcoVadis over the 12 months preceding the award. This recognition underscores the quality of the Organization’s sustainability management system and reflects its strong commitment to advancing a sustainable business strategy that prioritizes the wellbeing of its people, the environment, and its significant role in the decarbonization of the transport sector.

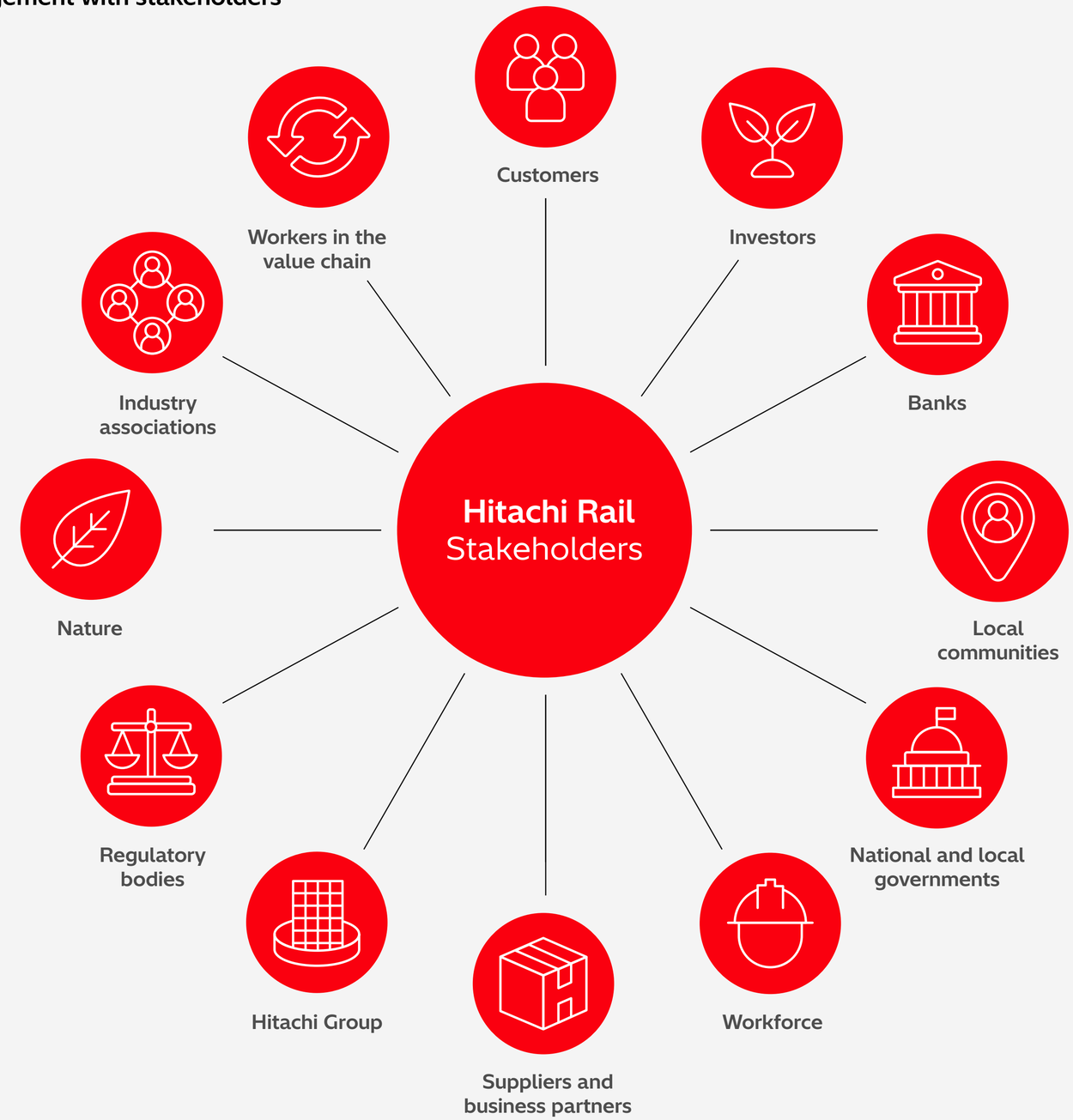
The achievement of the EcoVadis Platinum rating demonstrates Hitachi Rail’s ability to embed sustainability more deeply across its governance framework, business processes, decision-making mechanisms, and risk management practices.

Building on the findings of the previous assessment, Hitachi Rail continued to strengthen its approach to responsible sourcing and due diligence, with particular attention to formal commitments, conflict minerals management and sustainable procurement. The progressive integration of supplier assessment, engagement and monitoring practices supported a more structured oversight of suppliers’ ESG performance and contributed to the improvement in the assessment score.

The holistic impact of Hitachi Rail’s sustainability strategy is further reflected in the growing emphasis on ethics, compliance, anti-corruption, and ethical culture, supported by the publication of annual compliance reporting and the positioning of compliance as a strategic business priority.

Internal communications around the Platinum award explicitly highlight the progress made in integrating sustainability into day-to-day operations rather than treating it as a standalone initiative.

Engagement with stakeholders



Hitachi Rail actively engages with a broad spectrum of stakeholders through structured and continuous dialogue. These engagements aim to foster shared knowledge, leverage resources and drive collective action in support of the Organization's sustainability objectives, while also serving as a mechanism to monitor and address evolving stakeholder expectations. This helps reinforce inclusive decision-making and transparent communication.

At Hitachi Rail, stakeholder engagement is usually pursued through three distinct and transparent lines of action:

- **Opportunities for information:** unidirectional communication from Hitachi Rail to stakeholders. This is intended to provide relevant information, updates and insights to keep stakeholders informed;
- **Consultation/dialogue:** actively seeking the invaluable opinions and perspectives of Hitachi Rail's stakeholders through several participatory mechanisms, including surveys, polls and focus groups. This also includes permanent discussion groups to allow for ongoing dialogue and the exchanging of ideas;
- **Partnerships:** forging specific projects in collaboration with stakeholders to work together on goals of mutual interest. This allows the Organization to strengthen relationships and cocreate value with diverse partners.

Community engagement

Hitachi Rail engages with local communities across the territories where it operates through partnerships, employee volunteering, charitable initiatives and opportunities for dialogue with local stakeholders. These activities reflect the Organization's broader commitment to building relationships with communities and supporting initiatives connected to local needs, education and the rail sector.

Hitachi Rail promotes employee participation in community initiatives also through charity marathons organized in partnership with local non-profit organizations, combining global wellbeing, engagement and tangible social impact.

Launched in FY25, the program has evolved through three flagship initiatives that connect employee participation with meaningful support for vulnerable communities.

The journey began in Rome and continued with the second Milan marathon, supporting the project "Beyond Addiction, Towards New Directions", which empowers women living in therapeutic communities through programs focused on violence prevention, parenting support, health education, and physical and mental wellbeing.

The Milan initiative also brought together other Hitachi Group companies, reinforcing the One True Hitachi approach through collective action and shared social impact.

In FY26, the program expanded internationally through participation in the Berlin Marathon, providing employees with the opportunity to support an organization dedicated to promoting the rights, dignity and wellbeing of older people worldwide, while contributing to initiatives that assist vulnerable communities and foster social inclusion.

In the UK, community engagement activities include collaboration with the Community Rail Network, support for railway heritage and educational initiatives, as well as partnerships with charities such as Railway Children. During the Railway 200 celebrations, colleagues across Hitachi Rail's UK sites contributed through fundraising and volunteering activities, raising over €9,000 for charities including Alzheimer's Research UK and Railway Children. The program included the Railway 200 Open Day at Newton Aycliffe, an initiative designed to give back to the local community and provide an opportunity for the next generation to engage with the railway sector.

In the United States, Hitachi Rail employees in Batesburg, Honolulu and Pittsburgh supported local school communities through school-supply drives organised in collaboration with schools and community organizations. In Honolulu, engagement with Fern Elementary School also included participation in a career fair, providing students with an opportunity to learn about work on Skyline and careers in the transportation sector. Community engagement in Honolulu also extended to dialogue around rail infrastructure development through Hitachi Rail's participation in the Kalihi Summit, which brought together residents, businesses, public agencies and nonprofit organizations to share perspectives on the future development of Skyline, including considerations related to equity, sustainability and transit-oriented development.

Together, these initiatives illustrate the different ways in which Hitachi Rail engages with communities, combining long-term partnerships, volunteering and charitable activities, educational outreach and dialogue with local stakeholders.



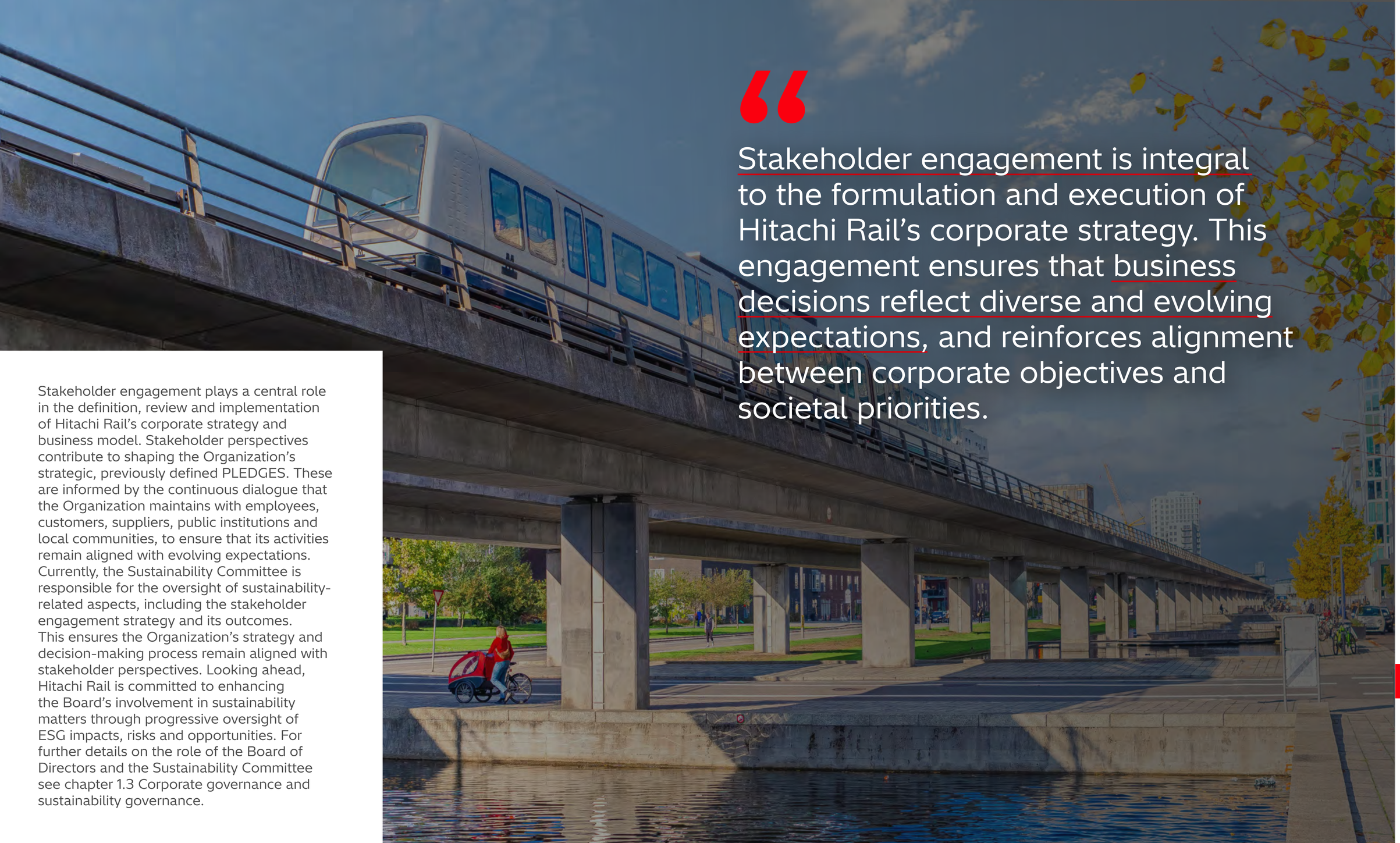


Engagement with UNIFE

Hitachi Rail is an active member of UNIFE – the European Rail Supply Industry Association, working alongside leading rail companies to advance the competitiveness, innovation, and sustainability of the European railway sector. Through its participation in UNIFE committees and working groups, Hitachi Rail contributes to the development of common industry standards, supports European research and innovation programs such as Europe's Rail (formerly Shift2Rail), and promotes solutions that enhance rail safety, interoperability, energy efficiency, and environmental performance.

Participation in the GLOBAL COMPACT

Hitachi Rail is a founding member of the UN Global Compact Network Italy and has played an active role in promoting sustainable and responsible business practices since the Network's establishment. This long-standing commitment reflects the Organization's dedication to integrating the Ten Principles of the UN Global Compact into its strategy, operations, and corporate culture, with a focus on human rights, labor standards, environmental stewardship, and ethical business conduct through its active participation in the Network's initiatives and working groups.



> Stakeholder engagement is integral to the formulation and execution of Hitachi Rail's corporate strategy. This engagement ensures that business decisions reflect diverse and evolving expectations, and reinforces alignment between corporate objectives and societal priorities.

Stakeholder engagement plays a central role in the definition, review and implementation of Hitachi Rail's corporate strategy and business model. Stakeholder perspectives contribute to shaping the Organization's strategic, previously defined PLEDGES. These are informed by the continuous dialogue that the Organization maintains with employees, customers, suppliers, public institutions and local communities, to ensure that its activities remain aligned with evolving expectations. Currently, the Sustainability Committee is responsible for the oversight of sustainability-related aspects, including the stakeholder engagement strategy and its outcomes. This ensures the Organization's strategy and decision-making process remain aligned with stakeholder perspectives. Looking ahead, Hitachi Rail is committed to enhancing the Board's involvement in sustainability matters through progressive oversight of ESG impacts, risks and opportunities. For further details on the role of the Board of Directors and the Sustainability Committee see chapter 1.3 Corporate governance and sustainability governance.

1.3

Corporate governance and sustainability governance

Hitachi Rail is governed by a Board of Directors, which has the broadest powers of ordinary and extraordinary administration. At the end of FY2025, the Board comprised eleven members, including two women (18.2%) and nine men (81.8%).

For the purposes of this disclosure, the distinction between executive and non-executive directors is assessed by reference to the roles performed by each director within Hitachi Rail and the wider Hitachi group. English company law does not require executive or non-executive status to be recorded in public registers.

Based on their operational responsibilities within the Business Unit, four members are identified as **Executive Directors:**



Giuseppe Marino
Hitachi Rail Chief Executive Officer



Christian Andi
Hitachi Rail Head of the Signaling and Rail Solutions Line of Business



Luca D'Aquila
Hitachi Rail Chief Operating Officer and Head of the Vehicle Line of Business



Mitsuo Iwasaki
Hitachi Rail Head of Japan Business

The remaining seven members are treated as **Non-Executive Directors** for the purposes of this disclosure, as they do not hold operational management roles within the Business Unit:



Hiro Yoshihara
Chair of the Board of Hitachi Rail Ltd and Independent Director



Alice Po
Chief Procurement Officer and Head of Value Integration Division at Hitachi Ltd



Lorena Dellagiovanna
Chief Sustainability Officer and Chief Human Resources Officer at Hitachi Ltd



Shashank Samant
Hitachi Rail Ltd External Board Member



Akihide Hirao
Chief Financial Officer, Mobility Sector at Hitachi Ltd



Manuel Valverde
Deputy Chief Risk Management Officer at Hitachi Ltd



Kentaro Masai
Executive Adviser, Former Vice President at Hitachi Ltd

Our oversight structure

For sustainability reporting purposes, Board members are assessed for independence by reference to their current and recent affiliations with Hitachi Ltd, Hitachi Rail and related group entities. With the exception of Hiro Yoshihara and Shashank Samant, Board members are not classified as independent because they hold executive, advisory or other senior roles within Hitachi Ltd, Hitachi Rail or related group entities.

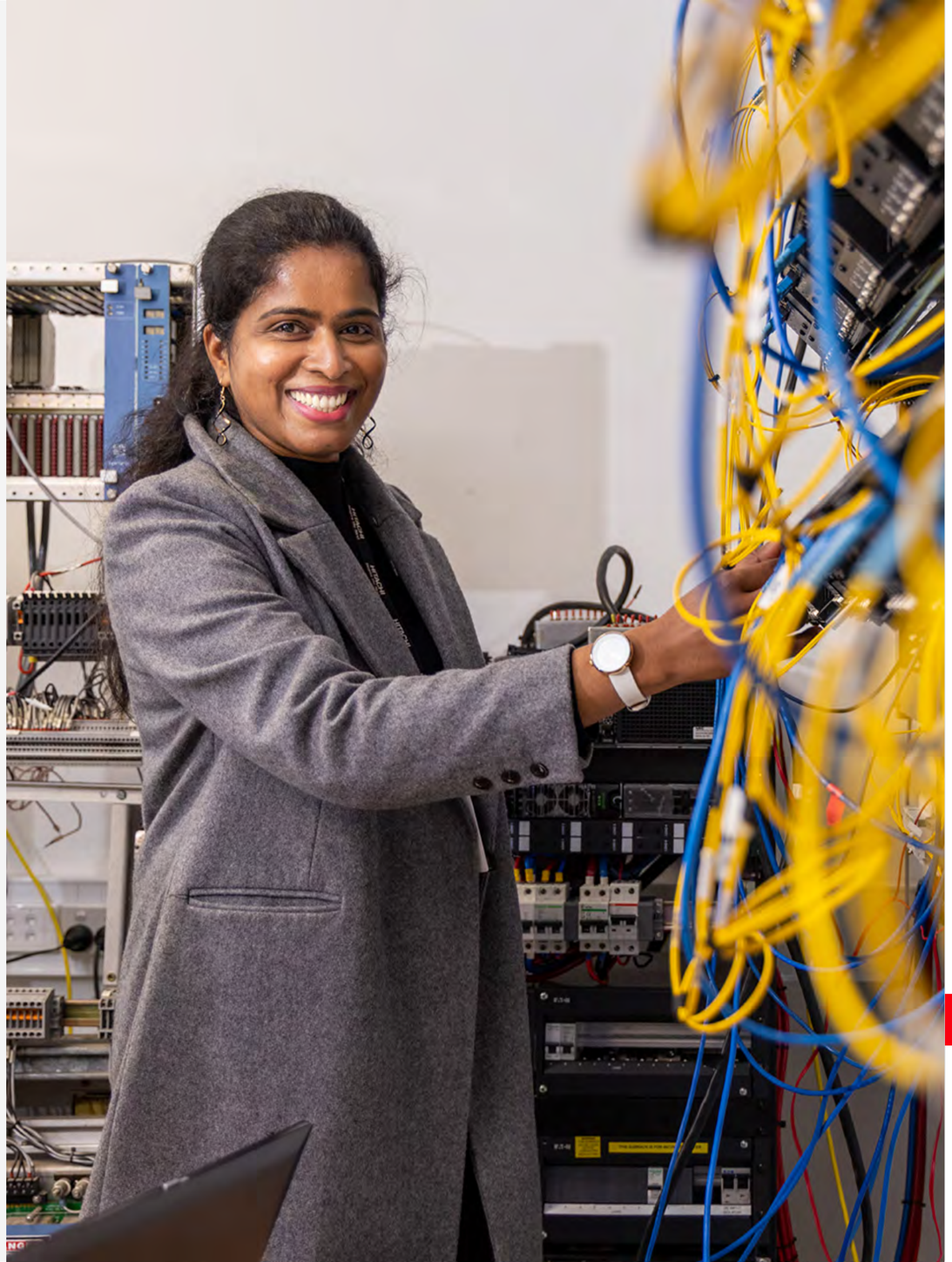
Hitachi Rail's board of directors does not include members formally designated to represent the workforce. Employee perspectives are considered through other engagement channels, including structured dialogue with trade unions, employee surveys and dedicated engagement platforms, as described in the Own Workforce and stakeholder engagement sections of this Sustainability Statement. These channels support the consideration of employee perspectives in strategic decision-making processes, in line with the Organization's commitment to inclusive governance and responsible business conduct.

The composition of Hitachi Rail's BoD reflects experience relevant to the Organization's sectors, products and geographic footprint. Several members hold senior leadership roles within Hitachi Rail and have direct responsibility for operations, innovation and business development in key areas such as vehicles, Signaling and Rail Solutions (SRS) and the Japanese market. In particular, Giuseppe Marino, Luca D'Aquila, Christian Andi and Mitsuo Iwasaki bring substantial operational experience in railway technologies and regional business execution.

Other Board members contribute experience in finance, risk management, sustainability, human resources and procurement, which supports the Organization's ESG strategy and wider operations. For example, Akihide Hirao and Manuel Valverde provide financial and risk oversight. Lorena Dellagiovanna contributes experience in sustainability strategy and human resources, while Alice Po brings procurement expertise, including in relation to sustainable procurement. In addition, Dr. Maiya Shibasaki, Hitachi Rail's Chief Sustainability Officer and Chief Diversity, Opportunity and Inclusion (DO&I) Officer, supports the Board and relevant committees on sustainability matters.

The presence of executives from Hitachi Ltd reinforces the Board's capacity to address the diverse geographic and sectoral challenges of a multinational enterprise that operates across Europe, the Middle East and Africa, the Americas, Asia Pacific, and other global markets.

The Board of Directors meets as often as the business of Hitachi Rail requires and, in any event, at least quarterly in each financial year. The Board is responsible for the overall direction, supervision and management of the Business Unit, including reviewing and approving material changes to business strategy, organization and governance, financial plans and the Business Unit's compliance and risk management programs, including key processes for monitoring significant risks and exposures.



To support effective oversight and strategic alignment across the Business Unit, Hitachi Rail operates the following principal governance committees:

- **The RSBU Senior Executive Committee (SEC)** which is a subcommittee of the Board of Directors and advises the CEO on strategic, financial, risk-related and other material matters;
- **The Risk Management Committee (RMC);**
- **The Audit & Compliance Committee (ACC);**
- **The Sustainability Committee (SC);**
- **The Remuneration, Talent & Diversity Committee (RemCo).**

The duties and responsibilities of each committee, including those relating to the management of impacts, risks and opportunities, are set out in the Business Unit's governance and committee manual.

The Sustainability Committee (SC) is an advisory committee that provides ongoing oversight of Hitachi Rail's sustainability agenda and supports and advises the Board in its oversight of sustainability matters. Its remit includes sustainability matters relating to Hitachi Rail's products and services, operations and facilities, internal and external initiatives, and sustainability-related internal and external communications.

The Sustainability Committee is appointed by the Board on the recommendation of the CEO, and is composed of the following members:



Giuseppe Marino
Hitachi Rail CEO acting as the Chair of the Committee



Dr. Maiya Shibasaki
Hitachi Rail Chief Sustainability Officer and Chief Diversity, Opportunity and Inclusion Officer



Alice Po
Hitachi Ltd Chief Procurement Officer and Head of Value Integration Division



Rob Luijten
Hitachi Rail Chief Human Resources Officer



Megumu Tsuda
Hitachi Ltd Corporate Officer, General Manager of Group Environment Division & Group Sustainability Division

The Sustainability Committee is responsible for:

- Supporting and advising the Board in its **oversight of sustainability matters;**
- Monitoring the implementation of the Business Unit's **sustainability strategy;**
- **Reporting** on key elements such as position statements, frameworks, ambitions, metrics and targets;
- Identifying **current and emerging sustainability-related issues**, good practices, opportunities and regulatory developments at sectoral, national and international levels. This includes sourcing or promoting relevant training and development opportunities for both the Committee's members and the BU's employees;
- Evaluating which developments may impact **Hitachi Rail's strategy, operations and reputation**, and determining how these should be reflected in the Organization's sustainability objectives, policies and reporting;
- Reviewing **external disclosures and statements** prior to publication, including the present sustainability disclosure.

The Sustainability Committee meets at least four times a year and otherwise as required. The Committee reviews sustainability performance, considers relevant impacts, risks and opportunities, monitors implementation of the Business Unit's sustainability strategy and makes recommendations to the Board where action or improvement is needed. The SC Chair provides quarterly reports to the Board and reports after each Committee meeting on the nature and content of the Committee's discussions, recommendations and actions to be taken. The Chief Sustainability Officer and Chief Diversity, Opportunity and Inclusion (DO&I) Officer is a member of the Sustainability Committee and a permanent attendee at the SEC, with a direct reporting line to the CEO. This supports regular and structured reporting of ESG-related matters to the relevant governance bodies.

Sustainability matters are escalated through the Sustainability Committee to the Board by quarterly reports and post-meeting reports from the SC Chair. The Committee may also request that adequate time is made available for Board discussion where it considers that a sustainability matter, impact, risk, opportunity, recommendation or action requires Board attention. This mechanism enables the Board to be informed about sustainability-related impacts, risks and opportunities and to consider them in the context of strategy, governance and risk oversight.

Sustainability expertise is available to the Board and relevant governance bodies through the Sustainability Committee and senior leaders with sustainability, procurement, human resources, risk and operational expertise. The Sustainability Committee's remit includes identifying current and emerging sustainability-related issues, standards, good practice and regulatory or legislative developments, and sourcing or promoting relevant training and development opportunities for Committee members and RSBU employees where appropriate.

Unlike some other European jurisdictions, the UK legal system does not provide for an internal body equivalent to a Board of Statutory Auditors. Oversight of financial, compliance and audit-related matters is instead provided through the UK corporate governance framework. Statutory audit is carried out by an external audit firm in accordance with UK legal requirements. Once each year, the external auditors attend the Board to present their report on Hitachi Rail Limited's financial statements for the relevant financial year. To strengthen oversight of risk management, financial matters, compliance, and internal and external audit activities, Hitachi Rail has established a Risk Management Committee and an Audit and Compliance Committee.

The Audit and Compliance Committee (ACC) plays an advisory role to the Hitachi Rail CEO and the BoD. The composition of the ACC includes members formally appointed by the CEO:

- Alberto De Benedictis – ACC Chair, who is external to the Business Unit;
- Antonio Coluccia – Hitachi Rail Chief Financial Officer;
- Bruce Campbell – Hitachi Rail General Counsel;
- Akihiko Sakae – Hitachi Ltd Auditor;
- Takashi Tsujiura – Hitachi Ltd Auditor.

Permanent attendees of the ACC include the BU Head of Internal Audit and the BU Chief Compliance Officer, which ensures continuity and subject-matter expertise in all discussions.The **Audit and Compliance Committee** duties include:

- Conducting regular assessments of the **adequacy and effectiveness** of the Business Unit Internal Control System, taking into account the specific characteristics of the business;
- Ensuring that the **organizational structure** remains aligned with strategic objectives;
- Recommending adjustments to address **emerging operational or strategic issues**, where necessary;
- Reviewing and evaluating the **Internal Audit Plan** to ensure its relevance and effectiveness;
- Monitoring the **implementation and progress of audit activities**, including both those planned and those initiated as a result of control findings, as well as the status of J-SOX testing activities, which are carried out in compliance with Hitachi Ltd's requirements;
- Exercising oversight in accordance with the **Hitachi Global Compliance Program and the Code of Ethics.** This includes supervising whistleblowing mechanisms, anti-corruption and anti-bribery controls, trade compliance practices, adherence to competition law and compliance with other applicable legal and regulatory requirements;
- Reviewing and evaluating the remedial actions implemented to mitigate **identified compliance risks**, contributing to the Organization's commitment to ethical conduct and regulatory alignment.

The RSBU Senior Executive Committee (SEC) advises the CEO on the management and financial position of the Business Unit and on decisions that may have a material effect on that position, the Mid-Term Management Plan or the budget. It also considers appropriate measures in relation to risks and other significant issues. The CEO, in principle, convenes SEC meetings twice a month.

The Risk Management Committee (RMC) supports the efficient use of assets and capital, helps secure returns on investment and promotes the long-term profitability of the Business Unit's commercial activities. Its remit includes oversight of enterprise risk management, contracts and projects through the screening of transactions and the prudent management of risk. The RMC also acts as a preliminary review body for the SEC, providing independent guidance and recommendations on matters such as investment alignment, mitigation of transactional risks in complex bids, partnering and project structures, and capital allocation.

The Remuneration, Talent & Diversity Committee (RemCo) serves as an advisory body to the Board and the CEO to help ensure that Hitachi Rail's remuneration policies are aligned with its long-term strategy, values and regulatory obligations. Its duties include:

- Supporting fair and performance-linked **employee rewards;**
- Advising on **talent attraction and retention** schemes;
- Overseeing the outcomes of **performance and talent review** processes;
- Evaluating **Board composition;**
- Promoting **diverse perspectives;**
- Monitoring **employee engagement and wellbeing** initiatives;
- Reviewing **external disclosures** related to remuneration, inclusion and equality.

Incentives schemes and remuneration policies linked to sustainability matters

Hitachi Rail's compensation philosophy is centered on providing a competitive and transparent total rewards package. This marks a shift from a core pay-based approach to a total compensation mix that includes both fixed and variable components.

The total rewards package includes a **Short-Term Incentive Plan (STIP)**, structured as an annual cash bonus, designed to reward both Organizational and individual performance on an annual basis, benchmarked against comparable roles in the market. The package also includes a **Long-Term Incentive Plan (LTIP)** which, as of April 2026, incorporates Restricted Stock Units (RSUs), replacing the previously existing deferred cash bonus for all eligible employees. In FY25, however, RSUs were limited to Corporate Officers. Long-term incentives are intended to align rewards with sustained performance as defined in the business plan, strengthen alignment between shareholder and management interests and support retention of top executives and senior management.

In FY25, specific Key Performance Indicators (KPIs) within the STIP framework continued to incorporate sustainability-related targets. Notably, 20% of the target incentive is directly linked to sustainability objectives, aligned with the PLEDGES framework (Planet, Leadership, Empowerment, Diversity, Governance, and Engagement).

The overall STIP framework and structure are subject to approval by the Hitachi Rail Talent, Remuneration and Diversity Subcommittee. Implementation is overseen by the Chief Executive Officer and Chief Human Resources Officer, supported by the Compensation & Benefits team. Any exceptions or interpretations of the plan require approval from the CEO and CHRO.

Due diligence statement

Hitachi Rail conducts due diligence assessments, covering key areas such as human rights, conflict minerals, modern slavery, business partner integrity and export and trade compliance.

In FY25, the Organization conducted 1,660 supplier screenings, with over 700 medium- and high-risk suppliers escalated to Compliance for review, focusing on identifying potential red flags related to entity ownership, management structures and affiliations. These screenings assessed risks associated with sanctions and watchlists, regulatory enforcement actions, adverse media, corruption, human rights violations and broader reputational concerns. Following these evaluations, Hitachi Rail implemented a tailored risk model, integrated into a centralized platform, to support due diligence during the supplier qualification process. This model ensures the systematic and coherent screening of red flags in line with Hitachi Rail's compliance standards.

In keeping with its corporate policies, Hitachi Rail remains committed to the ongoing development and implementation of human rights due diligence. This includes identifying and assessing both actual and potential human rights impacts and taking appropriate measures to prevent or mitigate associated risks. Where the Organization is linked to human rights-related incidents through its business relationships, it will seek to leverage its influence to address the issue and will support or participate in legitimate remediation efforts.

The table below provides an overview of where the core components of the due diligence process are addressed across the various sections of this document:

Core elements of due diligence	Reference in Hitachi Rail's Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	3.2 Value chain workers and workers of operational control legal entities 4.1 Business conduct (Management of relationships with suppliers)
b) Engaging with affected stakeholders in all key steps of the due diligence	3.1 Own workforce (Management of people-related impacts, risks and opportunities) 3.2 Value chain workers and workers of operational control perimeter legal entities (Efforts for a human centered value chain)
c) Identifying and assessing adverse impacts	1.4 Identifying relevant ESG impacts, risks and opportunities 3.1 Own workforce (Management of People-related impacts, risks and opportunities) 3.2 Value chain workers and workers of operational control perimeter legal entities (Managing impacts, risks and opportunities relating to value chain workers)
d) Taking actions to address those adverse impacts	3.1 Own workforce (Management of people-related impacts, risks and opportunities) 3.2 Value chain workers and workers of operational control perimeter legal entities (Managing impacts, risks and opportunities relating to value chain workers)
e) Tracking the effectiveness of these efforts and communicating	3.1 Own workforce (Employees – metrics and targets) 3.2 Value chain workers and workers of operational control perimeter legal entities (Workers in the value chain and workers of operational control perimete legal entities – metrics and targets)



Risk management and internal controls over sustainability reporting

To support the accuracy and reliability of information and data collected throughout the sustainability reporting process, Hitachi Rail has adopted a dedicated reporting procedure, the “Preparation of the ESG Report”, which has been in place since 2022. This procedure defines the roles and responsibilities of the functions involved in data collection, validation and approval and forms part of the governance arrangements supporting transparency and accountability across the reporting process.

Additionally, Hitachi Rail has developed a structured set of **data input and Key Performance Indicators (KPIs)** to consistently monitor the information to be reported and regularly monitored for business needs, taking into account both regulatory developments and stakeholder expectations. This list is reviewed and updated regularly to reflect changes, to ensure that sustainability disclosures remain aligned with the most current and relevant developments.

To enhance the credibility of the disclosed sustainability data, a limited assurance engagement has been conducted by an independent third-party provider for the second consecutive year, but the results of the assurance process are intended for internal use only. This approach is intended to build familiarity with assurance procedures and represents an initial step toward enhancing the credibility and verifiability of sustainability data over time.

Furthermore, during the year, Hitachi Rail developed a **new digital tool** aimed at streamlining ESG data collection and reporting processes. Integrated with internal systems, the tool is intended to progressively enhance the reporting process and data analysis, fostering continuous improvement in the quality, consistency and traceability of sustainability information.

In line with the objective to progressively align with the ESRS requirements, during the FY2025 reporting period Hitachi Rail initiated the design of its internal control and risk management system for sustainability reporting. As part of this process, the Organization identified entity-level controls to mitigate cross-cutting risks that could compromise the accuracy and reliability of future Sustainability Statements. To guide this process, Hitachi Rail identified control objectives aligned with the five components and 17 principles of the COSO Internal Control – Integrated Framework. For each objective, the BU mapped the relevant controls and assessed their current implementation status. Looking ahead, Hitachi Rail intends to further strengthen its internal control system through a phased approach, leading to the formalization of process-level controls and the development of dedicated risk and control matrices, with the aim of progressively reinforcing the robustness and reliability of the data collection process.

While the internal control system over sustainability reporting is evolving, Hitachi Rail benefits from a mature **Internal Audit & Internal Controls function**, with a presence in Italy, the UK, the US and Japan. This function is key to overseeing the internal control system over financial reporting and ensuring its continuous improvement. It operates under an annual, risk-based Audit Plan approved by the Audit and Compliance Committee (ACC) and updated periodically to reflect the Organization’s risk profile (provided by ERM) and business needs.

During the FY2025 reporting period, the Internal Audit & Internal Controls function conducted nearly 40 audits, primarily focused on operational areas, including key projects, minor entities, branches, internal processes and compliance. The function also tested 1,663 J-SOX controls across core financial processes (e.g. procure-to-pay, order-to-cash, financial close and IT General Controls) in material geographies where Hitachi Rail operates.

Audit results are regularly reported to relevant governance bodies, including the ACC, the J-SOX Committee and the Board of Directors and, where applicable for specific legal entities or jurisdictions, statutory auditors, supervisory bodies established under local law and external auditors. In the second half of 2026, Hitachi will execute a compliance and operational review in accordance with the Audit Plan. This review will cover selected ESG topics, including health and safety and the gender pay gap, and will involve the Sustainability and DO&I Organization, Quality and HR functions.

Hitachi Rail also has a dedicated **Enterprise Risk Management (ERM)** function responsible for coordinating the identification, assessment, treatment, monitoring and reporting of risks that may affect the achievement of the Business Unit's strategic objectives. The ERM function manages the Portfolio Risks Profile in accordance with the ERM methodology, supporting the prioritization of top risks and the monitoring of related mitigation actions in collaboration with the relevant Risk Owners and stakeholders. The identification and assessment of ESG risks is guided by the Sustainability Function with the technical support of the ERM function. The ERM function provides periodical reporting to Hitachi Rail SEC, the RMC and CEO in order to facilitate risk-based decision making.

Sustainability reporting risks are identified and prioritized through the developing internal control and risk management system for sustainability reporting, supported by the Enterprise Risk Management function and the Sustainability Function. Relevant risks, controls and improvement actions are monitored through the functions responsible for sustainability reporting, with oversight from the Sustainability Committee, the RMC and the ACC as applicable. As the control framework matures, Hitachi Rail intends to formalise process-level controls and dedicated risk and control matrices to strengthen monitoring, traceability and remediation of sustainability reporting risks.

Management system and certifications

The Global Business Management System (GBMS) is the unique set of rules that brings together all parts of a business into one system, making it easier to manage, monitor, and continuously improve.

There are four GBMS sections:

- **Governance:** high level manuals, global objectives and policies (strategy execution);
- **Organization:** organizational structure, roles and mandates (accountabilities for each organizational role), project team structure;
- **Process excellence:** complete sets of operating practices, procedures, rules, forms, templates and detailed instructions;
- **Enterprise architecture:** the Organization's IT platforms and tools.

Since its inception in April 2020, the COSMO GBMS area has grown significantly from the governance area and the support and customer processes clusters, to the execution processes for both Vehicles and Signaling and Rail Solutions. This in addition to the Organizational Area (lead by HR Functions) containing the Organizational Chart, Roles & Mandates, and the Project Organization Structure.



General
Environment
Social
Governance



1.4

Identifying relevant ESG impacts, risks and opportunities

During the FY2025 reporting period, Hitachi Rail further refined the double materiality assessment first conducted in the previous year with the objective of updating the environmental, social and governance (ESG) impacts, risks and opportunities (IROs) relevant to the Organization. This activity forms part of Hitachi Rail's ongoing journey toward alignment with regulatory compliance requirements set out by the Corporate Sustainability Reporting Directive (CSRD).

The assessment was conducted in accordance with the European Sustainability Reporting Standards (ESRS) of the European Financial Reporting Advisory Group (EFRAG), which require Organizations to analyse ESG issues from two distinct perspectives:

- **Impact materiality (inside-out perspective):** Aimed at recognizing ESG impacts – positive or negative, actual or potential – that Hitachi Rail and its value chain can have on people or the environment;
- **Financial materiality (outside-in perspective):** Focused on identifying the risks and opportunities related to sustainability issues that can generate an impact on Hitachi Rail's economic and financial performance.

The process, following EFRAG guidelines on double materiality outlined in the Implementation Guidance 1, included three main phases:

- An initial mapping of the long list of IROs potentially relevant to Hitachi Rail;
- Assessing relevance of the identified IROs;
- Identifying the material IROs and related sustainability topics.

As no significant changes occurred in Hitachi Rail's business model, operations, or value chain during 2025, the stakeholder mapping and value chain assessment conducted in the previous year were considered valid and remained the foundation for the current Sustainability Statement. The analysis continued to reflect the specific characteristics of the Organization's business segments, ensuring a comprehensive and tailored identification of relevant IROs across each value chain.

Mapping potentially relevant impacts, risks and opportunities (IROs)

As a first step of the assessment, Hitachi Rail conducted a structured review of key internal documentation, including the results of the previous year's double materiality assessment, as well as the Sustainability Statement FY24, and the risk register. This analysis was completed by a review of leading sustainability frameworks, such as the Sustainability Accounting Standards Board (SASB) and ESRS, to capture any relevant additional ESG aspects and emerging developments throughout the year. Based on this exercise, Hitachi Rail updated its inventory of impacts, risks and opportunities, defining the preliminary list of sustainability topics most relevant for the Organization for 2025. Consistent with the previous assessment, the review was also carried out through the involvement of those functions most exposed to stakeholder interactions within each business segment's value chain, as well as those working in connection with elements related to the identified IROs. For each impact, risk and opportunity, Hitachi Rail defined the corresponding business segment, the value chain phase, the applicable time horizon, any potential connection to human rights and the affected stakeholders.

Assessing impacts, risks and opportunities (IROs)

As the second step of the DMA, the Organization evaluated the long list of identified impacts, risks and opportunities.

	Evaluation criteria	Definition
Risks/ Opportunities	Impact	The degree of potential economic impact (specifically on adjusted EBITA) – or operational, reputational and legal enforcement impacts[1] – on the Organization when a risk or opportunity event occurs in the business.
	Likelihood	The likelihood of a risk or opportunity event occurring in the business.
Impact	Scale	The degree of positive or negative impact on people and environment when such an impact occurs.
	Scope	The extent of scope (geographical reach and / or number of stakeholders affected) of the positive or negative impact when such an impact occurs.
	Irremediable	The degree to which a negative impact can be remedied if it occurs.
	Likelihood	The likelihood of a positive or negative impact occurring.

As outlined by EFRAG, actual impacts were assessed based solely on their severity, while potential impacts were evaluated by considering both severity and likelihood, which measures the probability of the impact materialising. In cases of potential impacts on human rights, severity took precedence over likelihood.

Financial materiality was assessed with the involvement of the Enterprise Risk Management. Sustainability-related risks identified through the double materiality assessment were reviewed against the internal ERM Portfolio Risks assessed by Risk Owners using criteria aligned to ERM methodology. Therefore sustainability-related risks are fully embedded into the broader enterprise risk management framework.

The double materiality process involved various internal stakeholders who contributed valuable feedback on sustainability topics, particularly focusing on impacts by leveraging their expertise to ensure an accurate reflection of Hitachi Rail's operational context. This process specifically included targeted engagement with C-level executives and their delegates to align the analysis with the Organization's strategic priorities and to ensure effective management of identified aspects. In parallel, insights from value chain actors – including industry experts, and customers through Hitachi Rail's commercial functions – were taken into account to enhance understanding of the upstream and downstream value chain dynamics, including the relevant IROs pre-identified internally.

Identifying material impacts, risks and opportunities (IROs)

To determine Hitachi Rail's relevant IROs and related sustainability topics, a quantitative materiality threshold was established for impact materiality, while a heatmap-based approach was applied for financial materiality. The analysis of the Business Unit's impacts, risks and opportunities and the assessment process was shared with members of Hitachi Rail's Sustainability Committee during dedicated sessions.

The representation on the following page outlines the ESRS topic identified as material, from an impact perspective, a financial perspective, or both, across the various phases of the value chain for the different lines of business of Hitachi Rail. A comprehensive overview of the corresponding material impacts, risks and opportunities is provided in the relevant chapters dedicated to the topical standards. ESRS E4 Biodiversity and ESRS S3 Affected Communities were considered not material for Hitachi Rail, based on the outcomes of the Organization's double materiality assessment.

[1] According to the criteria set by the Enterprise Risk Management framework already employed within the risk prioritisation process.

Financial Materiality

E1 - Climate change adaptation

S4 - Information-related impacts

G1 - Management of relationship with suppliers

Double Materiality

E1 - Climate change mitigation

E1 - Energy

E5 - Resources outflows

S1 - Working conditions

S1 - Equal treatment and opportunities

S1 - Other work-related rights

S2 - Working conditions

S2 - Other work-related rights

S4 - Personal safety

G1 - Corruption and bribery

Upstream value chain

Own operations

Downstream value chain

Not material

E2 - Pollution of water, of soil, and of living organisms and food resources

E2 - Substances of concern and of very high concern

E2 - Microplastics

E3 - Marine resources

E4 - Biodiversity and ecosystems (all sub-topics)

S3 - Affected communities (all sub-topics)

S4 - Social inclusions of consumers and end-users

G1 - Animal welfare

G1 - Political engagement and lobbying activities

Impact materiality

E2 - Pollution of air

E3 - Water

E5 - Resources inflows

E5 - Waste

S2 - Equal treatment and opportunities

G1 - Corporate culture

G1 - Protection of whistleblowers

Environmental information



In this section

2.1	Climate change	28
2.2	Pollution	40
2.3	Water	44
2.4	Resource use and circular economy	48

Climate change

2.1.1 Climate change strategy

Climate change is one of the most significant challenges of our generation, with far-reaching impacts on the environment, society, and the global economy. Hitachi Rail recognizes climate change not only as a global concern, but as a key business issue - one that presents both risks and opportunities across its value chain. The Organization's commitment to climate action is embedded in its strategy, driving innovation, resilience and long-term value creation. Through targeted decarbonization efforts and sustainable solutions, Hitachi Rail aims to play a proactive role in advancing the low-carbon transition.

Hitachi Rail has been working towards the development of a Climate Transition Plan, which is expected to be formalized by the end of FY26. Climate-related risks and opportunities are systematically integrated into corporate strategy, risk management and operational planning, with scenario analysis used to assess potential climate impacts on the business and to support the identification of innovation opportunities in energy-efficient and lower-carbon transport solutions.

Over the past 2.5 years, Hitachi Rail has continued to evolve its climate strategy in alignment with Hitachi Ltd.'s Science-Based Targets initiative (SBTi) targets and developments in climate science. This includes setting decarbonization goals, engaging stakeholders to identify emissions hotspots and exploring net-zero pathways. The long-term strategic horizon used for climate-related assessment is aligned with global net-zero objectives and is intended to inform long-term investment, innovation and strategic planning.

Hitachi Rail's governance structure ensures that climate considerations are embedded at the highest levels of decision-making, with clear oversight from the Board and executive leadership. Hitachi Rail's Sustainability Committee oversees climate strategy by setting environmental targets, governing ESG KPIs, and reporting directly to the CEO and the Board. This governance structure is supported by executive and functional leadership, with dedicated roles for sustainability and enterprise risk management, and by regional committees established to support implementation of the global climate and sustainability strategy at local level. By enhancing transparency and accountability, Hitachi Rail is not only meeting stakeholder expectations but also strengthening its long-term resilience and competitiveness in a rapidly evolving global market.

The Organization's approach combines structural safeguards, contingency planning and risk transfer mechanisms to ensure continuity in the face of escalating climate-related challenges. In parallel, Hitachi Rail is actively managing transition-related climate risks through a combination of operational control perimeters and forward-looking strategies. These include ESG-based supplier assessments, integration of eco-design and lifecycle analysis, and the deployment of digital tools for energy and emissions monitoring. The Organization is also advancing battery and hydrogen-related strategies to align with evolving market expectations. Additional mitigation levers include strategic partnerships, standardised processes and energy data management tools that support decarbonization planning, performance monitoring and risk reduction.



Identifying physical and transition risks

In line with the Organization's commitment to build a more sustainable business, Hitachi Rail has identified a series of climate-related risks, both physical and transition, that may affect its operations, supply chain and long-term strategy. Physical risks include extreme weather events, water stress and flooding, which pose direct threats to infrastructure, manufacturing facilities and logistics. Transition risks emerge from regulatory changes, market expectations and technological innovations associated with the shift toward a low carbon economy. The analysis focused on the current and 2050 time-horizons, reflecting a strategic approach to both immediate resilience and long-term sustainability. While the current horizon focuses on near-term operational and regulatory risks that require immediate mitigation, the 2050 horizon aligns with global net-zero targets and guides long-term investment, innovation and strategic planning. Within the current horizon, key areas of focus include energy inflation, supply chain disruption and evolving ESG compliance requirements, while the 2050 horizon is also used to consider future demand for low-carbon transport solutions and access to sustainable finance.

Assessing risks with climate scenarios

Physical and transition risks were assessed using opposing climate scenarios to capture the different challenges posed by climate change. A high global warming scenario (greater than 3°C) was used to assess physical climate risks because it represents a future where limited action is taken to reduce emissions, leading to more severe climate impacts such as extreme weather, sea-level rise and heat stress. In contrast, a low carbon scenario (1.5°C) was used to assess transition risks and opportunities as it represents a future in which strong climate policies, technological shifts and market changes are implemented rapidly to limit global warming.

High-carbon scenario for physical risks

These scenarios, such as the IPCC Representative Concentration Pathways (RCP) 8.5, assume limited or no climate policy action, leading to higher global warming. Such scenarios help to understand the worst-case physical impacts of climate change such as extreme heat, sea level rise and severe weather events. This supports assessment of the vulnerability of assets, operations and supply chains to climate hazards in a warming world. For physical risk assessment purposes, site exposure was analysed using location-based hazard information and prioritized by reference to very high exposure levels.

Low carbon scenario for transition risks and opportunities

These scenarios (e.g., IEA Net-Zero by 2050) assume a rapid global energy transition driven by no new fossil fuel developments, massive clean energy investment and deployment, behavioral changes and international cooperation to achieve net-zero emissions to limit global warming to 1.5°C. This includes strong climate action, such as carbon pricing, regulation and rapid decarbonization. They are used to evaluate the economic and regulatory impacts of transitioning to a low-carbon economy to help Organizations anticipate policy shifts, market changes and innovation opportunities that come with climate action. A range of supporting databases and reports was used in the analysis on the basis of a net-zero scenario assumption.

Physical climate risks

The physical risk analysis was carried out on both Hitachi Rail's own sites and, qualitatively, on the Organization's supply chain. A total of 28 categories of physical climate hazards were assessed across 32 sites, accounting for around 95% of total Scope 1 and 2 GHG Emissions. 25 "Red Flags" (very high exposure level) were identified for 8 climate risks across 17 sites including water stress, drought, subsidence, flooding, heavy rainfall, soil erosion, tornadoes and frost. For instance, sites such as Genoa and Kasado are particularly exposed to flood risk, while Pistoia and Naples are vulnerable to drought and water stress.

For the supply chain, the assessment considered the industrial and services sectors, which together account for approximately 63% of supplier spending. Key risks for the industrial sector include drought, water stress, temperature changes, storms, floods and wildfires. For the services sector, risks include heatwaves, storms, drought and changes in precipitation patterns.

From a geographical perspective, the most relevant countries are Italy, Japan, the UK and the USA, which account for approximately 70% of supplier cost spend. Present vulnerabilities include Italy's river and coastal flooding, Japan's typhoons and potential sea level rise, the United Kingdom's flooding risk and the United States's vulnerability to hurricanes, tornadoes, wildfires and glacial risks.

The impact analysis of physical risks on Hitachi Rail's business considered both historical events and forward-looking hazard projections. The analysis revealed that flooding represents a significant operational risk, particularly for sites such as Kasado and Genoa, where such events may cause direct damage, operational disruptions and access issues. Other notable risks include drought and water stress (e.g. Pistoia), heavy rainfall and heat (which increases maintenance costs and poses health risks for employees) and tornadoes.

For the supply chain, physical risks may lead to production delays, infrastructure damage, increased operational costs and reliability issues with suppliers, affecting both the industrial and services sectors.

Transition climate risks

With the global transition toward net-zero, Hitachi Rail faces transition risks such as material shortages and inflation. This is driven by high demand for critical raw materials, rising costs due to ESG regulations and carbon pricing, and potential loss of market share if sustainable technologies are not promptly integrated into its products. There are also financial risks linked to increased capital costs and non-compliance with emission reduction targets.

A low-carbon scenario (1.5°C) was used to assess transition risks and opportunities, as mentioned above. Transition risks may lead to increased costs (due to material shortages, energy inflation and carbon pricing), regulatory pressure and legal expenses, loss of revenue and market share (if sustainability is not embedded in product strategy) and reputational damage in the event of failing to meet emission reduction targets.

More specifically, the transition risk assessment includes:

- Cost fluctuation arising from material shortage and inflation, linked to high demand and constrained supply of key materials such as steel, aluminum, copper and glass;
- Higher legal and compliance costs associated with evolving ESG and climate regulation;
- The risk of losing market share and revenue if customer demand shifts more rapidly toward more sustainable rail control technologies;
- The risk of losing market share and revenue if customer demand shifts more rapidly toward more sustainable vehicle technologies;
- An increased cost of capital linked to lender and investor preference for strong ESG credentials.

Transition risks and opportunities were identified across a wider set of thematic areas, including policy and legal developments, technology, markets, reputation, resources and energy, products and services, and resilience.

Resilience of strategy

Hitachi Rail has conducted a comprehensive evaluation of its strategic resilience in relation to climate risks, both physical and transition. This recognizes the increasing exposure to hazards such as flooding, heat stress and water scarcity, as well as the growing impact of regulatory changes and market dynamics associated with the global shift toward a low-carbon economy.

In terms of physical risks, the Organization carried out its assessment through site-level analysis and targeted follow-up of those locations assessed as highly exposed to climate hazards, implementing a wide range of response measures to address both acute and chronic climate hazards. These include frost, drought, heavy rainfall, subsidence, tornadoes, water stress and soil erosion.

Hitachi Rail currently demonstrates moderate to high resilience, supported by:

- **Strong business continuity and crisis management systems** across global sites;
- **Insurance coverage** for most acute risks (e.g. flood, frost, tornado);
- **Site-specific mitigation** actions such as drainage infrastructure, emergency planning and preventive maintenance;
- **Residual impact scores** significantly reduced through effective control.

Residual impacts were reduced following the application of mitigation and control measures.

However, chronic risks like water stress and subsidence remain more impactful, especially where insurance is unavailable or mitigation is limited. For instance, the Pistoia site lacks water storage infrastructure, which has highlighted areas for improvement.

To evaluate current risk responses, questionnaires were sent to sites highly exposed to at least one climate hazard and the feedback received supported the assessment of existing mitigation measures. These showed that measures like alert systems and emergency plans have significantly reduced initial risks. However, tornadoes and water stress were rated as having lower response effectiveness. This was due to the unpredictability of tornadoes and the water-intensive nature of production and maintenance processes affected by water stress.

Hitachi Rail is also addressing transition risks linked to climate change through a mix of current controls and future mitigation strategies. Key risks such as supply chain disruptions, regulatory compliance costs and shifting customer demand are being tackled via ESG supplier assessments, eco-design integration, lifecycle analysis and strategic partnerships.

Initiatives like energy reporting tools, improved batteries, and standardized processes are helping reduce risk across multiple areas. While several transition risks show a reduction from inherent to residual levels following mitigation, some risks related to energy inflation and carbon pricing remain unchanged at present, particularly where no additional mitigation actions have yet to be identified. By contrast, risks associated with failure to meet emission reduction targets have been reduced through the use of energy data management software, formal decarbonization plans and feasibility studies.

> “Overall, Hitachi Rail is strengthening its climate resilience by embedding sustainability into product development, operations and governance. This is helping the Organization position itself to better manage climate risks and meet evolving stakeholder expectations.



Climate opportunities

Throughout its climate-related analysis, Hitachi Rail has also identified three strategic opportunities that enhance its business resilience, reducing risk exposure while also strengthening the Organization's financial and competitive position in the transition toward a low-carbon economy:

- **Energy efficiency** – where the Organization is investing in operational improvements to reduce energy consumption and mitigate exposure to energy price volatility and carbon pricing. These efforts are supported by the use of digital tools and energy data management solutions, which enable effective monitoring of energy performance and emissions;
- **The growing demand for low-carbon transport solutions** – Hitachi Rail is well-positioned to benefit from this market shift, driven by government climate targets and evolving customer preferences. This trend offers the potential for increased revenue through lower-emission solutions offerings;
- **Strong ESG credentials** – which enhance access to capital and financing. This enables long-term investments in innovation and infrastructure, supporting both climate adaptation and business growth in a decarbonizing economy.

In addition to these core opportunities, Hitachi Rail also integrates **eco-design and lifecycle assessment (LCA)** into its product development processes. These practices are essential for improving recyclability and reducing environmental impact, while also helping the Organization align with market expectations and regulatory trends. Although not classified as standalone opportunities, they play a critical role in mitigating transition risks and strengthening the Organization's overall sustainability performance.

2.1.2 Management of climate-related impacts, risks and opportunities

The relevant impacts, risks and opportunities related to climate change have been identified in accordance with the process described in paragraph 1.4 Double materiality assessment and are summarized in the table below.

IRO Description	Business	Value chain	Time horizon	IRO type
Climate change adaptation				
The occurrence of extreme weather events can lead to business disruptions, reduced revenue from decreased production capacity and higher costs from negative impacts on workforce.	Vehicles / Signaling and Rail Solutions	○ ● ○	Short to medium term	Risk
Climate change mitigation				
The extraction of raw materials and the production of (semi)components for the construction of trains and rail infrastructure generates GHG emissions that contribute to climate change.	Vehicles / Signaling and Rail Solutions / Digital and AI	● ○ ○	Short to medium term	Actual negative impact
Hitachi Rail, by providing low emission transport solutions, positively contributes to the transition to a low carbon society by reducing GHG emission in the transport sector.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ●	Short to long term	Actual positive impact
By capitalising on the growing global focus on low-carbon mobility solutions—where Hitachi Rail's products are inherently well-positioned – the Organization can strengthen its market positioning, while reinforcing its leadership in sustainability and GHG emissions reduction, ultimately enhancing stakeholder trust, unlocking new business opportunities, and increasing market share.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Medium to long term	Opportunity
Erosion of market share in favour of competitors with lower emissions options and reduced capability to attract capital.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Risk
Climate change mitigation & Energy				
Hitachi Rail's construction and development activities, which require the combustion of fossil fuels and the consumption of electricity, lead to the emission of direct and indirect GHG emissions, contributing to climate change.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual negative impact
Upstream activities connected to Hitachi Rail's product production (e.g. extraction of raw materials, production of (semi)components), as well as the general operation of trains and infrastructures in the downstream value chain, require the combustion of fossil fuels and the consumption of electricity that lead to GHG emissions, contributing to climate change.	Vehicles / Signaling and Rail Solutions / Digital and AI	● ○ ●	Short to medium term	Actual negative impact
Energy supply challenges may increase operational costs and lead to production delays.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Risk

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

The identified climate-related impacts, risks and opportunities were assessed across Hitachi Rail's own operations and the relevant upstream and downstream value chain, considering the exposure of relevant assets, activities and business areas. The assessment covered climate-related impacts with reference to greenhouse gas emissions, as well as gross physical risks, transition risks and climate-related opportunities across the undertaking's relevant time horizons.

2.1.2.1 Climate change policies

To support effective management of climate-related impacts, risks and opportunities, Hitachi Rail has implemented a comprehensive Health, Safety and Environment (HSE) Policy that sets out guidelines aimed at mitigating the effects of climate change.

Health, Safety and Environment Policy

Hitachi Rail's Health, Safety and Environment Policy defines the Organization's commitment to the continuous improvement of its environmental performance throughout the product life cycle and, where possible, the use of natural resources to help prevent climate change impacts. This also supports Life Cycle Assessment (LCA) principles, promoting the responsible selection of materials, the adoption of sustainable design practices and the integration of innovative technological solutions.

This policy applies to the entire Business Unit. The Chief Officer for Safety, Health, Environment & Quality is the designated individual responsible for the implementation of the policy and its official signatory.

The implementation of this policy is aligned with internationally recognized third-party standards and initiatives[2], including:

- **ISO 45001** – Occupational Health and Safety Management Systems
- **ISO 14001** – Environmental Management Systems
- **ISO 50001** – Energy Management Systems
- **EMAS** – Eco-Management and Audit Scheme

These frameworks support a systematic approach to HSE management, ensuring the proactive identification and control of hazards, compliance with applicable legal requirements, continuous improvement through learning from both failures and successes and the dissemination of good practices across the Organization.

In developing this policy, due consideration has been given to the interests of key stakeholders, including employees, social partners and contractors. Mechanisms are in place to encourage the proactive reporting and resolution of HSE concerns, and to support the development of the necessary competencies to safeguard individual safety, wellbeing and environmental responsibility. This inclusive approach ensures that stakeholder perspectives are reflected in the policy's objectives and implementation.

The policy is made accessible to all potentially affected stakeholders, including employees, social partners and contractors, through internal platforms. The policy is also regularly monitored and updated, where necessary, to ensure constant compliance with evolving regulatory requirements, HSE risks and business needs.

[2] Coverage of the different standards varies from site to site.



2.1.2.2 Efforts for climate change mitigation and adaptation

Over the course of FY25, Hitachi Rail implemented a range of initiatives aimed at reducing the Organization's environmental footprint, with a particular focus on energy use and climate change.

Main Actions	Timeframe	Status
Tito's geothermal heating	Short term	Completed
Pistoia's photovoltaic system	Short term	Completed
Hagerstown's photovoltaic system	Short term	Completed
Hagerstown's electrification of heating system	Short term	Completed
Reggio Calabria electrification of painting booths	Medium term	Ongoing
Naples electrification of heating system	Medium term	Ongoing
Arnstadt electrification of heating system	Medium term	Ongoing

Tito's geothermal heating

Hitachi Rail implemented an innovative geothermal heat pump system at the Tito site to replace conventional fossil fuel-based heating and cooling technologies. The project significantly reduced greenhouse gas emissions, improved energy efficiency and increased the use of renewable energy. The closed-loop geothermal system consists of 88 underground boreholes circulating a water-antifreeze mixture to exchange heat with the ground, providing a highly efficient thermal energy solution with a coefficient of performance (COP) of approximately 6, compared to around 3 for conventional air-source heat pumps.
The geothermal installation was optimized by maximizing land use through its integration within the inter-row spaces of the site's photovoltaic plant, avoiding additional land consumption. The project enables a substantial increase in the self-consumption of renewable electricity generated on-site and supports the complete replacement of natural gas for heating purposes.

This short-term action required a capital expenditure of approximately €800,000 during the reporting period.
To accelerate operational decarbonization and support the transition to a low-carbon economy, the main levers include switching to renewable energy and electrification. These combined efforts aim to lower the site's environmental footprint and reduce greenhouse gas (GHG) emissions by a total of around 150 tCO_2eq yearly.

Best practice

Pistoia's photovoltaic system – Italian sites power purchase agreement (PPA)

Hitachi Rail formalised its collaboration with A2A on a Power Purchase Agreement (PPA) to install approximately 9.2 MW of photovoltaic (PV) systems across Italian sites in FY24. These installations are located on the rooftop of the main building in Pistoia and on the ground in Reggio Calabria, aiming to generate renewable energy that will cover part of the energy needs of the Italian sites and significantly reduce greenhouse gas (GHG) emissions.

A key milestone during FY25 was the installation of a 6.5 MW rooftop photovoltaic system at the Pistoia manufacturing site. This system consists of 14,573 solar panels mounted on the main production building's roof. This project strives to increase the share of renewable electricity consumed, reduce Scope 2 GHG emissions, improve energy self-sufficiency, and support decarbonization efforts at the site level.

The photovoltaic system is expected to generate approximately 8.2 GWh of renewable electricity annually, which covers around 62% of the site's yearly electricity demand.

The initiative is designed to deliver significant environmental benefits by introducing renewable energy, with expected annual avoided emissions equal to approximately 3,630 tCO_2eq emissions during the FY2025 reporting period.

Best practice

Hagerstown's photovoltaic system

Following the signing of a Power Purchase Agreement (PPA) with Suntrail Energy last year to install approximately 1.8 MW of photovoltaic panels, Hitachi Rail proceeded in FY25 with the actual installation of the system. This project aims to increase the use of renewable electricity, reduce Scope 2 greenhouse gas (GHG) emissions, and improve energy self-sufficiency at the site.

The installation consists of a total of 3,427 photovoltaic panels: 2,980 panels are mounted on the main building roof, and 447 panels are installed on solar carports. The total installed capacity is 1.8 MW, with 1.6 MW on the rooftop and 0.2 MW on the carports.

The system is expected to generate approximately 2.3 GWh of renewable electricity annually, covering around 60–70% of the site's electricity demand.

This initiative is designed to produce a positive environmental impact by increasing renewable energy use – identified as a primary lever for decarbonization – and by significantly reducing greenhouse gas emissions.

Electrification of heating system at Hagerstown

Hitachi Rail implemented a strategic electrification project at the Hagerstown site to eliminate the use of fossil gas for space heating. This initiative supports the sustainability improvement of site operations by enabling the use of low-carbon electricity sources and contributing to the transition towards carbon neutrality for both Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

The project involved the complete replacement of the gas-based heating system with an all-electric solution. Specifically, six rooftop electric units and fifteen interior perimeter electric heating units were installed, allowing for the complete removal of fossil gas consumption from heating operations.

As a result, the site achieved a 100% reduction in fossil gas use for heating, thereby eliminating the associated Scope 1 GHG emissions. This initiative represents a key step in the site's decarbonization strategy to support the ambition of making Hagerstown facility a Scope 1 and 2 low-emission site, with offsetting measures for residual emissions. By removing direct combustion-related emissions, the project significantly reduces the environmental footprint of operations and contributes to climate change mitigation.

This short-term action, rooted in electrification as a primary decarbonization lever, was carried out during the reporting year with a capital expenditure of approximately €1.5 million. The project resulted in a reduction of 450 tCO_2eq.

Electrification of painting booths in Reggio Calabria

Electrification plays a pivotal role in the Organization's effort to reduce Scope 1 emissions. At the Reggio Calabria site, the objective is to fully eliminate Scope 1 emissions, which amount to approximately 450 tCO_2eq per year.

The project started in FY25 with the installation of a new electrical substation, and is currently progressing with the electrification of three painting booths and one oven (to be completed within the end of FY27).

The electrification of these industrial processes is the key decarbonization lever, directly reducing fossil fuel dependency by switching to electric alternatives powered increasingly by renewable energy sources.

Naples electrification of heating systems

At the Naples site, Hitachi Rail aims to eliminate 60% of Scope 1 emissions by replacing the existing gas-powered steam generator with electric heat pumps and reducing its negative environmental impact. The project is scheduled for completion by the end of FY27.

The decarbonization lever associated with this climate mitigation measure is the electrification of the heating system, which involves replacing fossil fuel-based infrastructure with electric alternatives. This transition is expected to result in a substantial reduction in direct emissions from operations, leading to an estimated annual decrease of approximately 800 tCO_2eq.

Electrification of heating system in Arnstadt

As part of the site's decarbonization strategy, two of the three existing gas burners will be replaced by a high-efficiency electric heat pump. Based on a multi-year analysis of local climatic conditions, the new system is expected to cover approximately 80–90% of the site's heating demand, significantly reducing fossil gas consumption. A remaining gas burner will be retained only to meet peak thermal loads during a limited number of days characterized by very low outdoor temperatures.

The project will deliver an estimated reduction of 267 tCO_2eq per year, representing a major step toward the electrification of thermal energy use and the reduction of direct emissions at the Arnstadt site.

In addition to decarbonizing its own operations through the actions previously described, over the course of the year Hitachi Rail has begun advancing the decarbonization of its value chain. This recognizes the significant impact of Scope 3 emissions on the Organization's overall carbon footprint.

Efforts have been made across both the upstream and downstream value chains. As far as the upstream value chain is concerned, Hitachi Rail initiated outreach and onboarding activities aimed at establishing strategic pathways toward decarbonization with its key suppliers. For instance, during the final months of FY25, the Organization prepared and organized a dedicated conference (delivered by senior management at the start of FY26), to raise supplier awareness of climate issues and to define joint strategic climate-related goals with its partners. The event took place in Frankfurt and brought together 90 partners from Hitachi Rail's global supply chain, with over 200 participants in total, including both partners and Hitachi Rail staff. Furthermore, environmental and climate-related ambitions and performance are integrated into the regular supplier evaluation process, underscoring the critical role suppliers play in Hitachi Rail's overall transition to a low-carbon economy. For more details on the supplier evaluation process, please refer to chapter 4.1 Business Conduct.

At the same time, Hitachi Rail is committed to being a trusted partner for its clients and an enabler of the green transition. Through its products, solutions, and services, the Organization supports clients in reducing emissions and improving sustainability performance. This also includes developing product features tailored to client requests to enhance sustainability.

Flagship products toward decarbonization of mobility

1 **Masaccio tri-mode train**
Europe's first tri-mode train, combining electric, battery and diesel propulsion to significantly reduce emissions.

2 **Green CBTC**
AI-powered signaling that reduces metro energy consumption and carbon emissions through intelligent train operation.

2 **HMAX**
Digital asset management platform using AI and analytics to improve efficiency and reliability.

These efforts will continue to advance through the application of eco-design principles and ongoing product innovation, as detailed in the chapter 2.4 Resource use and circular economy.

2.1.3 Climate change – metrics and targets

2.1.3.1 Energy consumption and GHG emissions

The below table presents values for energy consumption and GHG emissions. Total energy consumption increased compared to FY24, while energy intensity remained stable at 30 MWh/M€ showing a consistent level of energy efficiency relative to revenue generation. Despite the increase in overall energy consumption, the share of energy from renewable sources increased from 39.8% to 42.1% of total energy consumption, demonstrating continued progress in the use of lower-carbon energy sources.

	Energy Consumption and Mix (MWh)	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
1	**Fuel consumption from coal and coal products**	-	-	0	1	-	1
2	**Fuel consumption from crude oil and petroleum products**	31,034	14,286	45,320	38,822	11,062	49,884
3	**Fuel consumption from natural gas**	56,709	-	56,709	56,414	-	56,414
4	**Fuel consumption from other fossil sources**	-	-	0	2	-	2
5	**Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources**	24,151	4,599	28,750	28,051	82	28,133
6	**Total fossil energy consumption** (calculated as the sum of lines 1 to 5)	**111,894**	**18,885**	**130,779**	**123,290**	**11,144**	**134,434**
	Share of fossil sources in total energy consumption (%)	**60.4%**	**57.8%**	**60.0%**	**60.7%**	**38.6%**	**57.9%**
7	**Consumption from nuclear sources**	**436**	**-**	**436**	**-**	**-**	**-**
	Share of consumption from nuclear sources in total energy consumption (%)	**0.2%**	**-**	**0.2%**	**-**	**-**	**-**
8	**Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)**	-	-	-	33	-	33
9	**Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources**	71,497	13,804	85,301	76,236	17,710	93,946
10	**The consumption of self-generated non-fuel renewable energy**	1,442	-	1,442	3,700	-	3,700
11	**Total renewable energy consumption** (calculated as the sum of lines 8 to 10)	**72,939**	**13,804**	**86,743**	**79,969**	**17,710**	**97,679**
	Share of renewable sources in total energy consumption (%)	**39.4%**	**42.2%**	**39.8%**	**39.3%**	**61.4%**	**42.1%**
12	**Total energy consumption** (calculated as the sum of lines 6, 7 and 11)[3]	**185,269**	**32,689**	**217,958**	**203,259**	**28,854**	**232,113**

[3] In FY24, regarding total energy consumption, 60,213.9 MWh belong to GTS.

Energy intensity[4]	FY 24	FY 25
Total energy consumption from activities in high climate impact sectors (MWh)	185,269	203,259
Net revenue from activities in high climate impact sectors (M€)	6,258	6,848
Energy intensity from high climate impact sectors (MWh/M€)	30	30

Emissions	Financial control perimeter	Operational control perimeter	Total FY 24	Financial control perimeter	Operational control perimeter	Total FY 25
Scope 1 GHG emissions (tCO_2eq)						
Gross Scope 1 GHG emissions	21,910	3,412	**25,321**	**22,110**	**2,605**	**24,715**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	**-**	**-**	**-**	**-**
Scope 2 GHG emissions (tCO_2eq)						
Gross location-based Scope 2 GHG emissions	26,239	8,539	**34,778**	**26,743**	**8,380**	**35,123**
Gross market-based Scope 2 GHG emissions	7,333	2,391	**9,724**	**7,643**	**39**	**7,682**
Total emissions Scope 1 and Scope 2 location-based	**48,149**	**11,951**	**60,099**	**48,853**	**10,985**	**59,838**
Total emissions Scope 1 and Scope 2 market-based	**29,243**	**5,803**	**35,046**	**29,753**	**2,643**	**32,397**

Emissions	Financial control perimeter	Operational control parameter	Total FY 24	Financial control perimeter	Operational control parameter	Total FY 25
Scope 3 GHG emissions (tCO_2eq)						
Category 1 - Purchased goods and services			**864,424**			**939,136**
Category 2 - Capital goods			**59,969**			**8,958**
Category 3 - Fuel- and energy-related activities			**8,675**			**4,707**
Category 4 - Upstream transportation and distribution			**21,731**			**18,284**
Category 5 - Waste generated in operations			**217**			**742**
Category 6 - Business travel			**18,500**			**25,562**
Category 7 - Employee commuting			**30,166**			**17,638**
Category 11 - Use of sold products			**6,408,524**			**5,821,541**
Category 12 - End-of-life treatment of sold products			**2,602**			**801**
Total Scope 3 emissions			**7,414,808**			**6,837,369**
Total GHG emissions (tCO_2eq)						
Total GHG emissions (location-based)			**7,474,907**			**6,897,207**
Total GHG emissions (market-based)			**7,449,854**			**6,869,766**

GHG intensity on financial control perimeter (tCO_2eq/M€)[5]	FY 24	FY 25
Net revenue (M€)	**6,258**	**6,848**
GHG intensity (location-based)	**1,195**	**1,007**
GHG intensity (market-based)	**1,191**	**1,003**

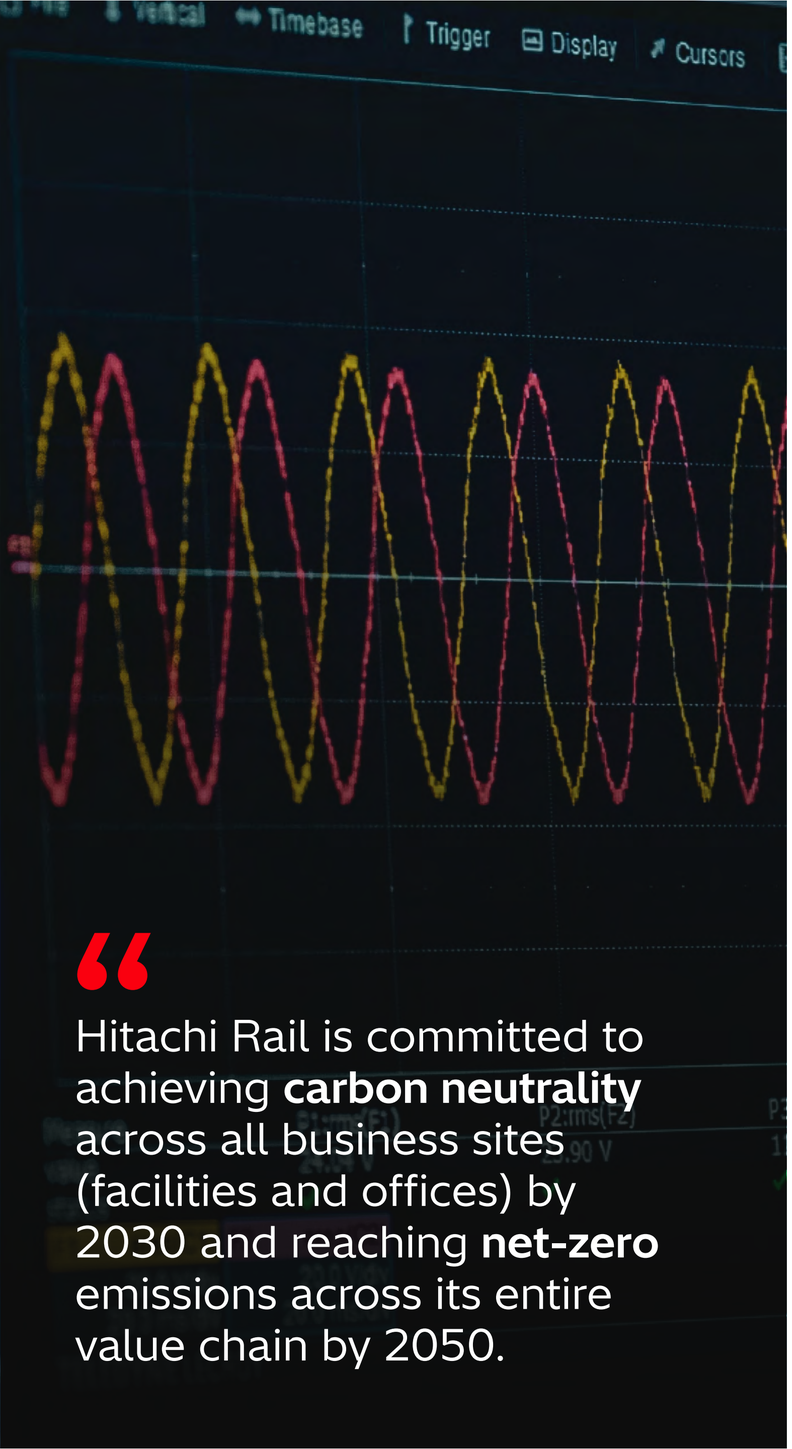
[4] The intensity metric is calculated based exclusively on figures included within the financial control perimeter.
[5] The intensity metric is calculated based exclusively on figures included within the financial control perimeter.

Carbon Credits

Throughout 2025, in continuation of last year's efforts and as part of Hitachi Rail's broader commitment to mitigating its environmental impact, the Organization purchased carbon credits for the Reggio Calabria and Hagerstown sites, totaling 550 tCO_2eq. The supported climate project involves countrywide microloans for solar lamps and improved cookstoves in India. These carbon credits have been acquired to offset a portion of the Organization's emissions in the short term, while maintaining a strong focus on direct emission reduction measures across operations.

All credits are acquired through certified providers and undergo verification according to recognized international standards, ensuring high environmental integrity and traceability.





“

Hitachi Rail is committed to achieving **carbon neutrality** across all business sites (facilities and offices) by 2030 and reaching **net-zero** emissions across its entire value chain by 2050.

2.1.3.2 Energy and GHG emissions targets

Setting clear targets is essential for effectively managing climate-related risks and opportunities. Targets provide a measurable framework that helps Hitachi Rail prioritize actions, allocate resources and track progress toward climate goals. By establishing specific, time-bound objectives, such as emissions reduction goals or targets for low-carbon product development, the Organization can proactively reduce exposure to regulatory, financial and operational risks, whilst positioning themselves to capitalize on emerging opportunities and to be aligned with the policy main objective of continuous improvement of its environmental performance. Additionally, targets signal a commitment to stakeholders, enhance accountability and ensure that climate considerations are embedded into strategic planning and decision-making processes.

Hitachi Rail has defined the following targets[6]:

Scope 1 and Scope 2 emissions reduction

Base year: **FY2019**
FY2024 performance:
35,046 tCO_2eq
FY 2025 performance:
32,397 tCO_2eq (Market-based)

2027 target	2030 target	2050 target
-75%	-83%	-90%

Scope 3 per activity unit emission reduction for Cat. 1 and 11[7]

Base year: **FY2022**
FY2024 performance:
7,272,948 tCO_2eq
FY2025 performance:
6,760,677 tCO_2eq

2027 target	2030 target	2050 target
-40%	-52%	-97%

Hitachi Rail’s Carbon Neutrality and Net Zero Claims

Hitachi Rail is committed to achieving carbon neutrality for Scope 1 and Scope 2 emissions by 2030 across all business sites, prioritizing emission reductions over offsetting. This includes the use of green electricity and high-quality renewable energy certificates (RECs). Residual emissions are offset using third-party verified carbon credits aligned with international standards. Emissions are calculated using the GHG Protocol and a market-based approach for Scope 2, with internal reviews in place.

The Organization’s net zero claim is aligned with SBTi.

[6] Hitachi Ltd has received validation from the SBT initiative for its science-based net-zero target.
[7] Activity unit is calculated as Scope 3 Category 1 (purchased goods and services) and Category 11 (use of sold products) emissions divided by the gross margin of the entire Business Unit, including entities under operational control perimeter, and is expressed in tCO_2e per [million €] of gross margin. This metric tracks emission reductions independently of business growth.

Pollution

2.2.1 Management of pollution-related impacts, risks and opportunities

Pollution-related impacts identified through the double materiality assessment are summarized in the table below. As described in paragraph 1.4 Double materiality assessment the assessment required a comprehensive analysis of Hitachi Rail's business model, own operations and value chain to identify actual and potential pollution-related impacts. As shown in the table below, painting processes and the use of ozone-depleting substances at selected sites, such as Pistoia and Reggio Calabria amongst others, were identified to negatively contribute to air pollution. Similarly, from the value chain analysis, environmental impact was identified in relation to the extraction of raw materials and the production of iron and steel.

While Hitachi Rail regularly engages with local communities as part of its broader stakeholder engagement approach, no direct consultation activities specifically addressing air pollution-related impacts described above were conducted during the reporting period.

IRO Description	Business	Value chain	Time horizon	IRO type
Pollution of air				
The extraction of raw materials such as metals and the production of iron and steel used for the assembling and construction of trains and rail infrastructure generates non-GHG emissions that cause significant and localised environmental and health risks.	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to medium term	Actual negative impact
Hitachi Rail, with particular reference to its painting activities and the use of ozone-depleting substances that can result in fugitive emissions, generates non-GHG emissions that might cause significant and localised environmental and health risks.	Vehicles / Signaling and Rail Solutions	○ ● ○	Short to medium term	Actual negative impact

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

2.2.1.1 Pollution policies

Hitachi Rail's commitment on pollution prevention is embedded in the Health, Safety and Environment (HSE) Policy. This policy articulates the Organization's broader environmental vision, including the promotion of regulatory compliance and the continuous improvement of environmental performance. This includes the management and minimization of pollution-related impacts. This Policy is communicated to internal stakeholders through internal communication channels and initiatives (e.g., induction and training programs) and is also made available to relevant external stakeholders where appropriate.

Hitachi Rail adopts a systematic framework for integrating environmental management practices across its operations, which supports environmental protection and pollution prevention. Many of these practices are implemented through ISO 14001-certified Environmental Management Systems at site level, which require the identification of pollution-related risks and the adoption of appropriate control measures. This enables the Organization to manage environmental impacts, such as air emissions, hazardous substances, and wastewater discharge, in a structured and consistent way.

2.2.1.2 Efforts for pollution reduction

To support pollution reduction efforts, Hitachi Rail has introduced and / or is planning to introduce actions aimed at monitoring and minimizing pollutant emissions and improving environmental performance.

Main Actions	Timeframe	Status
Air Emissions Management Framework	Medium term	Ongoing
ODS Management Control	Short to medium term	Ongoing
VOC Management Control	Short term	Completed
Best Available Technique (BAT) Adoption	Short term	Ongoing
Ecological Inspections for main sites	Short term	Ongoing

Air Emissions Management Framework

Hitachi Rail has introduced a structured initiative to document, assess, and monitor air pollution that results from operational activities of each site, location or project. This integrated approach combines risk evaluation with systematic emissions tracking, ensuring robust environmental management across all companies and operational sites.

The Air Emissions Risk Assessment enables a thorough evaluation of existing controls, supporting documentation, technical drawings, assigned responsibilities, training and any necessary improvements to plant, equipment and operational processes. Where effective control measures are absent or not maintained, immediate corrective actions

must be taken to regain control, including halting the process if necessary.

The assessment follows the source–pathway–receptor methodology and is regularly reviewed to reflect changes in products, processes or operating conditions. This process applies across all phases of Hitachi Rail's activity lifecycle which includes design, construction, maintenance, operation and decommissioning.

In parallel, according to applicable environmental requirements, Hitachi Rail is required to maintain a Register of Air Emissions, covering both direct and indirect pollutant emissions.

The register must include the following information, where applicable:

- The source of the emission (e.g. process, equipment or activity);
- The operating condition under which the emission occurs (normal, abnormal or emergency);
- The category, name, and hazard classification of the emitted substance(s);
- The duration of the emission (daily and/or annual);
- Relevant physical parameters (e.g. volumetric flow rate, air velocity, temperature, chimney dimensions etc.);
- Applicable limit values for key parameters (e.g. volumetric and mass flow rates, concentrations, percentages);
- Details of any pollutant abatement systems in place.

These initiatives form part of the global rollout of environmental critical risk controls, scheduled to span a 24-month implementation period. They are specifically designed to address negative environmental impacts already arising from both routine organizational activities (such as production, installation, commissioning, operation, maintenance and service) and non-routine operations (such as mobilisation, demobilisation and abnormal or emergency conditions).

Ozone-depleting substances (ODS) management control

Hitachi Rail is committed to reducing pollution by progressively limiting the import and sale of products containing ozone-depleting substances (ODS). The Organization is also committed to phasing out the use of fluorinated gases (F-gases), which are primarily employed in refrigeration and air conditioning systems. Site-specific air emissions risk assessments are conducted to identify the presence of such substances. Where identified, they must be either eliminated or incorporated into a formal monitoring and/or replacement program.

To minimize the risk of uncontrolled releases during installation, testing or maintenance of equipment containing ODS or F-gases, local procedures must be strictly followed. In the absence of such procedures, manufacturer guidance is to be applied. The frequency of monitoring and maintenance activities is determined by the quantity of F-gases (measured in kilograms) present in systems across Hitachi Rail's sites, projects and products. However, such activities are required in all cases to ensure full regulatory compliance.

Controls for ODS will be mandatory across all Business Unit sites and projects. Ozone-depleting substances, including F-gases, are typically found in refrigeration and air conditioning systems within Hitachi Rail's building infrastructure and the rolling stock products it manufactures and maintains.

The phase-out of ODS is an ongoing initiative. However, Hitachi Rail remains committed to aligning with evolving regulatory requirements, with the aim of reducing the negative environmental impacts generated through the use of ODS-containing products and activities.

Volatile organic compounds (VOCs) management control

Hitachi Rail is committed to controlling the potential environmental and health impacts associated with the use of volatile organic compounds (VOCs) in its activities. VOCs are organic chemical substances that readily vaporize under normal conditions and, due to their high volatility, mobility and resistance to degradation, can travel long distances in the environment. This poses risks to both human health and air quality.

To minimize emissions and ensure safe handling, the Business Unit has implemented a VOCs management control system, which includes the following operational activities:

- **Spraying operations** are conducted exclusively in fixed spray booths to prevent fugitive emissions of organic solvents, isocyanates, odours and particulate matter;
- **Smart paint repairs** are performed within sealed enclosures that are equipped with local exhaust units incorporating pre-filters, activated carbon filters and final filters – excluding small tins (e.g. 0.5 litres);
- **Mixing operations** use covered or enclosed vessels to reduce VOC emissions – excluding small tins mixed manually;
- **Material transfers and vessel emptying** are carried out with appropriate containment to prevent uncontrolled releases;
- **Spill response equipment** for organic solvents is readily available in all handling areas;
- **High housekeeping standards** are maintained consistently to support safe and clean working environments.

By implementing robust controls on VOCs use, the Organization can significantly reduce its environmental footprint and safeguard health. This contributes to the prevention of global warming and the degradation of air quality.

Volatile organic compounds (VOCs) management control (continued)

While VOCs controls are mandatory across all global sites and projects, they are typically present in paints used by Hitachi Rail in the manufacturing of its rolling stock products. These controls are already in place and are monitored through both internal and external ISO 14001 audit schedules.

Best Available Technique (BAT) adoption

Hitachi Rail integrates the principle of Best Available Technique (BAT) into the design, construction, maintenance, operation and decommissioning of its facilities and assets. The aim is to prevent or minimize air emissions and their associated environmental impacts. Periodic reviews of environmental risk assessments are conducted to ensure the continued effectiveness of existing control measures and to identify opportunities for further improvement in emission prevention and reduction. Where feasible, lower-emission alternatives are actively pursued, for example the use of zero-VOC paints for rolling stock interiors and low-VOC coatings for exteriors. These measures directly support the Organization's net-zero by 2050 objective and contribute to the reduction of emissions at key operational sites.

Hitachi Rail is actively implementing BATs across its global Business Unit. This reflects the Organization’s commitment to remediate existing negative impacts through the deployment of advanced emission control measures and identification of alternatives to VOC-containing products, such as zero-VOC paints and low-VOC coatings.

Ecological inspections for main sites

During FY25, Hitachi Rail conducted environmental assessments and inspections across its Italian sites of Reggio Calabria, Naples, and Pistoia. These were in connection with the implementation and maintenance of its environmental management system, including the Eco-Management and Audit Scheme (EMAS) framework established under Regulation (EC) No. 1221/2009 on the voluntary participation of Organizations in a Community eco-management and audit scheme. The assessment of environmental aspects and impacts is a core element of the EMAS-registered environmental management system.

The activities performed focused on strengthening the monitoring and management of significant environmental aspects, including emissions into the atmosphere, waste generation and water discharges. With regard to air pollution, the action supported the monitoring and management of atmospheric emissions generated by operational activities carried out at site level, including welding, surface treatments, sandblasting, degreasing, painting activities and motor impregnation. These activities may give rise to pollutants such as dust, volatile organic compounds (VOCs), metals and nitrogen oxides (NOx), which are subject to dedicated control measures. Such measures also include the monitoring of solvent consumption and VOC-related emissions, the maintenance and periodic verification of emission systems, analytical checks on authorized emission points, and preventive activities such as the cleaning and maintenance of painting booths. Finally, the assessment also covered the control of refrigerant gases and other substances that may contribute to air pollution through fugitive emissions, including ODS/GHG-related substances and F-gases, through systematic leak-prevention and monitoring activities.

The inspections are therefore relevant to the following layers of the mitigation hierarchy:

- Avoiding pollution through preventive maintenance and compliance controls;
- Reducing pollution through monitoring of emissions, solvent consumption, waste and water discharges;
- Controlling pollution through periodic inspections, analytical checks, emergency procedures and site-level environmental management measures.

Hitachi Rail supported these environmental inspections and related monitoring activities through an operating expenditure (OpEx) of approximately EUR 356,000 in FY25. The plan is to continue these inspections in the following years, with a forecasted OpEx exceeding EUR 1,400,000.

2.2.2 Pollution - metrics and targets

2.2.2.1 Polluting substances

The table below presents the values of air pollutant emissions for FY25 and FY24 that Hitachi Rail has chosen to voluntarily disclose.

Air Pollution						
Total Emissions[8]	**Financial control perimeter FY24**	**Operational control perimeter FY24[9]**	**Total FY24**	**Financial control perimeter FY25**	**Operational control perimeter FY25**	**Total FY25**
Volatile Organic Compounds [t]	120	0.0	**120**	**110.7**	**0.0**	**110.7**
Volatile Inorganic Compounds [t]	2	0.0	**2**	**11.2**	**0.0**	**11.2**
SOx [t]	10	0.1	**10.1**	8.3	0.1	8.4
NOx [t]	29	1.1	**30.1**	31.9	0.8	32.7
CO [t]	**9.2**	**0.1**	**9.3**	9.2	0.1	9.3

Over the reporting period, the Organization maintained a limited environmental impact in relation to air emissions, with VOCs representing the most relevant emission category among those monitored. As described throughout this chapter, compliance with applicable environmental legislation is continuously monitored, and dedicated control measures are in place to prevent and mitigate pollution. These measures support Hitachi Rail's commitment to environmental protection, regulatory compliance and the continuous management of air pollution-related impacts.

Hitachi Rail primarily uses estimation- and calculation-based methodologies to measure pollution, and include in metrics site not currently covered by specific pollutant monitoring as reported in the action above. Where applicable, third-party audits and regulatory monitoring are conducted to align with expectations for transparency and proportionality in measurement methodologies. These approaches are considered reasonable for Hitachi Rail's operational context, which involves minimal polluting impact.

As for FY25, the Organization does not operate any industrial installations regulated under the Industrial Emissions Directive (IED) or subject to EU Best Available Techniques (BAT) Conclusions. No enforcement actions were incurred relating to breaches of permit conditions during the reporting period. However, one instance of a conditional notice regarding missing emissions records was resolved without fines, and the relevant equipment was decommissioned.

[8] SOx, NOx and CO values were estimated from the consumption of natural gas and diesel for energy production using EEA emission factors. The emission factors used were those of "Commercial/institutional plants" (offices) and "Manufacturing industries and construction" (manufacturing sites). Volatile Organic Compounds and Volatile Inorganic Compounds values were aggregated from consumption data, safety data sheets, and standard emission factors.

[9] Data have been revised following improvements to the collection and calculation processes.

2.2.2.2 Pollution reduction targets

At present, the Organization has not yet established measurable targets specifically related to pollution reduction and prevention. Nevertheless, Hitachi Rail regularly monitors its environmental performance through the activities described above, with the aim of tracking performance across its sites, locations and projects, supporting compliance with applicable requirements, and mitigating potential pollution-related impacts.

Water

2.3.1 Management of water-related impacts, risks and opportunities

Material impacts pertaining to water consumption, withdrawal and discharge arising from the double materiality process are presented in the table below. As described in paragraph 1.4 Double materiality assessment, the identification of impacts, risks and opportunities included an in-depth analysis of Hitachi Rail's own operations and value chain. With regard to the topic 2.3 Water, no ad hoc engagement activities were carried out with local communities beyond the regular consultation processes part of the Organization's broader engagement approach.

No material impacts, risks or opportunities related to marine resources have been identified.

IRO Description	Business	Value chain	Time horizon	IRO type
Water consumption, withdrawals and discharges				
Hitachi Rail's activities rely on water resources, requiring withdrawal and discharge that may affect the availability and quality of local water bodies.	Vehicles / Signaling and Rail Solutions / Digital and AI	○●○	Short to medium term	Actual negative impact

Legend ●○○ Upstream value chain ○●○ Own operations ○○● Downstream value chain

2.3.1.1 Water management policies

Environmental matters are generally covered under the Organization's Health, Safety and Environment (HSE) Policy. This policy provides overarching guidance on environmental stewardship and responsible resource use across operations, especially in areas at water risk, as described in the previous chapters.

In addition, 82% of Hitachi Rail locations, including the majority of its production sites[10], operate under ISO 14001-certified Environmental Management Systems, which require the identification, monitoring and management of site-specific environmental aspects, including water usage and discharge. This helps ensure operational-level awareness and control over water-related impacts. In addition, Hitachi Rail assesses the water footprint of its products through Life Cycle Assessment (LCA), ensuring that water use is considered throughout all relevant stages of the product life cycle. For more details see chapter 2.4 Resource use and circular economy.

[10] Hitachi Rail classifies its sites into three categories (A, B and C) based on a set of environmental parameters defined at corporate level. Class A sites are the largest and most energy-intensive locations, generally corresponding to manufacturing plants. Class B sites include medium-to-large offices and medium-sized plants, while Class C sites comprise small offices and small plants.

2.3.1.2 Efforts toward water management

Main Actions	Timeframe	Status
Environmental Critical Risk Controls (eCRC)	Medium term	Ongoing
Save the Water	Short term	Ongoing
Infrastructural changes related to Trade Effluent	Medium term	Ongoing

Environmental Critical Risk Controls (eCRC)

During FY25, Hitachi Rail continued the implementation of its Environmental Critical Risk Controls (eCRC), which was initiated in the previous fiscal year, focusing on water management and biodiversity protection. With regard to water-related matters, the analysis aims to investigate potential impacts associated with water use and consumption efficiency, including areas subject to water stress, as well as impacts related to water pollution. This process is designed to identify key environmental and operational risks, with the objective of mapping potential areas for improvement and implementing targeted mitigation measures.

Compared to the previous year, the scope of the initiative was expanded to include all production sites within the EMEA region. The action has been developed based on the principles and frameworks of the EU Taxonomy, specifically the 'Do No Significant Harm' criteria, as well as the applicable ISO certifications relating to management systems. Responsibility for the implementation of the action lies with the Health, Safety and Environment (HSE) function of Hitachi Rail.

Hitachi Rail recognizes the importance of continuously improving water quality by reducing pollution, eliminating waste and preventing the release of hazardous chemicals and materials.

To minimize the environmental impact of its operations on water resources, Hitachi Rail invests in the ongoing enhancement of internal water management practices. This includes the adoption of advanced technologies, the dissemination of internal knowledge and the implementation of best practices based on Life Cycle Assessment (LCA).

Water-related impacts are assessed at business sites through an ISO 14001-certified Environmental Management System. For products, environmental performance is evaluated using internationally recognized LCA methodologies (ISO 14040 and ISO 14044), which help quantify environmental pressures, benefits, trade-offs and opportunities for improvement across the entire life cycle. These assessments also take into account local legal and contractual requirements.

Save the Water

At the end of FY25, Hitachi Rail launched its 'Save the Water' campaign, an awareness initiative aimed at promoting the responsible use of water resources, reducing water consumption, and fostering a culture of water stewardship across the Organization. The campaign was particularly focused on operations located in areas exposed to water risk such as sites in Genoa, Naples, and Reggio Calabria.

The campaign, which is ongoing, is structured around three key pillars:

- **Measure:** assess the current state of water use to identify performance levels, critical issues, and opportunities for improvement;
- **Build awareness:** promote knowledge and behaviors aligned with the Organization's values, embedding water stewardship principles into the corporate culture and across the value chain;
- **Engage:** actively involve relevant stakeholders in a collaborative process of dialogue and knowledge sharing, recognizing their contribution to identifying and implementing innovative solutions.

Italy was selected as the pilot country for the program. No significant financial resources were allocated to the implementation of this action. Following its launch during 2026, the initiative is expected to be progressively expanded to other geographies with the objective of increasing awareness among employees of the importance of preserving water resources and supporting more sustainable water consumption practices across the Organization.

Infrastructural changes related to Trade Effluent

During FY25, a project was initiated at the Stoke Gifford site to develop and implement automated warning and alert mechanisms aimed at identifying potential environmental non-compliance events. The initiative also encompassed the introduction of remote and automated controls to prevent unauthorized wastewater discharges into the public sewer network, in compliance with the Trade Effluent Consent, regulated by Wessex Water.

The proposed solution enhances site management by establishing predefined water quality compliance thresholds—referred to as "clean window" parameters—and enabling proactive remote activation of a pump inhibition system during high-risk operational activities. This approach significantly reduces the risk of non-compliant discharges and strengthens overall environmental compliance.

Hitachi Rail supported the project with an investment of EUR 46,000 in FY25, and plans further expenditures totaling EUR 184,000 over the next four years to fully implement the designed measures.

2.3.2 Water - metrics and targets

2.3.2.1 Water consumption, withdrawal and discharge

As presented in the tables below, total water consumption remained broadly stable in FY25, decreasing by 2.5% compared to FY24. At the same time, water intensity decreased from 11 m^3/M€ to 9 m^3/M€, reflecting improved water-use efficiency relative to the Organization's revenue.

Water use	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Total water consumption [m^3]	70,869	-	**70,869**	64,121	4,976	**69,097**
of which 'High Risk' and/or 'High Water Stress' Areas	63,976	-	**63,976**	60,195	-	**60,195**
Water storage [m^3]	660	-	**660**	582	-	**582**
of which 'High Risk' and/or 'High Water Stress' Areas	60	-	**60**	552	-	**552**

Water recycled/reused	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Total water recycled and reused [m^3]	515	60	**575**	**144**	**60**	**204**
of which 'High Risk' and/or 'High Water Stress' Areas	311	-	**311**	**-**	**-**	**-**

Water intensity[11]	FY 24	FY 25
Total water consumption [m^3]	**70,869**	**64,121**
Net revenue (M€)	**6,258**	**6,848**
Water intensity (m3/M€)	**11**	**9**

Water withdrawal	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Total water withdrawal [m^3]	588,193	171,703	**759,896**	**509,662**	**133,451**	**643,113**
of which 'High Risk' and/or 'High Water Stress' Areas	451,034	-	**451,034**	**377,010**	**-**	**377,010**

Water discharge	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Total water discharge [m^3]	517,324	171,703	**689,027**	**445,541**	**128,475**	**574,016**
of which 'High Risk' and/or 'High Water Stress' Areas	387,058	-	**387,058**	**316,815**	**-**	**316,815**

The approach to data collection varies depending on the characteristics of each site. Where meters are installed, consumption data is obtained directly from meter readings, ensuring a high level of accuracy. In the case of rented sites where utility bills are available, the reported figures are based on the information provided in those bills. For rented locations where utility costs are managed by the landlord and direct data is not accessible, estimates are made using internal indicators, allowing for a consistent and reasonable approximation of consumption.

The analysis of water risk and high water stress areas was conducted using the Aqueduct tool, developed by the World Resources Institute (WRI). Specifically, each facility was classified as being located in a high water risk or water-stressed area if it fell within a zone mapped by the tool with a risk level of at least "Medium-High.

[11] The intensity metric is calculated based exclusively on figures included within the financial control perimeter.

2.3.2.2 Water reduction targets

At present, Hitachi Rail has established an objective to reduce water consumption across its operations. This objective supports the monitoring and management of water-related performance and contributes to mitigating the Organization's impacts on water resources, particularly in areas exposed to water stress.

Water usage reduction

Base year: **FY2019**
FY2024 performance: **70,869 m3**
FY2025 performance: **69,097 m3**

2027 target
-8%

2030 target
-10%



General
Environment
Social
Governance



2.4

Resource use and circular economy

2.4.1 Management of impacts, risks and opportunities relating to resource use and circular economy

Through the double materiality analysis described in the paragraph 1.4 Identifying relevant ESG impacts, risks and opportunities, Hitachi Rail identified negative impacts related to resource use and waste generation, as well as an opportunity associated with the integration of eco-design principles into its products, which may contribute to strengthening Hitachi Rail's market positioning. As described in the aforementioned chapter 2.3 Water, the identification of relevant IROs was preceded by a comprehensive assessment of Hitachi Rail's activities and value chain. While regular engagement activities include interactions with local communities, together with other relevant stakeholders, no ad hoc consultation was conducted.

IRO Description	Business	Value chain	Time horizon	IRO type
Resources inflows, including resource use				
Hitachi Rail, in order to build trains and rail infrastructure, increases market demand for multiple materials, including conflict minerals, and semi-components, contributing to the depletion of natural resources.	Vehicles / Signaling and Rail Solutions	○ ● ○	Short to medium term	Actual negative impact
Resources outflows related to products and services				
Hitachi Rail, through the implementation of circularity measures and eco-design principles across its products and services, supports the transition towards a circular economy model	Vehicles / Signaling and Rail Solutions	○ ● ○	Short to long term	Actual positive impact
By integrating eco-design principles and life-cycle assessment (LCA) into its product-development processes, Hitachi Rail can position itself as a market leader, strengthening its reputation and expanding its market share.	Vehicles / Signaling and Rail Solutions	○ ● ○	Medium to long term	Opportunity
Waste				
Hitachi Rail, through its activities, generates hazardous and non-hazardous waste that requires appropriate management and disposal.	Vehicles / Signaling and Rail Solutions	○ ● ○	Short to medium term	Actual negative impact

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

2.4.1.1 Circular economy policies

To effectively manage resource inflows and foster circular economy practices, Hitachi Rail has put in place a Conflict Minerals Policy that defines and promotes responsible procurement principles and practices. In addition, several companies also operate under ISO 14001-certified environmental management systems, which provide a structured framework for reducing waste generation and optimizing the use of resources in order to drive the continuous improvement of environmental performance and compliance with applicable legal requirements.

Conflict Minerals Policy

The Conflict Minerals Policy, which applies to the entire Business Unit, aims to ensure that the sourcing of materials containing conflict minerals (tin, tantalum, tungsten and gold) and cobalt does not contribute to activities of armed groups, human rights violation, corruption or environmental degradation in conflict-affected and high-risk areas.

The most senior individuals accountable for the implementation of the policy within Hitachi Rail are the Chief Sustainability Officer & Chief Diversity, Opportunity and Inclusion, and the Chief Procurement Officer.

Hitachi Rail aligns its practices with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The Organization undertakes enhanced due diligence in accordance with this guidance, recognizing the social challenges and the role of businesses in such regions.

In developing and implementing its policy, Hitachi Rail takes into account the interests of key stakeholders, including suppliers and affected communities. Particularly, the Organization continues to engage selected suppliers by requesting disclosure of the country of origin and supply chain of minerals through the Conflict Minerals Reporting Template (CMRT) issued by the Responsible Minerals Initiative (RMI). Suppliers are also encouraged to source from smelters certified under the Responsible Minerals Assurance Program (RMAP).

The policy is made publicly available to all relevant stakeholders, including those potentially affected and those involved in its implementation, via the Hitachi Rail website.
While the current policy focuses on responsible sourcing of specific minerals, Hitachi Rail acknowledges the importance of reducing reliance on virgin raw materials and is generally committed to increasing the use of secondary (recycled) resources in future developments, where appropriate / and feasible.

Circular Economy Policy

Hitachi Rail's Circular Economy Policy defines the Organization's commitment to minimising the impact of its activities on natural resources and the environment by accelerating the transition from a linear to a circular business model.

In line with Hitachi's values, the policy aims to maximize value creation through the efficient use of materials, resources and assets across their entire lifecycle, while reducing waste generation and dependency on virgin resources.

The policy applies to hardware, electronics, software, digital architectures, integrated systems and company premises, covering both manufactured and procured product components. The implementation of the policy is guided by the principles of eco-design and Life Cycle Assessment (LCA) and is supported by the adoption of the 5R framework – Rethink, Reduce, Reuse, Repair and Recycle – as well as circular inflow and outflow practices. These principles promote the use of secondary raw materials, product durability, modularity, maintainability, recyclability and end-of-life recovery, while encouraging the refurbishment, repurposing and optimization of assets throughout their lifecycle.

The policy further supports responsible material management through the traceability of substances of concern and the prioritization of recycling over disposal. Applicable across all employees and business functions, the policy is complemented by the Product Ecodesign Policy and is implemented in a manner that safeguards rail safety, system availability and cybersecurity requirements. Its effectiveness is supported through the integration of circularity principles into product development, manufacturing and operational activities, contributing to Hitachi Rail's broader sustainability ambitions and continuous improvement journey.



2.4.1.2 Efforts for circularity

In line with circular economy principles, Hitachi Rail has initiated a series of strategic actions aimed at minimizing waste and enhancing material use. These actions also incorporate innovative technologies and sustainable design practices. Initiatives are currently in progress, with varying timeframes, as shown in the table below:

Main Actions	Timeframe	Status
Aluminum Car Shell – Digital Product Passport	Short term	Ongoing
Rail4Earth	Long term	Ongoing
Circular Economy Transition Project – Tram Florence	Medium term	Ongoing
Integrated Life Cycle Assessment (LCA) program	Short to medium term	Ongoing
Sustainable materials sourcing	Short term	Ongoing
Eco-design solutions portfolio		
Product certification initiatives	Short term	Ongoing

Best practice

Aluminum Car Shell Digital Product Passport

A Digital Product Passport (DPP) is a tool to enhance resource efficiency by providing comprehensive visibility into the composition, origin, and processing history of materials throughout the value chain. This increased transparency enables manufacturers to reduce reliance on critical raw materials, including rare earth elements, and to implement circular design principles (e.g., reuse, recycling, and recovery of valuable resources). By offering detailed and verifiable information on material content and processing pathways, the DPP further enables the identification and validation of high-quality secondary raw materials, thereby supporting the integration of recycled content into new products and simplifying compliant procurement processes. The DPP also helps organizations comply with key EU regulatory frameworks, such as the Critical Raw Materials Act.

The Aluminum Car Shell pilot project aims to develop a fully operational Digital Product Passport (DPP) for the aluminum used in Hitachi Rail's train car bodies. By enabling end-to-end traceability of materials across the value chain, the initiative supports Hitachi Rail's sustainability objectives through enhanced Scope 3 emissions reporting, greater supply chain transparency, and readiness for compliance with the forthcoming Ecodesign for Sustainable Products Regulation (ESPR). The project also advances the Organization's digital transformation by deploying a dedicated traceability platform and fostering alignment of supplier practices with emerging European requirements on circular economy principles and responsible sourcing.

In addition, the DPP pilot establishes a foundation for circular design and resource efficiency. By collecting and structuring comprehensive lifecycle data, the passport will support future operators, maintenance teams, and recyclers on design choices that prioritize durability, reparability, disassembly, and material recovery.

The pilot project is currently focused on the upstream segment of the value chain, covering the flow of materials and information from the Tier 1 supplier, through an intermediate supplier, to Hitachi Rail's manufacturing facility in Pistoia, Italy. As such, the initiative is presently limited to the specific entities, suppliers, and components involved in the pilot and has not yet been extended across the wider Business Unit or supplier network.

Successful implementation of the initiative relies on the active engagement of external stakeholders, particularly suppliers, who are required to participate in the traceability program and contribute relevant data to the Digital Product Passport. Internal stakeholder involvement is equally critical and encompasses several key functions, including Sustainability, Procurement, Production, and Information Technology (IT).

The pilot, which has not required significant OpEx or capital expenditure (CapEx), was initially designed to be completed within a 12-month period. However, its duration has subsequently been extended through the first half of FY26. During this period, the initiative will continue to monitor and trace the flow of aluminum components across the value chain, from supplier facilities to final assembly at Hitachi Rail's manufacturing site in Pistoia.

By the end of the pilot, a fully developed DPP for a train car is expected to be delivered. Any enhancements, refinements, or corrective actions identified during implementation will be addressed collaboratively among project participants to ensure the effectiveness, reliability, and scalability of the DPP solution.

Rail4EARTH

Hitachi Rail is actively contributing to the Rail4EARTH program under the European Union Rail Joint Undertaking. This is through direct investment in the development of Energy Storage System (ESS) technologies for Battery Electric Multiple Units (BEMUs) and by integrating circular economy principles into the design of new rolling stock platforms. Launched in 2022 and scheduled to continue until December 2029, the initiative aims to achieve a 30% reduction in tCO_2eq emissions and extend the operating range of battery-powered trains to 120 km. These objectives are being pursued through the refurbishment of diesel-powered rolling stock and the deployment of zero-emission BEMUs.

The initiative is specifically focused on Hitachi Rail's R&D and engineering activities related to the development and demonstration of ESS technologies for BEMUs. Therefore, it only applies to the entities directly involved in these research and innovation activities, rather than to the broader Business Unit.

During the FY22–FY25 reporting period, significant progress was achieved against the program roadmap:

- **Development of a trailer bogie with a Jacobs bogie architecture:** This architectural concept allows two rail carriages to use a single bogie, reducing the amount of materials needed per vehicle and supporting the development of more sustainable and circular rail transport solutions;
- **Development of alternative technologies to replace hydrofluorocarbon refrigerants by HVAC system:** The activities bring further reduction of HVAC energy consumption (-30% compared to existing HFC technology without heat pump) by keeping the environmental impact of the used materials / refrigerants at a minimum. The reduction of energy using green refrigerants or new cooling technologies with reduced energy consumption;
- **Improving the aerodynamics of trains:** Optimization of the roof surfaces and a better control of the current tools (CFD, for example enhanced Reynolds Averaged Navier Stokes (RANS) or Large Eddy Simulation (LES) methods, wind tunnel, etc.) and their limits to reduce the aerodynamic drag and cross-wind forces on the train and thus to reduce the energy consumption of the trains or increase their autonomy and safety;
- **Optimization of the cantilever support for regional and intercity trains:** Utilizing existing cast aluminum support and standardizing attachment solutions to the carriage side wall using 'C-rail' extrusions. This initiative aims to achieve increased standardization, rapid integration of internal modules, and weight optimization, ultimately contributing to operational efficiency, cost reduction, and competitiveness.

The design phase for battery-powered train prototypes and associated interior components was successfully completed, while testing activities for the Energy Storage Systems remain ongoing. These achievements represent important milestones in the implementation of the action plan.

The program is supported by substantial R&D expenditure and capital investments in prototyping and testing infrastructure, with partial funding provided through the EU Rail Joint Undertaking. Between FY22 and FY25, €2.24 million was allocated under the relevant grant agreement. The funding supports R&D activities and demonstrators related to alternative propulsion technologies based on ESS, improved aerodynamics, sustainable interior solutions, bogie upgrades, and circular economy initiatives. A further €0.51 million has been budgeted for activities through November 2026.

> "Launched in 2022 and scheduled to continue until December 2029, the initiative aims to achieve a 30% reduction in tCO_2eq emissions and extend the operating range of battery-powered trains to 120 km.

Circular Economy Transition Project – Tram Florence

Within the framework of the Circular Economy Transition Project, Hitachi Rail carried out the activities and started a pilot project aimed at testing some circularity indicators on a specific product. The current pilot which is structured around four core activities:

- **Product selection:** the new Florence Battery Tram has been identified as the focal point of the pilot project;
- Data collection: the data gathering activity covered material composition, use-phase performance, and end-of-life considerations;
- **Indicator calculation:** Hitachi Rail decided to focus on the Material Circularity Indicator (MCI) from the Ellen McArthur Foundation and on the Global Circularity Protocol (GCP) from the World Business Council for Sustainable Development (WBCSD);
- **Results analysis:** the aim is to develop a quantitative indicator, to improve visibility on material flows, and to identify concrete circularity improvement opportunities.

The objective of the project is to identify potential corrective actions in case of negative impacts, by identifying inefficiencies related to materials management and supporting product redesign, improved material use, and enhanced end-of-life recovery.

During FY25, Hitachi Rail focused on the application of the MCI and GCP at product level, which enables a comprehensive assessment of circularity performance and resource efficiency. By measuring material flows, waste, and lifecycle efficiency, the methodology supports identification of inefficiencies and improvement opportunities. This assessment adopts a full value-chain perspective, encompassing upstream activities related to raw material sourcing, internal operations (including product design and manufacturing), and downstream phases (covering product use and end-of-life management).

Circular economy transition project (continued)

As such, the methodology and resulting insights are intended to be applicable across a broad range of operational contexts in which the selected product is manufactured, operated, and ultimately recovered or recycled. Stakeholder engagement has represented a critical element of the initiative. The project has involved close collaboration with both internal and external stakeholders. Internal engagement has included functions such as Engineering, Procurement, and Sustainability, while external participation has involved key suppliers and recycling operators, whose contributions are essential for capturing lifecycle information and validating circularity-related assumptions across the value chain.

During FY25, the project did not require significant CapEx or OpEx.

Integrated Life Cycle Assessment (LCA) program

As part of its broader commitment to environmental sustainability, Hitachi Rail has adopted Life Cycle Assessment (LCA) as a key methodology to evaluate and reduce the environmental impact of its products throughout their entire life cycle, from raw material extraction to end-of-life disposal. The program generally involves a range of internal functions, including manufacturing, product development, supply chain, and facility management teams, supporting the integration of sustainability considerations into product design and development processes.

- **Vehicles:** Within the Vehicles Line of Business, an LCA is carried out for every newly developed product. During FY25, eco-design principles were applied to 100% of new products developed. The business continuously works to enhance the quality, granularity, and accuracy of its LCA methodologies and models, with the objective of improving the assessment and management of product environmental impacts throughout their life cycle;
- **SRS:** During FY25, LCAs were completed for the FDC-3G and CBTC (Communications-Based Train Control) product lines. Further assessments are planned for FY26 and FY27, including the Onboard Unit, M-3 Style Switch Machine, and Automatic Supervision System (ATS).

LCA activities also cover selected OPPS-RCS products and the Vehicle On-Board Controller (VOBC), a component of the Communications-Based Train Control (CBTC) system. Assessments encompass both upstream and downstream value chain stages through the use of primary data and life-cycle inventory datasets available within the SimaPro software platform.

During FY25, LCAs were completed for VOBC, LP400 and LES450 parking equipment, and the PG445 gate product. Additional assessments are planned for FY26, including Remote I/O, BV700 validators, and the PG447 gate product. Subject to the availability of funding, the scope of the program is expected to be further expanded to additional CBTC products through FY27.

Sustainable materials sourcing

Hitachi Rail places increasing emphasis on the development of environmentally sustainable products and the adoption of low-impact alternative materials, particularly to support the reduction of Scope 3 GHG emissions. Achieving meaningful emissions reductions requires a coordinated and integrated approach to sustainability across all stages of the product life cycle, from design and development through to manufacturing. In this context, material selection plays a critical role, as it directly influences the environmental footprint of products and supports the transition toward more sustainable and resource-efficient industrial solutions.

Overall, the initiative intends to:

- Identify strategic products with the greatest potential for improvement in environmental performance;
- Define, through an eco-design approach, potential intervention areas, including the adoption of alternative materials, innovative solutions, and suppliers to reduce environmental impacts;
- Assess, in collaboration with mold manufacturers, the industrial feasibility and associated costs of the proposed solutions;
- Evaluate the environmental benefits of the identified interventions in relation to their technical feasibility and economic viability;
- Develop a detailed implementation plan based on the outcomes of the pre-study phase, including preliminary physical and mechanical testing against technical specifications, the identification of priority materials and suppliers, and a detailed cost-benefit analysis.

The initiative leads to a comprehensive report assessing environmental performance improvements and compliance with relevant ISO standards, together with the development of Technical Data Sheets (TDS) for selected materials, enabling their future application across Hitachi Rail projects. The planned investment for FY26 amounts to €0.14 million.

Eco-design solutions portfolio

During 2025, Hitachi Rail continued to expand and strengthen the application of eco-design principles across the majority of the OPPS-RCS product portfolio. This initiative forms part of the objective to progressively extend and standardise the eco-design approach across the entire portfolio, establishing it as a consistent practice over the medium term. Through the integration of advanced eco-design approaches, the Organization aims to reduce the environmental footprint of its products, enhance their reliability, and optimize life-cycle costs. To support this, Hitachi Rail developed a dedicated OPPS-RCS Eco-design Policy, providing a structured framework for the systematic integration of environmental considerations into product development processes. The initiative did not require material expenditure during the reporting period.

> Through the integration of advanced eco-design approaches, the Organization aims to reduce the environmental footprint of its products, enhance their reliability, and optimize life-cycle costs.

Product certification initiatives

To enhance the environmental performance of its Vehicles products, Hitachi Rail regularly renews key certifications.

1. BSI PAS 2080 Certification: Hitachi Rail has achieved and maintained the BSI PAS 2080 certification covering all VHC Projects, a globally recognized standard for carbon management in infrastructure. First obtained in FY22, the certification has been renewed annually, including against the updated version of the standard issues in FY23. This demonstrates the Organization's ongoing commitment to reducing carbon emissions across the entire value chain through collaborative, data-driven and life cycle-based strategies.
2. ISO 14067 Certification: during FY25, Hitachi Rail continued its program aimed at obtaining Product Carbon Footprint certification in accordance with the ISO 14067 standard, following the formal launch of the initiative in the previous fiscal year. The program involves the Vehicles Line of Business, excluding Japan, and is expected to be completed in FY26. Although the formal certification and validation process is in its starting phase, Hitachi Rail defined key internal rules required by the standard, including:
   - The definition and integration of a Vehicle Life Cycle Assessment (LCA) procedure to incorporate Product Carbon Management;
   - The iterative management of LCA across three different design stages to enhance the environmental performance of products.
3. The release of Environmental Product Declarations (EPDs) following ISO 14025 for the most valuable projects.

While primarily focused on environmental performance and carbon management, these certifications also support the management of circular economy-related impacts by enabling Hitachi Rail to assess material and resource use across the product life cycle. Through LCA methodologies, product carbon footprint assessments and EPDs, Hitachi Rail identifies opportunities to improve resource efficiency and integrate environmental considerations into product design.





2.4.2 Resource use - metrics and targets

2.4.2.1 Materials used and waste generated

As shown in the tables below, the total quantity of materials used during the reporting period decreased from 44,923 tonnes in FY24 to 30,479 tonnes in FY25. These variations reflect changes in the composition and volume of materials procured and used across the Organization's activities during the reporting period and are also influenced by the natural business activity cycle.

Resource inflow data are collected and consolidated based on the information available across the organizational perimeter. Data are generally derived from direct measurements and internal records and, where primary data are not available, from estimates based on reasonable assumptions. Materials are classified into relevant categories based on their nature and characteristics, applying consistent criteria across the reporting scope, to the extent possible.

Materials and substances[10]	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Material – Aluminum	**8,750**	**-**	**8,750**	**6,425**	**3,268**	**9,693**
of which new material [t]	6,497	-	6,497	6,418	3,268	9,686
of which recycled material [t]	2,253	-	2,253	7	-	7
of which recycled material [%]	25.8%	-	25.8%	0.1%	-	0.1%
Material – Steel	**534**	**-**	**534**	**2,242**	**104**	**2,346**
of which new material [t]	505	-	505	2,220	104	2,324
of which recycled material [t]	30	-	30	22	-	22
of which recycled material [%]	5.6%	-	5.6%	1.0%	-	0.9%
Material – Copper	**323**	**-**	**323**	**79**	**20**	**99**
of which new material [t]	313	-	313	69	20	89
of which recycled material [t]	10	-	10	10	-	10
of which recycled material [%]	3.2%	-	3.1%	12.7%	-	10.1%
Material – Iron	**4**	**-**	**4**	**1**	**1,157**	**1,158**
of which new material [t]	-	-	-	1	1,157	1,158
of which recycled material [t]	4	-	4	-	-	-
of which recycled material [%]	100%	-	100%	-	-	-
Liquefied compressed gases	**963**	**-**	**963**	**544**	**-**	**544**
Liquefied compressed gases – nitrogen [t]	96	-	96	153	-	153
Liquefied compressed gases – argon [t]	705	-	705	213	-	213
Liquefied compressed gases – carbon dioxide [t]	-	-	-	-	-	-
Liquefied compressed gases – oxygen [t]	100	-	100	76	-	76
Liquefied compressed gases - OTHER	63	-	63	102	-	102

Materials and substances	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Paints (water- based) [t]	2,958	-	2,958	5,124	-	5,124
Oil [t]	75	-	75	7,381	-	7,381
Glues and adhesives [t]	31,316	-	31,316	4,120	-	4,120
Biological materials [t]	-	-	-	-	-	-
Biological materials [%]	-	-	-	-	-	0.0%
Other - not specified	-	-	-	14	-	14
TOTAL - Overall total weight of products and technical and biological materials used during the reporting period	**44,923**	**-**	**44,923**	**25,930**	**4,549**	**30,479**
Total Recycled materials [t]	**2,298**	**-**	**2,298**	**39**	**-**	**39**
Total Recycled materials [%]	**5.1%**	**-**	**5.1%**	**0.2%**	**0.0%**	**0.1%**

Hitachi Rail's product portfolio comprises two main Lines of Business: Vehicles and SRS. Product durability, reparability, and circularity considerations are integrated into the design and development of both product categories, supporting the Organization's commitment to resource efficiency and circular economy principles.



Vehicles

The Vehicles Line of Business includes rolling stock products, including metro and tram systems (mass transit), regional and intercity trains (mainline) and high-speed trains (HST). Rolling stock products are typically designed for an operational lifespan of approximately 30–35 years, although this may vary depending on customer requirements and market conditions, generally ranging between 20 and 40 years. The average expected durability of these products is consistent with comparable offerings on the market.

Product reparability is defined through RAMs (Reliability, Availability, Maintainability) Plan, guided by internal engineering standards and tailored to customer specifications. Each customer defines performance criteria related to usage, maintenance, and repairability of the rolling stock systems.

The average recyclable material, intended as recycled materials incorporated into products, varies by product category. Excluding packaging materials, percentage of recycled materials reaches 97.1% for High Speed Vehicles, 94.1% for Main Line products, and 97.6% for Mass Transit products. As previously described, for each new project, Hitachi Rail develops a Carbon Management Plan that includes a Life Cycle Assessment (LCA) across all design phases. This iterative process aims to optimize environmental performance by the final design stage. Key aspects assessed include:

- Environmental impacts (e.g. carbon footprint, resource use and pollution potential);
- Recyclability and recoverability;
- Use of recycled materials;
- Circularity of material flows.

Environmental and circularity assessments are conducted using recognized standards and procedures including:

- ISO 14040, ISO 14044, ISO 14025 and ISO 21106;
- Product Category Rules (PCR) such as PCR 2009:05;
- Internal procedures that define criteria for circular product design (e.g. GBMS Procedure (G-PRC R0403) for Life Cycle Assessment (LCA)).

Signaling and Rail Solutions (SRS)

The SRS portfolio includes onboard Signaling products for mainline applications, interlocking systems, Eurobalises, wayside control equipment, Communications-Based Train Control (CBTC) solutions, and OPPS-RCS products such as gates, validators, TVM systems and parking equipment.

These products are designed in accordance with circular economy principles, with a focus on durability, reparability, disassembly, and end-of-life recovery. Product development processes aim to extend useful life, facilitate maintenance activities, support component reuse where feasible, and enhance material recovery at the end of the product lifecycle. The expected durability of SRS products is generally 20 years, while certain products, such as Eurobalises, can achieve an expected lifespan up to 25 years.

Product reparability is measured using the Mean Time To Repair (MTTR) indicator. Across the portfolio, average repair times are typically around four hours, although specific customer requirements may apply. For example, certain OPPS-RCS components, including barcode readers and cameras, may require repair or replacement within 15 minutes. For CBTC solutions, MTTR requirements are defined within the SelTrac CBTC 3.6 framework.

Regarding the recyclable content, values depend on the specific SRS product. In detail, considering the worst-case configuration, percentages range between 14.8 % (Balises) and 89.6% (Tag readers).

Environmental and circularity assessments are conducted using recognized standards, including:

- ISO 14040, ISO 14044 and, ISO 14025 and ISO 21106;
- Product Category Rules (PCRs), such as PCR 2019:14 and c-PCR 023;
- Internal procedures that define criteria for circular product design (e.g. GBMS Procedure (G-PRC S0810) for Life Cycle Assessment (LCA)).

Data sources include direct measurements where available, and indirect estimates based on established databases (e.g. Ecoinvent).

Hitachi Rail generates a diverse range of waste materials across its operations, reflecting both administrative and industrial activities. Waste is classified as either hazardous or non-hazardous in accordance with applicable waste regulations.

In office environments, waste primarily consists of paper, cardboard, plastics, and general municipal waste, largely derived from biomass-based materials and synthetic polymers. These are typical of conventional domestic waste streams.

At manufacturing sites, the main waste streams include packaging materials (plastic, mixed-material, paper and wood), metal scrap generated through production and maintenance activities, and waste arising from industrial processes, such as paint residues, oils, lubricants, and electrical and electronic equipment, which may be classified as hazardous or non-hazardous depending on their composition. The handling of specific waste types, such as mixed-material packaging, can differ significantly between locations, reflecting local infrastructure and contractual arrangements.

In FY25, lower waste generation was observed across the Organization’s activities compared to the previous reporting period. Waste diverted from disposal remained the predominant waste management route, accounting for the majority of total waste generated. Year-on-year variations in waste volumes are also influenced by the normal business activity cycle, including changes in production levels, especially at the Kasado plant.

Waste	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Diverted from disposal						
Total [t]	**9,507**	**5,020**	**14,527**	**9,886**	**1,787**	**11,673**
Hazardous waste [t]	**167**	**172**	**340**	**475**	**-**	**475**
Preparation for reuse [t]	0.6	-	0.6	111	-	111
Recycling [t]	116	172	289	340	-	340
Other recovery operations [t]	51	-	51	24	-	24
Non Hazardous waste [t]	**9,340**	**4,848**	**14,188**	**9,411**	**1,787**	**11,198**
Preparation for reuse [t]	65	397	462	579	-	579
Recycling [t]	7,334	4,451	11,784	5,300	1,787	7,086
Other recovery operations [t]	1,942	-	1,942	3,533	-	3,533
Disposal						
Total [t]	**2,097**	**-**	**2,097**	**1,762**	**-**	**1,762**
Hazardous waste [t]	**543**	**-**	**543**	**416**	**-**	**416**
Incineration [t]	378	-	378	157	-	157
Landfill [t]	0.4	-	0.4	0.4	-	0.4
Other disposal operations [t]	164	-	164	258	-	258
Non Hazardous waste [t]	**1,555**	**-**	**1,555**	**1,347**	**-**	**1,347**
Incineration [t]	286	-	286	464	-	464
Landfill [t]	846	-	846	554	-	554
Other disposal operations [t]	423	-	423	329	-	329
Total waste						
Total waste [t]	11,605	5,020	16,625	11,648	1,787	13,435
Of which total radioactive waste [t]	-	-	-	-	-	-

Not recycled waste	Financial control perimeter	Operational control perimeter	Total FY24	Financial control perimeter	Operational control perimeter	Total FY25
Total – Not Recycled [t]	4,155	397	4,552	6,009	-	6,009
Total – Not Recycled [%]	35.8%	7.9%	27.4%	51.6%	-	44.7%

The methodology applied for waste data collection is tailored to the operational characteristics of each site. At locations where waste management activities are directly controlled by Hitachi Rail, such as manufacturing facilities and principal office sites, waste data is sourced from records and documentation provided by waste management and disposal contractors, ensuring a high level of accuracy based on measured quantities.

Conversely, at leased premises where waste management activities are overseen by landlords and direct waste data is not available, waste quantities are estimated using appropriate methodologies and available operational information. In detail, estimates are applied using consistent methodologies based on historical data, operational activity, occupied floor area, employee numbers, or representative waste measurements, depending on the nature of the site or office.

2.4.2.2 Circular economy targets

At present, Hitachi Rail has set an objective to achieve zero landfill waste across the majority of its manufacturing sites, through the prioritization of recycling and recovery activities in accordance with the waste hierarchy, in an attempt to promote circularity and reduce the Organization's impacts on natural resources. In addition, as outlined previously, Hitachi Rail is committed to progressively integrating Life Cycle Assessment (LCA) methodologies and eco-design principles into the development of all new products, supporting the reduction of environmental impacts across the product life cycle. Only internal stakeholders have been involved in the setting of these targets.

Percentage of manufacturing sites achieving zero landfill waste[12]

Base year: **N/A**

FY2024 performance: **97%**

FY2025 performance: **98%**

2027 target

95%

Landfill waste

Base year: **N/A**

2030 target

Zero

New products

Base year: **N/A**
FY2024 performance: **N/A**

FY2025 performance

Vehicles:
All new products

SRS: 100% of projects defined during the FY2025 reporting period

2027 target

Life Cycle Assessment (LCA) for new Product Development;

2030 target

Eco-design application for all new products

[12] Defined as a final disposal rate (landfill disposal/waste and valuables) of less than 0.5% in any given fiscal year in the Hitachi Group. Pursued in assumed conformance with regulations, conditions, etc. LCA & eco-design principles: Applied to all new products.



Social information

In this section

3.1	Own workforce	60
3.2	Value chain workers and workers of operational control perimeter legal entities	96
3.3	Customers	107

Own workforce

3.1.1 Management of people-related impacts, risks and opportunities

Material impacts, risks and opportunities relating to Hitachi Rail's workforce have been identified in accordance with the process described in chapter 1 General information and are summarized in the table below.

IRO Description	Business	Value chain	Time horizon	IRO type
Working conditions				
As a global player, Hitachi Rail promotes fair working conditions worldwide, including in countries with high rates of vulnerable employment, thereby positively impacting the lives of workers across the railway sector.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual positive impact
In lightly regulated regions, Hitachi Rail may rely on temporary workers who face unstable or discontinuous income and may be exposed to extended working hours and unpaid overtime.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Potential negative impact
In lightly regulated regions, the absence of union representation and limited coverage by collective bargaining agreements may undermine Hitachi Rail workers' ability to exercise freedom of association and access adequate protection.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Potential negative impact
Hitachi Rail, in the management of its human resources, registers pay disparities across job categories.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual negative impact
Flexible schedules improve work-life balance.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to long term	Potential positive impact
Hitachi Rail workers, especially those involved in demanding tasks such as train maintenance and infrastructure management, can suffer injuries from interaction with heavy machinery or exposure to harsh operating conditions.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual negative impact
Hitachi Rail enhances employee engagement and satisfaction, reducing turnover by promoting supportive working conditions, including work-life balance, and active participation in engagement initiatives.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual positive impact
Poor health and safety practices may increase accident rates and legal liabilities across the entire workforce.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Risk
Failure to effectively engage employees and provide high working standards may result in higher turnover rates, talent loss, and reduced productivity.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Risk
Equal treatment and opportunities for all				
At Hitachi Rail, gender-based differences may result in unequal treatment of workers, reduced or uneven access to career development opportunities, and the persistence of a gender wage gap.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Potential negative impact
Hitachi Rail contributes to the development of its employees' skills by offering training opportunities, including programs focused on the green transformation, supporting their professional growth and long-term career development.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual positive impact
Weak policies on inclusion and discrimination negatively affect employees with disabilities.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual negative impact
Hitachi Rail, particularly in lightly regulated regions, may fail to adequately prevent incidents of discrimination, as well as episodes of physical, psychological, or verbal violence and harassment.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Potential negative impact
Hitachi Rail, through the implementation of comprehensive policies (e.g. Diverse Perspectives Policy, Respectful Workplace Policy) and targeted initiatives (e.g. Global Wellbeing Program), creates a supportive Organizational culture where diversity is actively safeguarded and promoted.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual positive impact
Failure to address gender inequality across the entire workforce may harm the organization's reputation and lead to talent loss.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Medium to long term	Risk

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

IRO Description	Business	Value chain	Time horizon	IRO type
Through shared know-how and targeted development and training initiatives across the entire workforce, Hitachi Rail may attract and retain highly specialised technical talent, supporting innovation and long-term growth and positively influencing the company's strategy and business model.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Medium to long term	Opportunity
Other work-related rights				
Hitachi Rail, by adhering to major international labor standards, firmly rejects child labor and forced labor in its construction and development activities, promoting its values across all regions in which it operates.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual positive impact
Potential data breaches and privacy violations affecting the entire workforce may lead to non compliance with GDPR or local privacy law and regulation, fines and penalties.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Medium to long term	Risk

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

Hitachi Rail's people play a central role in the delivery of the Organization's strategy and the implementation of the PLEDGES framework. The business relies on a highly skilled and diverse workforce operating across vehicle manufacturing, Signaling and Rail Solutions (SRS), digital and AI solutions, maintenance services and infrastructure management activities.

As described in chapter 1 General information, workforce perspectives are gathered through regular stakeholder engagement activities and contribute to the identification and management of the sustainability matters that are most relevant for the BU.

These insights help Hitachi Rail understand how its activities affect its workforce and how workforce-related matters may influence business performance and long-term value creation.

Hitachi Rail aims to create a positive working environment through fair working conditions, employee engagement initiatives, flexible working arrangements, learning and development opportunities, diversity and inclusion programs and respect for internationally recognized labor and human rights standards. These actions support employee wellbeing, professional growth and the development of the skills needed to drive innovation and business performance.

At the same time, the Organization recognizes that some workforce-related challenges may arise across its operations. These may include gender-related inequalities, unequal access to career development opportunities, discrimination or harassment, barriers to inclusion, vulnerable employment conditions affecting temporary workers and limitations on the exercise of freedom of association in certain operating contexts. In addition, some employees, particularly those involved in maintenance activities, infrastructure works and operational environments involving heavy machinery, may face elevated health and safety risks.

These workforce-related matters are closely linked to several business risks, including workplace accidents, difficulties in attracting and retaining talent, lower employee engagement and productivity, and potential non-compliance with data protection requirements. While no material negative impacts relating to forced labor or child labor have been identified within Hitachi Rail's own workforce, the BU remains committed to preventing such practices and to upholding internationally recognized labor standards across all its operations.

The Organization also sees significant opportunities in investing in its people. By fostering continuous learning, knowledge-sharing and professional development, Hitachi Rail strengthens workforce capabilities, supports innovation and enhances its ability to attract and retain the specialised talent required to deliver advanced rail and mobility solutions.

Certain workforce groups may experience these impacts, risks and opportunities differently. Temporary workers, workers engaged in maintenance and infrastructure activities, women, employees with disabilities and workers located in areas with limited collective bargaining coverage may require particular attention to ensure their rights, wellbeing and development opportunities are adequately supported.

Through the ongoing consideration of workforce perspectives and workforce-related sustainability matters, Hitachi Rail aligns its people strategy with the Organization's strategic priorities, strengthening the implementation of the PLEDGES framework while supporting long-term business resilience, innovation and sustainable value creation.

3.1.1.1 Policies for a thriving workplace

Hitachi Rail has put in place a range of policies to manage the material impacts, risks and opportunities related to its own workforce identified through the double materiality assessment. Together, these policies aim to foster a thriving workplace that embraces diverse perspectives and inclusion, supports personal and professional growth, and upholds full respect for human rights.

Human Rights Policy

Hitachi Rail's Human Rights Policy reaffirms the Organization's unwavering commitment to respecting human rights across the entire value chain. The policy provides the framework for identifying, preventing, mitigating and addressing actual and potential human rights impacts associated with the Organization's activities, business relationships and value chain. The Human Rights Policy is supported by other corporate policies, including the Respectful Workplace Policy and the Diverse Perspectives Policy, which further set out the Organization's commitments regarding inclusion, diversity, equal opportunities and respectful behavior in the workplace.This policy applies to all officers and employees, and the Organization expects its business partners to uphold the same standards and to respect and not infringe upon internationally recognised human rights. In instances of non-compliance, appropriate remedial measures are taken.

Responsibility for respecting human rights is entrusted to the Chief Sustainability Officer & Chief Diversity, Opportunity and Inclusion (DO&I) Officer, and the Chief Human Resources Officer. These executives are also responsible for promoting human rights initiatives in line with the policy. Relevant actions are reviewed by the RSBU Sustainability Committee and escalated to the RSBU Board of Directors, where appropriate.

The policy is internally available to all employees through COSMO Intranet and is regularly monitored and updated, where necessary, to ensure constant compliance with evolving regulatory requirements, risks and business needs. The key points of all Compliance policies are available on the external website for all stakeholders. Hitachi Rail recognizes and respects all internationally acknowledged human rights, including those enshrined in:

- The International Bill of Human Rights;
- The ILO Declaration on Fundamental Principles and Rights at Work;
- The UN Guiding Principles on Business and Human Rights;
- The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct;
- The Ten Principles of the UN Global Compact;
- The SA8000 Standard on Social Accountability.

Hitachi Rail is committed to complying with all applicable human rights laws and regulations in the regions where it operates. Where local legislation falls short of international standards, Hitachi Rail endeavors to uphold the spirit of those higher international norms. The Organization does not tolerate threats, intimidation, or physical or legal attacks against human rights defenders.

Hitachi Rail conducts regular reviews of human rights risks relevant to the nature of its business and global footprint. These assessments draw on input from internal and external stakeholders, findings from grievance mechanisms and sustainability audits, as well as insights from independent third-party organizations. Based on this comprehensive mapping, the following salient human rights issues have been identified for Hitachi Rail:

- Occupational Health and Safety;
- Forced labor and modern slavery, including violation of migrant workers' rights;
- Child labor;
- Environmental impact (i.e. pollution and impact on health);
- Inadequate wages;
- Equal pay for equal work or work of equal value;
- Discrimination;
- Violation of Freedom of Association;
- Harassment.

To identify vulnerable hotspots and higher-risk areas within the supply chain, procurement partners are assessed through document-based surveys and on-site audits.

If a human rights violation is found, Hitachi Rail will use its leverage with business partners to meaningfully address the impacts and actively support them in their efforts to correct the situation. However, depending on the willingness of the business partner to effectively address the issues, Hitachi Rail may need to eventually terminate the relationship.

Diverse Perspectives Policy

Hitachi Rail welcomes differences in colleagues' backgrounds, age, gender, sexual orientation, family status, disability, neurodiversity, race, nationality, ethnicity and religion[14].

The Organization recognizes that individual uniqueness is a strength and that people may have different needs and lived experiences. To ensure equitable access to opportunities, systems, policies and practices have been established to support all employees in reaching their full potential. A respectful, inclusive and representative workplace is actively promoted, with teams encouraged to reflect the diverse perspectives of the communities in which the Organization operates.

The Diverse Perspectives Policy supplements the Human Rights Policy and supports the implementation of the Hitachi Group Code of Ethics, in line with applicable legal requirements and relevant international conventions and standards. This includes the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration and the OECD Guidelines.

The policy is internally available to all employees through COSMO Intranet and is regularly monitored and updated, where necessary, to ensure constant compliance with evolving regulatory requirements, risks and business needs. The key points of all Compliance policies are available on the external website for all stakeholders.

Responsibility for its implementation and oversight is assigned to the Chief Sustainability Officer & Chief Diversity, Equity and Inclusion Officer. All employees are expected to support the policy and to ensure, as far as reasonably practicable, that their behaviors and activities are aligned with its principles.

Hitachi Rail is fully committed to upholding and embedding the Hitachi Diverse Perspectives Policy across its operations. Hitachi Rail recognizes that diverse perspectives are a key driver of innovation, resilience, and long-term value creation that enhances its ability to serve partners and customers globally. To support this objective, the Organization promotes education and awareness initiatives aimed at developing the skills and competencies needed to create and sustain an inclusive workplace.

> Allyship is fostered across the entire Business Unit to create an environment where everyone feels safe, supported and empowered to express their authentic selves.

The Diverse Perspectives Policy promotes an environment in which differences are welcomed, individual contributions are valued and all employees are encouraged to contribute to an inclusive culture based on respect, dignity and equal opportunity.

Respectful Workplace Policy

Hitachi Rail is committed to ensuring that all its workplaces, whether physical or job-related settings, are safe, inclusive and respectful environments where every individual feels valued and protected. The Organization strictly prohibits all forms of harassment (including bullying), discrimination, abuse and workplace violence. Hitachi Rail welcomes differences in colleagues' background, age, gender, sexuality, family status, disability, neurodiversity, race, nationality, ethnicity, religion, and world view[12].

This policy applies globally to all legal entities and affiliates within the Hitachi Rail Business Unit and covers all personnel including executives, managers and employees, who are required to comply. It also extends to business partners, defined as any external Organization, entity or individual with whom Hitachi Rail has or may consider a business relationship. These partners are expected to uphold the same standards of integrity, ethical conduct and legal compliance. The workforce is responsible for taking appropriate steps to ensure partner alignment with these expectations.

The Respectful Workplace Policy is internally available to all employees through COSMO Intranet and is regularly monitored and updated, where necessary, to ensure constant compliance with evolving regulatory requirements, workplace-related risks and business needs. The key points of all Compliance policies are available on the external website for all stakeholders.

Responsibility for the implementation of this policy lies with the Group General Counsel and Group CHRO, who ensure that its principles are effectively embedded across the whole Organization.

This policy is aligned with the Hitachi Rail Diverse Perspectives Policy and the Human Rights and Social Accountability Policy and supports the UN Sustainable Development Goals. The Respectful Workplace Policy reflects Hitachi Rail's commitment to operating in compliance with applicable employment, equality, anti-discrimination and workplace conduct laws in the jurisdictions where it operates.

Through this policy, the Organization promotes equal opportunity, fair treatment and the dignity of all individuals. This includes a commitment to identifying and managing psychosocial risks and ensuring a healthy and respectful work environment.

To support these goals, Hitachi Rail:

- Ensures that its workforce and business partners uphold the dignity of all individuals and refrain from any form of discrimination, harassment or abuse;
- Provides a safe, respectful, and healthy work environment, including the identification and management of psychosocial risks, in full compliance with applicable laws;
- Meets statutory obligations to publish annual pay-gap or equal pay reports where required;
- Implements targeted policies and training to prevent harassment, discrimination, and workplace violence.

A dedicated procedure is in place for reporting actual or suspected violations, enabling the Organization to investigate and take appropriate action. Reports may be submitted to managers, HR, Legal & Compliance, or via the Hitachi Global Compliance Hotline as detailed in the section Mechanisms for remediating adverse impacts and enabling workers to raise concerns

[14] Local laws may define additional protected characteristics.

Whistleblowing and Speak-Up Policy

The Whistleblowing and Speak-Up Policy establishes the principles and responsibilities governing the reporting and management of actual or suspected misconduct, including incidents of discrimination or harassment. It provides global speak-up arrangements for reporting potential breaches of applicable laws and regulations, the Organization's Code of Ethics and Business Conduct, or any of its policies. Reports may also be submitted anonymously.

Depending on the nature of the concern or local legal criteria, reporters may qualify as "whistleblowers" and be entitled to legal protections. Policies providing protection against retaliation for individuals that use these channels are indeed in place. If local issues or grievances are raised, they will be followed up by HR, set-up to differ by countries.

This policy applies globally to all legal entities and affiliates within the Business Unit and to all its personnel. All members of the workforce are responsible for speaking up and reporting concerns. Managers, Human Resources, Legal & Compliance representatives and other designated recipients are responsible for receiving and responding appropriately to concerns in accordance with the requirements of the policy.

The most senior level accountable for the implementation of the policy is the Group General Counsel and Group CHRO. The policy is internally available to all employees through COSMO Intranet and is regularly monitored and updated, where necessary, to ensure constant compliance with evolving regulatory requirements, risks and business needs. The key points of all Compliance policies are available on the external website for all stakeholders and externally on the Hitachi Rail website. In line with specific local laws and regulations, this policy also provides additional internal speak-up channels within Hitachi Rail, such as supervisory bodies and other eligible recipients. For further details on the channels in place according to this policy, please refer to the section "Mechanisms for remediating adverse impacts and enabling workers to raise concerns".

3.1.1.2 Learning and development policies

Hitachi Rail is committed to providing a learning ecosystem in which employees' competences are developed and improved through the deployment of specific processes, programs and tools. To support this, Hitachi Rail has implemented ad hoc procedures to regulate the process for mapping, assessing and developing its employees' competences, as well as for complying to local obligations on safety-critical personnel qualifications.

The policies are made available to potentially affected stakeholders and those responsible for implementation through internal platforms. The Learning and Development (L&D) Unit plays a central role in supporting regional HR teams and ensuring consistency in methodologies, tools and data integration within a global framework. L&D systematically collects and examines employee development needs, leading to the creation of new learning frameworks, methods and initiatives. These support both global and regional learning programs that are aligned with Hitachi Rail's strategic priorities, competence growth targets and mandatory requirements.

Following the identification of training priorities, L&D plans, designs and delivers global learning initiatives. Individual learning requirements are also captured through the Global Performance Management (GPM) process and addressed via structured individual plans. All initiatives are assessed for their impact and value creation, ensuring continuous improvement of both Organizational capabilities and individual performance.

3.1.1.3 Health and safety policies

Health, Safety and Environment Policy (HSE)

The objective of the HSE Policy is to ensure that all employees and contractors return home safely each day, free from injury or illness. The policy includes principles related to wellbeing and motivation, which are essential to fostering a safe, healthy and engaged workforce. The policy also aims to minimize environmental impact across the entire product life cycle and to optimize the use of natural resources, as previously detailed in chapter 2 Environmental Information.



The HSE policy applies to the whole Business Unit and the most senior level accountable for its implementation is the Chief Safety, Health, Environment & Quality Officer.

In implementing the Organization's sustainability and safety policies, Hitachi Rail aligns with internationally recognized standards and frameworks to ensure responsible and transparent operations. These include:

- ISO 45001 for Occupational Health and Safety Management Systems;
- ISO 14001 for Environmental Management Systems;
- ISO 50001 for Energy Management Systems;
- EU Eco-Management and Audit Scheme (EMAS), which reinforces continuous improvement in environmental performance, legal compliance and transparent communication.

Hitachi Rail also commits to respecting third-party standards and initiatives that support these frameworks, ensuring that its operations meet or exceed industry best practices.
In defining the policy, consideration is given to the interests of key stakeholders, including employees, contractors, customers, regulatory bodies and local communities. Their expectations and feedback are integrated into policy development through structured engagement processes.

The policy is made available to potentially affected stakeholders and those responsible for implementation through internal platforms, training sessions and public disclosures. The policy is also regularly monitored and updated, where necessary, to ensure constant compliance with evolving regulatory requirements, HSE risks and business needs. For further details regarding the Health, Safety and Environment (HSE) policy see chapter 2.1.2.1 Climate change policies.

Living Wage Policy

Hitachi Rail's Living Wage Policy defines the Organization's commitment to ensuring that employees receive remuneration that supports a decent standard of living for themselves and their families, going beyond compliance with applicable minimum wage legislation. The policy outlines a structured approach to benchmarking, assessing and progressively aligning remuneration levels with independently verified Living Wage standards across the regions in which the BU operates. This commitment reflects Hitachi Rail's ambition to promote fair and equitable compensation practices, support employee wellbeing and contribute to a sustainable and inclusive economy.

The policy applies to all Hitachi Rail legal entities and subsidiaries and covers both employees and, through engagement and collaboration initiatives, non-employee workers contributing to the Organization's operations. The implementation of the policy is led by the Compensation & Benefits function, with the support of Human Resources, Procurement and Sustainability teams, and includes regular benchmarking activities, wage gap assessments, action planning, performance monitoring and continuous improvement measures. Particular attention is given to stakeholder engagement, including employees, workers' representatives and suppliers, to promote transparency and facilitate the adoption of Living Wage principles throughout the value chain. The policy is aligned with internationally recognized principles and guidance, including those issued by the International Labor Organization (ILO) and the United Nations Global Compact, and is regularly reviewed to ensure continued relevance in light of evolving socioeconomic conditions, employee needs and sustainability commitments.

3.1.1.4 Efforts for a positive work environment

Workforce communication and engagement

Employee engagement at Hitachi Rail is conducted through direct dialogue, structured communication channels, workforce surveys and dedicated inclusion initiatives.

Employees are encouraged to express their views, provide feedback and participate in discussions through internal communication platforms and corporate email communications.

These channels are monitored by the Internal Communication team, which reviews engagement metrics, including participation levels and article views, to assess workforce engagement and support ongoing dialogue across the Organization. In addition, employee engagement is reinforced through town halls, leadership site visits and dedicated Q&A sessions that facilitate direct interaction between employees and management.

To foster meaningful workforce engagement, Hitachi Rail implements a range of initiatives designed to gather feedback and strengthen communication across the Organization:

- **Annual Employee Survey:** Hitachi Rail actively seeks feedback from employees and their representatives to inform decision-making and continuous improvement. A key mechanism supporting this objective is the Annual Employee Survey, which enables employees to provide feedback on topics including leadership, management, Organizational processes and overall employee experience.

  Survey results provide insight into workforce priorities, engagement levels and areas requiring improvement and are used to inform action plans at both global and local levels. Actions may be led directly by the Senior Leadership Team or implemented locally through HR functions, depending on the nature of the findings. The Human Resources function manages the survey process, while the Sustainability function supports related wellbeing and community engagement initiatives.
- **Hitachi Group Ethical Perceptions Survey:** The survey is based on eight pillars defined by Ethisphere and is open each year to all Hitachi employees worldwide across all Business Units, including Hitachi Rail. Responses are anonymous and help us understand how employees view our ethics and compliance culture by assessing perceptions across eight pillars: awareness of the program and resources; perceptions of the Compliance function; observing and reporting misconduct; pressure; organizational justice; manager perceptions; perceptions of leadership, and perception of peers and environment.

  Survey results provide insight into priority areas for leadership and the Compliance function to drive improved engagement on a culture of ethics and compliance.

- **Employee Resource Groups (ERGs):** To promote inclusion and provide targeted support to individuals in vulnerable or underrepresented groups, Hitachi Rail has established Employee Resource Groups (ERGs) in selected countries. These groups provide forums for connection, advocacy, support and awareness raising across a range of communities and experiences.

  The ERGs currently operate in Australia, Austria, Canada, France, Germany, Italy, Singapore and the United Kingdom and focus on:

  - Disability and Neurodiversity Inclusion;
  - Ethnic, Racial and Religious Diversity;
  - Mental Health and Wellbeing;
  - LGBTQIA+;
  - Women and Gender Equity;
  - Generational Inclusion.

  In support of these groups, Hitachi Rail also provides dedicated training programs aimed at promoting diverse perspectives and inclusive behaviours. Formerly referred to as Diversity, Equity and Inclusion (DEI) training, the program was renamed Diversity, Opportunity and Inclusion (DOI) in 2026. Following the GTS integration, the Organization has been working to align and consolidate ERGs covering similar topics in countries where both Organizations previously operated.
- **Policies, communication and access to information:** Hitachi Rail has established a comprehensive suite of globally applicable policies covering human rights and broader workforce-related matters. While these policies are implemented consistently across the Organization in consultation with Works Councils and trade unions, no Global Framework Agreement with a Global Union Federation is currently in place.

  To promote accessibility and consistency, key policies are translated into multiple languages and rolled out across countries to support common standards throughout the Organization. Internal communication channels and corporate emails regularly provide multilingual content, typically in English, German, Italian, Spanish, French and Japanese, with additional translations managed locally where required. Increasingly, technology-supported translation solutions are also being used. Mandatory training programs, including the annual Hitachi Code of Conduct training, are available in multiple languages.

  Since 2025, Hitachi Rail has also introduced a Quarterly Leadership Cascade process to ensure that strategic priorities and key Organizational messages are consistently communicated throughout the Organization via leaders and managers. This is complemented by regular Senior Leadership Team site visits and local management town halls, which provide further opportunities for workforce dialogue and feedback.

  For further information on workforce-related policies, please refer to the dedicated policies section.

Employees and labor relations

Labor relations are supported through a multi-level engagement framework designed to promote transparency, early involvement and constructive dialogue with employee representatives across jurisdictions.

- **European Forum of Representatives:** As part of the integration of legacy Hitachi Rail and Ground Transportation Systems (GTS), Hitachi Rail established a European Forum of Representatives to strengthen social dialogue and cooperation with employee representative bodies across Europe. The Forum serves as an early-stage communication and consultation mechanism through which employee representatives receive updates on key projects, Organizational developments and business performance, while also providing feedback, raising concerns and exchanging views on workforce-related topics.

  The Forum includes representatives from France, Germany, the United Kingdom, Poland, Romania, Italy, Spain, the Netherlands and Austria. Works Council representatives are appointed in proportion to the size of each country's workforce, resulting in approximately 23 representatives. Participants include employee representatives from both legacy Organizations, trade unions, Works Councils and members of the Hitachi Rail Senior Leadership Team.

  The Forum meets twice per year, with a face-to-face meeting held in spring and a virtual meeting held in autumn. Additional meetings may be organised when required. Dedicated Q&A sessions are included within each meeting, participant feedback is actively collected and all open points are systematically followed up. The Forum has become an important mechanism through which workforce concerns can be raised at European level, supporting timely responses, mutual understanding and the cascading of information to national employee representative bodies.

  For further information, please refer to the section Collective bargaining agreements and social protection in 3.1.2 Employees – metrics and targets
- **Labor Relations Center of Excellence (LR CoE) and local engagement:** In addition to the European Forum, Hitachi Rail operates a Labor Relations Center of Excellence (LR CoE) to coordinate labor relations activities globally and support the consistent dissemination of information to employee representatives through local HR channels. The LR CoE coordinates communication on upcoming projects, Organizational changes, surveys and consultation processes, including topics requiring information and consultation with Works Councils in specific jurisdictions. The European Labor Relations Community call is held every eight weeks, or more frequently when required.

  The leader of the LR CoE reports directly to the CHRO. Since December 2025, four regional labor relations coordination roles have been incorporated into the structure, covering South Europe (including Italy), DACH and Northern / Central Europe, the United Kingdom and France. An additional APAC labor relations role is scheduled to be added in May 2026.

  Local social dialogue is managed by designated HR country leaders, regional leaders and labor relations managers, who are responsible for maintaining relationships with Works Councils and trade unions and ensuring compliance with local legal requirements. Engagement activities vary across jurisdictions and may take place weekly, monthly or quarterly, depending on local practices, business needs and ongoing consultation or collective bargaining processes.

The LR CoE, labor relations managers and local HR teams maintain regular alignment meetings to ensure consistency of approach across the Organization. Workforce concerns raised through local representative bodies are managed and followed up through the relevant HR and labor relations teams.

The most senior role with operational responsibility for ensuring workforce engagement is the Chief Human Resources Officer (CHRO). The individuals responsible for labor relations across the Organization possess extensive expertise in labor law, information and consultation requirements and collective employment matters. Several members of the labor relations network, including the LR CoE leader and regional labor relations leads, hold law degrees.

Mechanisms for remediating adverse impacts and enabling workers to raise concerns

Hitachi Rail's policies, actions and internal processes provide the overall framework for addressing the material negative impacts on its own workforce identified through the double materiality assessment, including their prevention, mitigation and, where appropriate, remediation. Workers are provided with formal mechanisms through which they can raise concerns, report suspected misconduct and seek the resolution of issues that may adversely affect them. These mechanisms are designed to support the identification, investigation, resolution and remediation of workforce-related and human rights concerns across the Organization. Hitachi Rail does not tolerate retaliation against individuals who raise concerns in good faith through the available channels.

> “
>
> Hitachi Rail encourages reporters to provide relevant information to support assessment and investigation; however, they are not required to possess evidence that a violation has occurred.

Concerns may be raised through line management, Human Resources, Legal & Compliance representatives and, where required by local legislation, designated Supervisory Bodies or other eligible recipients. Concerns may also be reported through the Hitachi Global Compliance Hotline, an independent and confidential reporting platform available 24 hours a day, seven days a week, in 21 languages. All reports are securely recorded and managed through a dedicated case management system and, where permitted by local legislation, they can be anonymous. Training is also provided to key speak-up channels, including managers and Human Resources, to support the appropriate receipt, escalation and handling of concerns.

Concerns submitted through the Hotline are received and managed confidentially by an independent third-party provider. Reports are subsequently forwarded to the appropriate member of Hitachi Rail's Compliance function for review, investigation and follow-up. The investigations team operates independently within the Compliance function, with sufficient autonomy from business decisions and pressure to conduct investigations fairly, consistently and independently from intake through case closure.

In relation to workforce-related and human rights matters, concerns are classified through dedicated issue categories. Workforce-related concerns are recorded under the primary issue category 'Harassment and Discrimination', which includes workplace harassment, workplace sexual harassment, workplace discrimination, workplace retaliation or retribution and personal conduct violations. Concerns relating to broader social and human rights matters are recorded under the primary issue category 'Human Rights', which includes human rights issues, fair trade violations and modern slavery.

This classification framework, together with the dedicated case management system, supports consistent assessment, investigation, monitoring and resolution, other than potential remedial actions, of reported concerns across the Organization, including the identification and implementation of appropriate remedial actions.

Hitachi Rail encourages reporters to provide relevant information to support assessment and investigation; however, they are not required to possess evidence that a violation has occurred.

In addition to formal whistleblowing mechanisms, employees may raise concerns through employee representative bodies, including local Works Councils, trade unions and the European Forum of Representatives. These channels enable both individual and collective workforce concerns to be escalated and addressed through local HR teams, labor relations representatives, the Labor Relations Centre of Excellence or the Senior Leadership Team, depending on the nature of the issue. Such concerns are reviewed and followed up through the Organization's established labor relations processes.

Hitachi Rail periodically reviews the effectiveness and accessibility of its grievance and speak-up mechanisms and uses the insights obtained to strengthen investigation, response and remediation processes across the Organization.

Trends, insights and risks identified through the speak-up program are regularly reviewed, and workforce-related matters such as harassment, bullying, discrimination and labor-related concerns receive focused management attention where patterns or risks are identified. Confirmed misconduct may result in disciplinary action, targeted training, communications or other remedial measures, depending on the nature of the issue.

Speak-Up Key Facts and Figures

Volume and Vitality

222

concerns reported in FY25. Volume and vitality (concerns per 100 employees) has seen **consistent YoY growth**, with a 192% volume increase since FY23

Anonymity

39%

anonymity is outperforming global benchmarks, indicating trust. YoY, **anonymity has steadily decreased**; with a 10% decrease since FY23 (49%)

Speak-Up Channels

90+%

of all concerns are consistently reported through three channels since FY23: For FY25, **Hotline 61%, legal and Compliance 18% and HR 13%**

Average Days to Close

87

working days for the average to close a matter in FY25, an **improvement of 17 days** compared to the FY24 metric of 104 days

Issue types

70+%

of all concerns are consistently captured across five top issue types since FY23: **harassment / discrimination, labor-related, conflicts of interest, misuse or theft or assets, and fraud**

Countries

5

countries consistently report the highest volume which is aligned and proportionate to employee population size: **Italy, UK, Japan, Canada and Germany**

Confirmation

36%

of FY25 closed cases were **substantiated**[15], a **~14% decrease** compared to prior years. The program is being tested with concerns that are not upheld when independently assessed

Corrective Actions

199

Corrective actions applied in FY25. Distribution is **training and communication 37%, discipline 35%, and policy/control or other actions 28%**

For further information on the channels available to express concerns, please refer to the section Speak-Up Policy in 3.1.1.1 Policies for a thriving workplace.

[15] Some 29 FY25 cases open and pending outcomes at time of reporting.

Hitachi Rail is committed to fostering a positive work environment grounded in social dialogue, respect for diverse perspectives and the continuous development of its people. The Organization identifies appropriate actions by considering actual and potential impacts on its own workforce, together with employees' needs and feedback collected through relevant engagement channels. Based on this assessment, initiatives are developed and implemented to address the areas identified, including the following:

Main Actions	Timeframe	Status
Global Wellbeing Program	Long term	Ongoing
People Stories Campaign	Medium term	Ongoing
STEM Attraction and Inclusive Talent Outreach program	Medium term	Ongoing
Thrive program	Medium term	Ongoing

Global Wellbeing Program

Hitachi Rail provides a Global Wellbeing Program designed to foster a culture in which employees can thrive, regardless of where they work or the role they perform. The program provides a flexible wellbeing framework that enables local teams to tailor initiatives to local needs while maintaining alignment with a common global strategy. During the reporting period, the program supported approximately 24,000 employees across 51 countries through more than 450 wellbeing initiatives.

The program is intended to promote psychological safety, financial self-awareness, inclusion, healthy behaviors and employee engagement. By embedding wellbeing within daily operations and leadership practices, it supports employee engagement, retention and performance, while strengthening Hitachi Rail's ability to attract and retain talent. The program is aligned with Hitachi Rail's values and complements Talent Development, Diversity, Opportunity, Inclusion and Engagement initiatives across Hitachi Rail and the wider Hitachi Group.

The framework recognizes that wellbeing is influenced by a broad range of personal and professional factors and is structured around five pillars that guide the design of local wellbeing plans:

- Able to Learn and Grow;
- Physically Well;
- Financially Well;
- Valued and included;
- Mentally Well.

These pillars provide a consistent global structure while allowing local teams to develop initiatives that reflect local priorities, cultural contexts, workforce needs and varying levels of wellbeing maturity across regions and countries.

The program addresses a range of workforce-related challenges, including the need to reduce the stigma surrounding mental health, promote psychological safety, improve financial wellbeing awareness and create inclusive working environments that support attraction, engagement and retention. It also responds to the increasing complexity of global operations, cultural diversity and the need for a consistent yet locally adaptable wellbeing approach in a rapidly changing environment.

A key objective of the program is to reduce fragmentation in wellbeing activities across regions by providing a unified framework capable of supporting both global consistency and local ownership. It also seeks to encourage open dialogue on mental health, enhance financial literacy and support, strengthen employee recognition and inclusion, and break down Organizational silos by embedding wellbeing into leadership behaviors and everyday business practices.

The program is deployed globally across Hitachi Rail's workforce, including employees working in offices, plants and construction sites. Local activations are implemented across multiple locations, ensuring broad reach while maintaining flexibility to respond to local needs.



Among the initiatives implemented during FY25 were:

- World Mental Health Day activities focused on resilience and psychological safety through toolkits, posters and employee storytelling;
- World Kindness Day initiatives promoting peer recognition and the sharing of positive experiences at work;
- Global Wellbeing workshops designed to collect feedback, generate ideas and inform future wellbeing campaigns;
- Monthly Wellbeing Packs covering topics such as diabetes awareness, financial health and healthy eating on a budget;
- Global Webinars addressing stress management, social wellbeing and burnout prevention;
- Financially Well Campaign, including surveys, posters, table talkers and guidance materials to promote financial literacy and gather employee feedback;
- “Thank You” Cards, encouraging peer-to-peer and leader-to-team recognition and supporting a culture of appreciation and psychological safety;
- A Journey to Mental Wellness, providing role-specific training for managers and employees on emotional intelligence, stress management and crisis response.

These activities generated high levels of participation and engagement across regions and provided employees with opportunities to contribute ideas and shape future wellbeing programs.

The program is led by a global steering committee, it is embedded within annual planning cycles aligned with HR and HSE strategic priorities and is delivered through a cross-functional approach involving multiple functions working together to promote employee wellbeing and maximise long-term impact. To support continuity and long-term value creation, each country is expected to develop initiatives covering at least two wellbeing pillars annually. This approach is intended to deepen employee engagement with wellbeing topics, strengthen local ownership and progressively embed wellbeing into Organizational culture. The effectiveness of the program is monitored through KPIs available on the Eco Online digital platform and through a combination of leading and lagging indicators, including:

- The Wellbeing Score from the annual employee Survey, which serves as a key indicator of employee wellbeing and psychological safety;
- Participation in campaigns, surveys and wellbeing activities;
- Employee feedback collected through digital platforms and QR-code-based engagement tools;
- Evidence of consistent care behaviors, leadership visibility and the integration of wellbeing into operational processes’
- Evidence of collaboration between HR and HSE teams through jointly delivered initiatives.

The process used to identify appropriate wellbeing actions is informed by annual employee survey results, which help identify workforce needs, priorities and areas requiring additional support.

The program contributes to the achievement of several United Nations Sustainable Development Goals, including SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth).

Current and future CapEx allocated to the program amounts to €23,058 during the current financial year, €80,279 over the next one to three years and €23,068 over a period exceeding three years. This action, together with other actions described in the report, is funded through a broader operational plan. The plan provides total OpEx of €3,172,082 for future periods.

During the reporting period, the program exceeded its planned level of activity, achieving 459 initiatives against an ambition of 240. Through its combination of strategic alignment, local flexibility and cross-functional collaboration, it supports the creation of a workplace culture in which wellbeing is embedded in the way Hitachi Rail operates, leads and supports its people.

People Stories Campaign

To support its commitment to fostering an inclusive workplace and increasing workforce diversity, Hitachi Rail continued the implementation of its ‘People Stories Campaign’, a global employer branding initiative designed to showcase authentic employee experiences and promote a more representative view of careers within the rail sector.

The campaign aims to strengthen the Organization’s ability to attract talent from diverse backgrounds by highlighting the experiences, perspectives and career journeys of employees across different geographies, functions and demographic groups. Through authentic storytelling, the initiative seeks to challenge traditional perceptions of the rail industry, enhance the visibility of underrepresented groups and reinforce Hitachi Rail’s position as an inclusive employer.

The campaign is aligned with the BU’s Diversity, Opportunity and Inclusion (DO&I) strategy and focuses on three key themes: multigenerational inclusion, gender balance and cultural diversity. Employee stories are selected in collaboration with regional Talent Acquisition and HR teams to ensure representation across different workforce groups and to reflect the diversity of experience within the Organization.

Implementation activities include identifying employee ambassadors, conducting interviews, developing storytelling content and publishing employee stories through external communication channels, including the corporate careers website and social media platforms. Content is planned in alignment with key diversity and inclusion awareness events and workforce-related campaigns throughout the year.

Stories published through the campaign feature employees from a broad range of backgrounds, including early-care professionals, apprentices, women in engineering and leadership positions, employees from multicultural and international backgrounds, individuals with non-linear career paths and employees sharing diverse lived experiences. Through these narratives,

Hitachi Rail aims to increase the visibility of role models and foster a stronger sense of inclusion both internally and externally.

The effectiveness of the initiative is assessed through the monitoring of employer branding and talent attraction indicators, including engagement levels across digital channels and external employer reputation platforms such as Glassdoor, LinkedIn and Hitachi Rail's careers website. Particular attention is paid to Diversity and Inclusion-related ratings and audience engagement metrics to evaluate whether the campaign is contributing to a stronger perception of Hitachi Rail as an inclusiv employer.

Since the launch of the initiative in FY23, Hitachi Rail has observed an overall improvement in external Diversity & Inclusion ratings on Glassdoor, increasing from 3.3 in August 2022 to 4.0 in March 2026. The BU has also recorded higher levels of engagement with employee storytelling content and increased interaction from prospective candidates across employer branding channels. These indicators suggest a positive contribution of the campaign to employer brand perception and talent attraction efforts.

The initiative is implemented at a global level and is delivered primarily through dedicated internal resources within the Talent Acquisition and HR functions. Regional teams complement the global approach by deploying locally tailored attraction activities where relevant, including initiatives aimed at engaging underrepresented talent pools, such as women pursuing STEM disciplines. Looking ahead, Hitachi Rail intends to further strengthen the initiative by enhancing its measurement framework, increasing the integration of candidate feedback and employer reputation insights, and improving the monitoring of recruitment funnel outcomes. Future activities will focus on better linking employer branding initiatives to workforce diversity objectives and supporting measurable progress toward the Organization's long-term DO&I ambitions.

STEM Attraction and Inclusive Talent Outreach program

To support the achievement of its Diversity, Opportunity and Inclusion (DO&I) objectives and strengthen the long-term sustainability of its talent pipeline, Hitachi Rail implemented a global attraction and outreach program aimed at increasing awareness of career opportunities within the rail sector and attracting talent from diverse and underrepresented groups, with a particular focus on women pursuing STEM (Science, Technology, Engineering and Mathematics) disciplines.

The initiative was developed in response to the persistent underrepresentation of women across STEM education pathways and technical professions, as well as the continued perception of the rail sector as a predominantly male industry. Through targeted attraction activities, the program seeks to broaden access to career opportunities, increase the visibility of female role models and promote a more inclusive image of the sector among future talent. The program combines employer branding, educational outreach and talent engagement activities designed to build awareness of career opportunities at an early stage and strengthen relationships with potential candidates throughout the talent pipeline.

Implementation activities include:

- Engagement with secondary schools, colleges and universities to promote careers in rail and engineering;
- Participation in recruitment events, career fairs and STEM-focused initiatives;
- Collaboration with academic institutions to increase awareness of employment opportunities within the rail sector;
- Promotion of female role models and employee ambassadors through internal and external communication channels;
- Delivery of employer branding campaigns highlighting the contribution of diverse talent to innovation, digital transformation and low-carbon mobility solutions;
- Development of locally tailored attraction initiatives in regions where additional outreach activities are required to engage specific talent pools.

Particular emphasis is placed on increasing the visibility of women working across engineering, leadership, digital and operational roles, helping to challenge stereotypes and demonstrate the breadth of career opportunities available within Hitachi Rail. The initiative also seeks to encourage greater participation from individuals with diverse cultural backgrounds, experiences and career pathways.

The program is implemented globally through the Talent Acquisition and Human Resources functions, with regional teams responsible for adapting activities to local labor market conditions and business needs. In addition to the global approach, regional teams may introduce specific initiatives aimed at attracting underrepresented talent groups, including women pursuing STEM-related studies through partnerships with universities, educational institutions, job fairs and graduate recruitment events. The effectiveness of the program is monitored through a range of attraction and employer branding indicators, including candidate engagement levels, participation rates in outreach activities, recruitment pipeline data, employer reputation metrics and workforce diversity trends. These indicators enable the BU to assess whether attraction efforts are contributing to increased awareness of career opportunities, stronger engagement with diverse talent pools and progress toward workforce diversity objectives.

Going forward, Hitachi Rail intends to further strengthen its attraction strategy by expanding partnerships with educational institutions, enhancing outreach activities targeting underrepresented groups and improving the measurement of recruitment outcomes to better assess the contribution of attraction initiatives to long-term workforce diversity and inclusion ambitions.

Thrive program

Employee wellbeing is a fundamental component of Hitachi Rail's approach to fostering employee engagement and supporting organizational performance. In line with the Global Wellbeing Framework, the Organization implemented the Thrive program in Australia during 2025, equipping employees with practical tools to manage stress, prevent burnout, and promote sustainable work-life balance practices. The initiative received external recognition through an award achieved in collaboration with the Corporate Health & Safety team.

The effectiveness of the initiative is monitored through relevant qualitative and quantitative indicators, where available. Where specific tracking mechanisms have not yet been established, the Organization is committed to progressively strengthening its monitoring approach to assess whether the initiative delivers the intended outcomes for its own workforce.

Other achievements

Other achievements	Timeframe	Status
Advancing Gender Equality across the Organization	Short term	Completed
SHE Employee Resource Group	Short term	Completed

Advancing Gender Equality across the Organization

Hitachi Rail further strengthened its commitment to gender equality and inclusion through a range of initiatives that contributed to the achievement of the UNI/PdR 125 certification across all italian sites, recognizing its efforts in promoting equal opportunities, diversity and inclusion across the Organization. The certification was supported by a range of key actions implemented throughout the year, including:

- Supporting the reintegration and advancement of women in the workplace through the High-Speed Talent Women Restart program, designed to facilitate the professional reintegration of highly qualified women returning to the workforce and to increase female representation in technical and managerial roles;
- Enhancing employee wellbeing, family support and work-life balance through initiatives such as the Va.Bene program, which provides access to psychological, legal and financial support, healthcare services and wellbeing resources, as well as dedicated parental benefits, educational programs for employees' children, flexible working arrangements and hybrid working opportunities;
- Fostering a safe, respectful and inclusive working environment by maintaining whistleblowing and Speak Up channels and delivering targeted training and awareness-raising initiatives, including Respect at Work and Step into Your Power, aimed at preventing discrimination and harassment, challenging stereotypes and supporting inclusive leadership.

Through these initiatives, Hitachi Rail continued to embed diversity, opportunity and inclusion principles into its people practices and organizational culture, supporting a workplace where all employees can contribute, develop and thrive.

The effectiveness of the initiatives implemented to advance gender equality is assessed through the Organization's progress against the requirements of the UNI/PdR 125 certification. The achievement and maintenance of the certification provide external validation of the measures adopted, while supporting the identification of areas for continuous improvement

SHE Employee Resource Group

Hitachi Rail's commitment to fostering an inclusive workplace culture was recognised by the UN Global Compact Network Italy Diversity & Inclusion Observatory. SHE, Hitachi Rail Italy's Employee Resource Group dedicated to women's empowerment, was featured as a best practice in the Observatory's 2026 publication, From Backlash to Maturity: A Practical Guide for Measurable and Integrated D&I. The initiative was recognised for its contribution to employee engagement, inclusive dialogue and gender equality.

Key activities promoted through the SHE Employee Resource Group included:

- **Advancing female empowerment and leadership development,** while supporting women's personal and professional growth through webinars, mentoring activities and dedicated initiatives.
- **Facilitating employee engagement and dialogue** through regular in-person and virtual meetings, enabling employees to exchange experiences, discuss inclusion-related topics and contribute to the development of an inclusive organizational culture;
- **Promoting awareness and social responsibility** through cultural events, awareness campaigns and initiatives addressing gender equality and the prevention of gender-based violence;
- **Supporting community outreach and future talent development** through collaborations with schools and universities, mentoring programs and activities focused on new technologies and STEM-related topics.

The effectiveness of the initiative is monitored through relevant qualitative and quantitative indicators, where available. Where specific tracking mechanisms have not yet been established, the Organization is committed to progressively strengthening its monitoring approach to assess whether the initiative delivers the intended outcomes for its own workforce.

3.1.1.5 Employee Learning and Development

Hitachi Rail places significant strategic emphasis on the training and development of its workforce, recognizing it as a key driver of Organizational resilience, innovation and long-term success. By embedding principles of fairness and transparency in training and leadership pathways, and by ensuring the responsible use of employee data in learning analytics, the Organization safeguards the rights and wellbeing of its workforce. The following initiatives reflect a targeted approach to employee training, covering a broad spectrum of areas from wellbeing and safety to leadership and integration. These are designed to support both individual growth and collective performance:

Main Actions	Timeframe	Status
Inclusive leadership workshop	Medium term	Ongoing
Global Business Management System (GBMS) for HSE Management Systems	Medium term	Ongoing
Safety Leadership Training program	Medium term	Ongoing
QualityUp training	Medium term	Ongoing
Technical & Specialist training	Medium term	Ongoing
Managerial & Project management training	Medium term	Ongoing
Wellbeing for Leaders Training Pilot	Medium term	Ongoing
Human Rights training	Medium term	Ongoing
LMS Migration	Medium term	Ongoing

Inclusive leadership workshop

As part of its commitment to fostering an inclusive workplace culture and strengthening leadership capabilities across the Organization, Hitachi Rail implemented the Inclusive Leadership Workshop, a global learning experience designed for leaders seeking new ways to drive innovation and strengthen team development. The initiative aims to unlock the power of diverse perspectives and support innovation through inclusive leadership. In doing so, the initiative also contributes to mitigating potential risks associated with non-inclusive workplace practices and behaviors, while helping to reduce related reputational risks and the risk of talent loss. The workshop is primarily targeted at people managers who are responsible for leading teams and contributing to the development of an inclusive Organization that supports innovation and growth. The learning experience is designed to help leaders create a working environment where individuals feel valued, heard and empowered to contribute, while encouraging participants to adopt inclusive behaviors and lead with greater awareness.

Through a combination of self-reflection, practical tools and peer coaching, participants explore what it means to lead inclusively and how inclusive leadership can contribute to stronger teams, psychologically safe environments and a culture of belonging.

The program focuses on four key learning objectives:

- Increasing understanding of the importance of inclusive leadership;
- Strengthening self-awareness of unconscious bias and identifying ways to mitigate its impact;
- Developing and practising inclusive behaviors that support an inclusive Organizational culture;
- Creating concrete action plans that enable participants to act as inclusive leadership role models and drive positive change.

Key topics covered through the workshop include:

- Importance of Inclusive Leadership – understanding why inclusive leadership is essential for fostering engagement, innovation and a strong Organizational culture;
- Unconscious Bias and Inclusive Leadership – exploring how unconscious bias can influence decision-making and identifying approaches to lead more consciously and inclusively;
- Inclusive behaviors – identifying practical behaviors that help create belonging, encourage diverse perspectives and support equitable collaboration.

A core outcome of the learning experience is the development of concrete next steps and personal commitments, enabling participants to apply inclusive leadership and DO&I principles in their day-to-day responsibilities and leadership practices.

The initiative is delivered by the Diversity, Opportunity and Inclusion function and the Learning Department and is funded through corporate resources. Approximately 30% of one Learning Department team member's capacity was allocated to support the initiative.

Through this program, Hitachi Rail seeks to strengthen leaders' ability to build inclusive teams, encourage diverse perspectives and create working environments that support engagement, collaboration and innovation across the Organization.

The effectiveness of the initiative is monitored through relevant qualitative and quantitative indicators, where available. Where specific tracking mechanisms have not yet been established, the Organization is committed to progressively strengthening its monitoring approach to assess whether the initiative delivers the intended outcomes for its own workforce.

Global Business Management System (GBMS) for HSE Management Systems

During the reporting period, Hitachi Rail progressed the implementation of the Global Business Management System (GBMS) for Health, Safety and Environment (HSE), with the objective of establishing a unified and structured

global framework. The GBMS integrates different HSE Management Systems into a single harmonised HSE Management System, ensuring consistency of processes, roles and responsibilities across all regions, sites and Lines of Business.
This initiative enables:

- Standardisation of HSE processes and practices at global level;
- Alignment with corporate policies, strategy and governance principles;
- Systematic sharing and scaling of best practices across the Organization;
- Strengthened compliance with legal and regulatory requirements.

Furthermore, the GBMS supports a structured governance model based on performance monitoring, KPIs, escalation processes and continuous improvement cycles, ensuring the effective integration of HSE within business operations and decision-making. Overall, implementation of the GBMS represents a key step in enhancing HSE maturity, fostering a proactive safety culture and reinforcing Hitachi Rail's commitment to sustainability and responsible business conduct.

To support the deployment of the GBMS HSE Management System, Hitachi Rail implemented the framework through the GBMS 2.0 program waves, ensuring consistency with the Organization's broader integration and transformation program. As part of this deployment, Hitachi Rail strengthened its ability to support remedy for potential adverse HSE impacts through the implementation of a globally integrated HSE framework and the harmonisation of HSE practices across operations.

Key activities undertaken during the reporting period included the integration of HSE Policy, Strategy and Objectives into a unified global framework and the end-to-end review and redesign of HSE processes by an international cross-functional team. These actions enabled the harmonization of practices, the definition of clear governance arrangements and the systematic adoption of best practices across operations.

Hitachi Rail monitors the integration and progressive implementation of GBMS 2.0 across businesses and countries through internal audit monitoring activities. Each country is required to program Internal HSE audits to fulfil the requirements of ISO 45001 and ISO 14001. Countries are requested to upload audit plans covering all relevant processes and requirements of the standards. HSE audits may only be performed by certified ISO 45001 and ISO 14001 auditors. Progress is monitored through the ratio of executed audits to planned audits.

The actions implemented during the reporting period resulted in:

- Enhanced consistency and transparency of HSE practices globally;
- Improved identification, escalation and management of HSE-related impacts;
- Strengthened capability to implement corrective actions and support effective remediation;
- Increased alignment between local operations and corporate HSE commitments.

The actions undertaken during the reporting period build on activities implemented in previous years and support the continued deployment of the GBMS HSE Management System. Hitachi Rail continues to focus on the progressive extension and integration of the HSE Management System, building on the core processes and tools already implemented. This approach prioritizes the consolidation of key elements of the system to ensure its effectiveness, consistency and long-term sustainability.

The ongoing implementation strategy is based on:

- Gradual expansion of the GBMS HSE framework across regions, sites and Lines of Business;
- Continuous integration of local systems into the global model;
- Further development and deployment of core processes, governance mechanisms and digital tools.

This phased approach enables the Organization to maintain operational continuity while strengthening control, monitoring and performance management capabilities, ensuring that the HSE Management System is effectively embedded within business operations. Overall, progress demonstrates a steady evolution toward a fully integrated and harmonized global HSE Management System, supporting continuous improvement and long-term value creation.

Current and future financial resources allocated to the action comprise €5,497 during the current financial year, €14,479 over the next one to three years and €5,500 over a period exceeding three years.

This action, together with other actions described in the report, is funded through a broader operational plan. The plan provides total OpEx of €827,285 for the current financial year and €3,172,082 for future periods.

Safety Leadership Training program

Hitachi Rail recognizes that leaders play a critical role in developing and sustaining a strong health and safety and high-reliability culture, which is directly influenced by leaders' actions, behaviors and decisions, within their teams and business areas. To support the continuous reinforcement of leadership safety-driven behaviors and to prevent and mitigate negative impacts on the workforce, Hitachi Rail continued to implement the Safety Leadership Training program across the global Business Unit.

The program consists of a full-day workshop designed to train, coach and influence business leaders on the importance of HSE leadership. Delivered through the Safety Starts with Me – Leadership Masterclass, complemented by dedicated refresher programs (see section "Committed & Visible Leaders: extend leadership safety workshops & refresher training"), the program encourages leaders to reflect on how their leadership style influences health and safety culture and provides practical tools to demonstrate visible safety leadership in day-to-day activities. Through active participation rather

than passive learning, leaders strengthen their awareness of their role as safety leaders, reinforce accountability and develop the capabilities required to foster a strong safety culture and psychologically safe working environments. The initiative is deployed globally across all leadership levels, with particular focus on the top three leadership levels. In parallel with the training program, Hitachi Rail promotes visible leadership by setting expectations for leaders to undertake a minimum of six leadership activities per year, including safety conversations, walk-and-talk activities and safety inspections. The initiative is deployed globally across all leadership levels on the top three leadership levels.

Additional actions implemented during the reporting period included:

- Delivery of foundational and refresher programs;
- Extension of training activities to leaders within new legal entities;
- Systematic inclusion of HSE sections in business meetings;
- Reinforcement of visible leadership engagement practices.

During the reporting period, Hitachi Rail delivered leadership training to hundreds of managers, achieving training completion of 96% of plan for N-3 leadership, exceeding ambition of 90%

The effectiveness of the program is monitored through KPIs available on the Eco Online digital platform and through monthly HSE reviews. Leadership actions are regularly assessed through indicators including the Safety Engagement Activity Rate, results from the annual employee insights survey relating to safety culture, trends arising from corporate health and safety attitudes surveys and the evolution of injury rates across the Organization. Together, these indicators support active involvement, accountability and the continuous improvement of HSE performance.

The process used to identify and define appropriate HSE actions is informed by the annual employee survey and by the Global Management Review of the HSE Management System, which provides a structured assessment of system performance, risks and improvement needs. The process also incorporates inputs and evaluations from senior HSE leadership, who assess emerging priorities and challenges through dedicated global HSE workshops, ensuring that actions remain aligned with business needs and strategic objectives. The need for the Safety Starts with Me – Leadership Masterclass was identified through this process, which highlighted the importance of strengthening leadership awareness and accountability in safety through a globally consistent approach.

To support the mitigation of workforce-related risks Hitachi Rail has developed a conversational toolkit for HSE managers. In addition, regular meetings and quarterly engagement forums with HSE managers are conducted to share experiences, discuss emerging challenges and identify opportunities to strengthen health and safety performance across the Organization.

Overall, the program is intended to generate positive impacts by improving safety performance and enhancing employee wellbeing. Through the development of visible and accountable safety leadership, the initiative contributes to the prevention and mitigation of workforce health and safety risks.

The initiative contributes to United Nations Sustainable Development Goal 3 – Good Health and Well-being. Current and future CapEx allocated to the program amounts to €74,622 during the current financial year, €223,868 over the next one to three years and €74,600 over a period exceeding three years.

QualityUp training

The QualityUp Training program remained active during FY25 as part of Hitachi Rail's structured approach to strengthening quality culture and operational excellence. The initiative, deployed globally across the Organization, supports long-term behavioural change through the Nudge Approach for Quality Improvement, enabling project managers, engineers and leaders to facilitate recurring problem-solving sessions within their teams. It helps project teams become more familiar with key processes, strengthens collaboration and accountability, and reinforces a preventive quality mindset across the end-to-end business cycle, from design and homologation to manufacturing, project delivery and supply chain activities. During FY25, the initiative remained aligned with wider integration priorities, contributing to process awareness, common ways of working and consistent quality behaviours across legacy Hitachi Rail and former GTS populations.

The effectiveness of the initiative is monitored through relevant qualitative and quantitative indicators, where available. Where specific tracking mechanisms have not yet been established, the Organization is committed to progressively strengthening its monitoring approach to assess whether the initiative delivers the intended outcomes for its own workforce.

Technical and specialist training

In FY25, Hitachi Rail continued to invest in technical and specialist training worldwide across the Organization, to support a skilled, adaptable and future-ready workforce. This area focused on the technical, digital and specialist capabilities required to respond to evolving job requirements, technology developments and industry standards, while contributing to operational excellence, innovation and long-term growth. FY25 priorities included areas such as HMAX, cybersecurity and other specialist programs connected to integration and the transition towards a common learning ecosystem. Training priorities were identified through business input, performance and

development conversations, regional feedback and the first steps towards a more structured learning needs approach, which is currently being further developed and implemented. Former GTS entities were progressively included in common processes, data collection and learning governance as part of the broader integration journey. The program is reviewed and refreshed through the planning and budget cycle to ensure continued relevance, accessibility and alignment with business and sustainability priorities.

Managerial and project management training

Managerial and project management training remained a key priority in FY25, complementing the technical and specialist offer by focusing on leadership capability, project execution and a consistent management culture across the Business Unit. The portfolio combined leadership development, inclusive leadership and project management learning, addressing different levels of responsibility and supporting both individual growth and organizational effectiveness. Programs such as LEAD, Strategic LEAD, Transformational LEAD and the Inclusive Leadership Workshop contributed to developing self-awareness, feedback culture, inclusive behaviours, communication effectiveness and the ability to lead teams through change.

Within the same FY25 portfolio, the Project Management Framework provided a structured approach to strengthening project execution capabilities and creating more consistent ways of working across regions and legacy organizations. Designed as a common learning pathway for Project Managers, Work Package Leaders and Project Engineers, the framework covered areas such as PM Fundamentals, PM Advanced, PM Leadership, Stakeholder Management and PM Finance, with dedicated support for professional certification routes. Its purpose was not only to deliver training, but also to build a common language, shared practices and a more disciplined approach to project initiation, planning and execution.

The framework supports project initiation by helping teams clarify project needs, define the project framework, align roles and responsibilities, share objectives, estimate and manage initial budgets, and identify, assess and monitor project risks. By reinforcing these capabilities, the initiative contributes to stronger governance, better stakeholder alignment, improved contract and financial awareness, and more disciplined project delivery. It also supports the wider One Hitachi integration journey by enabling project teams to work with common standards while allowing local and regional delivery needs to be addressed.

In FY25, the PM Framework continued to be used as a reference model for scalable professional learning pathways. It also informed broader discussions on how a structured and gradual approach could be applied to other professional families, supporting a more coherent learning architecture and strengthening the Organization's ability to develop critical capabilities over time.

The Inclusive Leadership Workshop was a key FY25 initiative within the managerial learning portfolio. It was designed to help leaders create workplaces where people feel valued, heard and empowered to contribute, translating DO&I principles into practical leadership behaviours. Through self-reflection, peer exchange, practical activities and actionable tools, participants explored the role of inclusive leadership in strengthening engagement, innovation and organizational culture, while increasing awareness of unconscious bias and its impact on decision-making.

The workshop encouraged leaders to identify concrete behaviours that promote belonging, encourage diverse perspectives and support equitable collaboration. It also included personal action planning, helping participants apply inclusive leadership principles in everyday work and contribute to stronger teams, psychological safety and a culture of belonging. Delivered through both in-person and virtual sessions across multiple regions, the initiative helped reinforce a common leadership language and contributed to the wider One Hitachi integration journey.

Overall, these initiatives supported managers and project leaders in developing the capabilities required to lead people, manage complexity and deliver projects effectively in a changing business environment. They contributed to the sustainability transition by strengthening leadership, change management and project execution capabilities across the Organization.

The initiatives apply to Hitachi Rail entities globally and were increasingly delivered through an integrated One Hitachi approach, including the progressive involvement of former GTS populations. They are supported by internal training budgets, learning platforms, internal subject matter experts, external universities and training providers, and regional Talent & Development teams.
Programs are reviewed and refreshed to reflect business priorities, participant and manager feedback, integration needs and future capability requirements.

Effectiveness is monitored through participation and completion evidence, feedback from participants and managers, and qualitative indicators linked to leadership behaviours, project delivery and organizational development priorities.

The need for action was identified through business priorities, feedback from managers and employees, performance and development conversations, integration requirements and emerging skill needs. In FY25, the Organization also started the first steps towards a more structured learning needs approach, which is currently being further developed and implemented.

Wellbeing for Leaders

During FY25, Hitachi Rail introduced a Mental Wellbeing training pilot as a complementary initiative within the wider wellbeing and responsible leadership agenda. Designed in collaboration with HSE, the Global Wellbeing Team and Learning, the pilot used available organizational data and psychosocial risk insights to identify priority areas for managerial awareness and support. It focused on helping managers recognize and respond to signs of stress, reduce stigma around mental health and wellbeing, and foster psychological safety, inclusion and healthier team dynamics. Pilot activities were planned across different regions and formats, with feedback intended to inform a

broader FY26 rollout. The initiative supports a sustainable and caring workplace by strengthening leaders' ability to create safe conversations, identify early warning signs and connect employees with appropriate local HR and HSE processes, while respecting country-specific legal, cultural and employee relations requirements.

The effectiveness of the initiative is monitored through relevant qualitative and quantitative indicators, where available. Where specific tracking mechanisms have not yet been established, the Organization is committed to progressively strengthening its monitoring approach to assess whether the initiative delivers the intended outcomes for its own workforce.

Human rights training

Human rights training in FY25 continued to support Hitachi Rail's commitment to ethical conduct, respect for human rights and responsible business practices across its operations and value chain. The training framework aims to raise awareness of the principles set out in the Hitachi Group Code of Ethics and Business Conduct, the Human Rights Policy and related standards on non-discrimination, anti-harassment, modern slavery, responsible sourcing and respect for internationally recognized human rights. The initiative contributes to strengthening a culture of integrity, respect and accountability, while helping employees understand how to identify, prevent and report potential concerns.

The training applies to employees across Hitachi Rail, with mandatory or targeted learning depending on role, exposure to specific risks and applicable local requirements. In FY25, this area also reflected the wider integration context, with training delivered and tracked across different legacy learning platforms while the transition towards a more harmonized learning ecosystem progressed. This required ongoing coordination between Learning & Development, Compliance, Legal, Sustainability, HSE and regional teams to ensure consistency of messages, alignment of reporting and continuity of training access for both legacy Hitachi Rail and former GTS populations.

During FY25, the training offer continued to include ethics and compliance learning, awareness on human rights and modern slavery, and targeted modules or communications linked to local regulatory requirements and business needs. The approach supports employees in recognizing potential indicators of misconduct or human rights risks, including within business relationships and the supply chain, and in understanding available reporting channels and escalation routes.

The initiative supports Hitachi Rail's broader sustainability reporting and due diligence approach. It contributes to the prevention and mitigation of negative impacts by reinforcing expected behaviors, supporting adherence to internal policies and promoting the use of appropriate reporting mechanisms. It also supports positive social impacts by encouraging a respectful, inclusive and safe work environment, aligned with the Organization's commitment to responsible employment practices, ethical business conduct and respect for people across the BU and value chain.

Resources allocated to this action include internal Learning & Development capabilities, Compliance and Legal subject matter expertise, Sustainability and regional coordination, digital learning platforms and, where needed, external or corporate content providers. Effectiveness is monitored through learning completion evidence, feedback, audit or certification requirements where applicable, reporting trends and ongoing dialogue with relevant functions. In the FY25 context, particular attention was given to continuity and consistency of reporting across legacy systems and populations, while progressively supporting a more integrated learning and data landscape.

LMS Migration

The LMS Migration section describes the enabling infrastructure supporting the learning initiatives outlined above. In FY25, Hitachi Rail continued to consolidate its learning infrastructure into a single Learning Management System, Hitachi University / HiNext, replacing fragmented legacy platforms and supporting a more consistent global learning experience. The initiative covers onboarding, compliance, technical skills, leadership development, professional development and reporting. It impacts upstream processes, such as content creation, catalog management and governance, as well as downstream processes, such as employee access, completion tracking, reporting and learning records.

The integration is expected to enhance the employee learning experience by simplifying access to training, improving progress tracking and strengthening the usability of the platform. It also supports more reliable data management for tracking and reporting, contributes to consistent access to required training and helps reduce complexity across the learning landscape. By centralizing records and improving visibility, the initiative supports compliance, workforce development and organizational resilience.

The action applies to all geographies where Hitachi Rail operates and includes employees who rely on the LMS for learning, compliance and certification needs. During FY25, the migration progressed through phased implementation, including the transition of legacy platforms such as ULearn and The Source / Totara into Hitachi University.

Further activities in FY26 are expected to complete additional data catch-up, testing, go-live for former GTS and other populations. As a cross-cutting enabler, the program supports data integrity, simplification, global transparency and equitable access to learning resources across the integrated Organization.

Resources include operational costs, internal coordination and change management efforts. The need for the initiative was identified through feedback, compliance requirements and strategic planning aligned with Hitachi Rail's broader goals for operational excellence, workforce development and organizational resilience.

The effectiveness of the initiative is monitored through relevant qualitative and quantitative indicators, where

available. Where specific tracking mechanisms have not yet been established, the Organization is committed to progressively strengthening its monitoring approach to assess whether the initiative delivers the intended outcomes for its own workforce.

3.1.1.6 Efforts for health and safety

Hitachi Rail's approach to health, safety and wellbeing combines structured management processes with the continuous development of its HSE practices. This approach supports the Organization in maintaining safe, resilient and efficient working environments across its global operations.

In line with its broader commitment to health, safety and wellbeing, Hitachi Rail continued to advance a number of strategic initiatives during FY25 to strengthen its safety culture, engage employees and contractors, and enhance HSE performance across its operations. The main actions are summarised below.

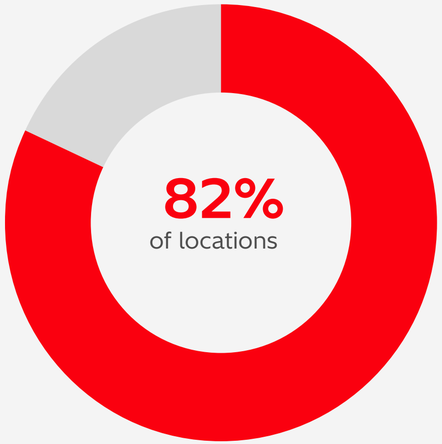
Main Actions	Timeframe	Status
Contractor Safety Program	Medium term	Ongoing
Engaged People: Embed Life-Saving Rules	Medium term	Ongoing
Digitalisation & Innovation: Expanding Eco Online and Enhancing HSE Performance	Long term	Ongoing
Committed & Visible Leaders: extend leadership safety workshops & refresher training	Medium term	Ongoing

"

These internationally recognized standards provide a framework for managing occupational health and safety risks and environmental impacts, supporting the organization's commitment to safe workplaces and environmentally responsible operations.

ISO-certified management systems

In FY25, 82% of Hitachi Rail's locations were covered by ISO 45001 and ISO 14001 certifications.



INTERNATIONALLY RECOGNIZED FRAMEWORKS

ISO 45001

Occupational Health and Safety Management System

ISO 14001

Environmental Management Systems

Contractor Safety program

As part of its commitment to Health, Safety and Environment (HSE) excellence, Hitachi Rail launched a global Contractor Safety program to strengthen safety culture and reduce harm across its sites and projects. The program was developed in recognition of the significant presence of contractor personnel across Hitachi Rail operations and the need to ensure that all contractors understand and meet Hitachi Rail's safety expectations and behavioral standards.

The program is built around 11 fundamental safety expectations applicable to all contractors and supports Hitachi Rail's Safety Starts with Me philosophy and its ambition to foster a high-reliability safety culture. It establishes a consistent end-to-end approach to contractor safety management throughout the contractor lifecycle, covering prequalification, selection and contract award, onboarding and orientation ongoing assessment, mentoring, performance review and continuous improvement.

The initiative embeds safety expectations within the value chain and supports a consistent approach to contractor HSE management across sites, projects and countries. Through the program, Hitachi Rail aims to strengthen contractor safety performance, improve accountability and promote the adoption of common behavioral standards across its operations.

Key elements of the program include:

- The Contractor Safety Blueprint, a single-page map of the contractor management lifecycle identifying where Hitachi Rail teams influence contractor safety and the tools available at each stage;

- The Leadership Workshop, an interactive face-to-face program designed to engage Hitachi Rail leaders and contractor managers in their role in influencing contractor safety, delivered through a regional train-the-trainer model in six languages;
- A mandatory contractor safety e-learning induction, which all contractor personnel must complete before working on a Hitachi Rail site or project;
- E-learning modules for Hitachi Rail employees involved in the appointment or management of contractors, supporting consistent understanding of contractor safety expectations and available support tools;
- The Contractor Safety Hero Awards, an annual recognition program at country, regional and global level designed to showcase outstanding contractor safety performance and share best practices across the Organization.

The Organization also delivered several pilot sessions of the Leadership Workshop in different countries and continued the roll-out of the program through regional deployment activities.

In addition, Hitachi Rail involved contractors operating at its Italian rolling stock manufacturing facility in dedicated safety initiatives designed to support the improvement of contractor safety performance and strengthen alignment with Hitachi Rail's safety expectations.

The program supports Hitachi Rail's social and governance objectives by embedding a consistent safety culture throughout the value chain, protecting the wellbeing of workers, reducing the likelihood of safety incidents and strengthening governance of contractor HSE performance. Delivery is being phased over the 2025–2027 period, with several components completed and others currently under implementation.

The effectiveness of the program is monitored through HSE KPIs available on the Eco Online digital platform and through regular meetings with HSE managers. Monitoring activities include the assessment of contractor health and safety performance indicators, including contractor Total Recordable Injury Frequency Rate (TRIFR) performance, and ongoing evaluation of contractor safety outcomes.

The process used to identify and define appropriate actions is informed by the HSE Management Review, Line of Business quarterly and monthly business reviews, Global Monthly HSE Performance Meetings and Country HSE Management Review Meetings. These governance mechanisms support the identification of actual and potential HSE risks and enable the definition of appropriate mitigation actions across the Organization and its value chain.

To support continuous improvement and the mitigation of workforce-related risks, Hitachi Rail conducts regular audits and maintains dedicated engagement and review activities. Additional mechanisms supporting contractor safety performance include ongoing leadership programs, annual employee survey processes and regular engagement with HSE managers.

The program contributes to the achievement of United Nations Sustainable Development Goal 3 – Good Health and Well-being.

Current and future CapEx allocated to the program amounts to €55,065 during the current financial year, €188,095 over the next one to three years and €55,000 over a period exceeding three years.

This action, together with other actions described in the report, is funded through a broader operational plan. The plan provides total OpEx of €827,285 for the current financial year and €3,172,082 for future periods.

Business continuity arrangements supporting the program are documented through the GBMS portal. Environmental audits and employee feedback mechanisms, including the annual employee survey, also contribute to the continuous evaluation of workforce-related risks and opportunities associated with operational and Organizational change.

Engaged People: Embed Life-Saving rules

Hitachi Rail continued the implementation of its Life-Saving Rules program as part of the Engaged People strategic enabler, complementing the Organization's broader wellbeing and safety initiatives. The program forms a cornerstone of Hitachi Rail's Serious Injury and Fatality (SIF) Elimination program and is designed to reduce workplace incidents by increasing awareness of critical risks and embedding a consistent set of rules governing safety-critical activities across all operations.

The Life-Saving Rules apply to all employees and contractors, regardless of work location or operational context. Following the integration of Ground Transportation Systems (GTS), the Critical Risks and Life-Saving Rules framework was reviewed to reflect the risk profile of the integrated Organization. The program now focuses on 12 common critical risks, supporting a consistent approach to risk management across Hitachi Rail operations, sites and projects.

The Life-Saving Rules are embedded within the Be Safe program and cover the following critical risk areas:

- Working at Height;
- Rail Vehicle and Equipment Movement;
- Working with Electricity;
- Stored Energy;
- Mobile Plan and Industrial Vehicles;
- Lifting Operations and Material Handling;
- Confined Spaces;
- Machinery;
- Driving for Work;
- Remote and Lone Working;
- Working on Railway Infrastructure
- Excavation and Buried Services.

To ensure consistent understanding and application of the rules, the program has been incorporated into multiple workforce engagement and induction processes, including:

- New Hire Orientation programs, delivered through E-learning or face-to-face formats;
- Contractor Safety E-learning induction and Toolbox activities;
- Visitor Awareness programs;
- Blue-Collar Orientation programs and Toolbox activities.

The initiative is deployed across the entire Business Unit and extends to contractor Organizations, supporting the application of consistent safety standards throughout Hitachi Rail's operations and value chain. Requirements relating to Life-Saving Rules are embedded within contractor engagement processes, including bids and contracts.

The program is designed to prevent incidents before they occur by focusing on high-risk activities and reinforcing the controls necessary to manage critical risks. This approach reflects Hitachi Rail's recognition that the elimination of serious injuries and fatalities requires targeted management of high-energy hazards and critical risks.

During the reporting period, implementation exceeded the planned goal, achieving 102% against an ambition of 100%. The program continued to support a wide range of training, communication and engagement activities aimed at increasing awareness of critical risks and reinforcing safe behaviors across the Organization. In previous years, more than 1,000 communication, training and engagement activities were delivered in support of critical risk awareness, demonstrating the continued emphasis placed on embedding Life-Saving Rules throughout operations.

The effectiveness of the program is monitored through KPIs available on the Eco Online digital platform and through regular HSE reviews. Monitoring activities include:

- Implementation performance against defined targets;
- Audit results and closure of identified gaps;
- Critical incident frequency indicators;
- Annual employee survey results;
- Regular reviews of HSE performance and critical risk management activities.

The process used to identify and define appropriate actions is informed by the annual employee survey, which helps identify workforce priorities and areas requiring additional attention. Additional mechanisms supporting the identification and mitigation of workforce-related risks include regular audits, leadership programs, wellbeing initiatives and the use of a conversational toolkit for HSE managers. The annual employee survey also supports the identification of opportunities to further strengthen workforce engagement, awareness and safety performance.

The program serves a dual purpose: protecting employees and contractors from material safety risks while supporting operational continuity and Organizational performance through the prevention of serious incidents. Through the promotion of consistent safety behaviors and increased awareness of critical hazards, the initiative contributes to the protection of employees and contractors, strengthens safety culture and reinforces Hitachi Rail's commitment to maintaining a safe and healthy working environment. The initiative contributes to United Nations Sustainable Development Goal 3 – Good Health and Well-being. Current and future CapEx allocated to the program amounts to €16,423 during the current financial year, €49,300 over the next one to three years and €16,400 over a period exceeding three years.

This action, together with other actions described in the report, is funded through a broader operational plan. The plan provides total OpEx of €827,285 for the current financial year and €3,172,082 for future periods.

Digitalization & Innovation: Expanding Eco Online and Enhancing HSE Performance

Hitachi Rail continued the digitalization of its Health, Safety and Environment (HSE) processes through the expansion and enhancement of the Organization's digital HSE management platform. It provides visibility of process performance, proactive initiatives, corrective actions and reactive indicators, enabling leaders and HSE professionals to monitor progress, identify trends and address areas requiring intervention.

The initiative is designed to increase employee engagement in identifying and reporting HSE issues, strengthen risk management and incident root cause investigations, support regulatory compliance, provide visibility of both proactive and reactive HSE performance indicators, and improve the efficiency and productivity of HSE activities.

The platform is used by all Business Units and legal entities and forms part of Hitachi Rail's broader approach to leveraging digitalization and innovation to improve HSE performance, strengthen reporting capabilities and support more effective decision-making.

Initially implemented in 2022, it has undergone continuous improvement and further development. During FY25, a key focus was the extension of the HSE digital platform to former Ground Transportation Systems (GTS) operations, supporting the integration of HSE processes, monitoring activities and governance arrangements across the Organization. This expansion enabled wider use of the platform to monitor actions, track progress and further engage leaders and employees in HSE activities.

In parallel, new HSE dashboards and methodological tools were developed to improve the quality, consistency and visibility of HSE information and to align reporting with the Organization's updated structure. These enhancements support more effective monitoring of HSE performance, strengthening oversight of reactive indicators, including injury-related metrics.

The program enables remedy in relation to actual material impacts by making assessments, agreed countermeasures and follow-up actions visible and manageable through established governance processes at local, regional and global levels.

HSE colleagues across Hitachi Rail have contributed to the development and continuous improvement of the platform. In fact, its effectiveness is regularly monitored through specific KPIs and reviewed through regular HSE reviews.

Environmental audits and employee feedback mechanisms also support the identification of risks, opportunities and improvement actions relating to HSE performance and workforce wellbeing.

Current and future CapEx allocated to the initiative amounts to €245,325 during the current financial year, €583,761 over the next one to three years and €207,441 over a period exceeding three years.

This action, together with other actions described in the report, is funded through a broader operational plan. The plan provides total OpEx of €827,285 for the current financial year and €3,172,082 for future periods.

Committed & Visible Leaders: extend leadership safety workshops & refresher training

As a refresher initiative within the "Safety Leadership Training Program", Hitachi Rail continued to deliver leadership safety workshops aimed at reinforcing the behaviors and practices expected from its leaders. The initiative supports leaders in consistently promoting the conditions required for a high-reliability culture. Visible leadership activities are encouraged, with HSE leaders expected to carry out at least 6 activities per year, including safety conversations, walk-and-talks and safety inspections. During the reporting period, the Organization exceeded its ambition, achieving an average of 11.5 leadership activities per leader. For further information on the safety training provided to leaders, please refer to the section dedicated to the “Safety Leadership Training Program”.





3.1.2 Employees – metrics and targets

3.1.2.1 People

Characteristics of the Hitachi Rail workforce

The following tables provide an overview of the workforce characteristics of Hitachi Rail for FY25, including contract types, working arrangements and gender distribution. Data is also broken down by country to offer a comprehensive view of the Organization's global employee footprint:

Category	Men	Women	Other	Not reported	Total FY24
Employees with open-ended contracts [headcount]	15,888	4,007	18	136	20,049
Employees with temporary contracts [headcount]	312	105	0	5	422
Non-guaranteed hours employee [headcount]	4	0	0	0	4
Total employees [headcount]	16,204	4,112	18	141	20,475
Full-time employees [headcount]	15,931	3,778	17	140	19,866
Part-time employees [headcount]	273	334	1	1	609
Total employees [headcount]	16,204	4,112	18	141	20,475

Category	Men	Women	Other	Not reported	Total FY25
Employees with open-ended contracts [headcount]	16,419	4,193	3	15	20,630
Employees with temporary contracts [headcount]	519	174	0	0	693
Non-guaranteed hours employee [headcount]	21	11	0	0	32
Total employees [headcount]	16,959	4,378	3	15	21,355
Full-time employees [headcount]	16,654	4,011	2	15	20,682
Part-time employees [headcount]	305	367	1	0	673
Total employees [headcount]	16,959	4,378	3	15	21,355

Employee by country		
Country	**Total employees FY24 [headcount]**	**Total employees FY25 [headcount]**
Algeria	7	7
Australia	641	685
Austria	452	423
Belgium	21	22
Bulgaria	11	11
Canada	1,166	1,324
Chile	49	59
China	84	78
Denmark	179	183
Dominican Republic	15	17
Egypt	335	412
Finland	8	10
France	953	1,000
Germany	2,234	2,331
Greece	17	18
Hong Kong	304	362
Hungary	76	60
India	378	440
Israel	57	61
Italy	4,776	4,891
Korea	8	8
Latvia	13	12
Malaysia	87	94
Morocco	10	8

Employee by country		
Country	**Total employees FY24 [headcount]**	**Total employees FY25 [headcount]**
Mexico	177	139
Netherlands	145	144
New Zealand	21	21
Norway	55	57
Panama	65	68
Peru	95	110
Philippines	81	113
Poland	276	290
Portugal	275	279
Qatar	24	17
Romania	619	635
Saudi Arabia	449	429
Senegal	27	27
Singapore	182	192
South Africa	18	23
Spain	1,035	1,041
Sweden	65	65
Switzerland	109	107
Taiwan	105	113
Thailand	24	26
Turkey	50	45
United Arab Emirates	162	183
United Kingdom	3,243	3,460
USA	1,292	1,255
Total	**20,475**	**21,355**





The table below outlines employee turnover and hiring figures:

Turnover and number of hires	FY24	FY25
Total employees [headcount]	20,475	21,355
Employees hires [headcount]	2,096	2,505
Employees turnover [headcount]	1,544	1,575
Turnover rate [%]	**7.5%**	**7.4%**

The table below presents the workforce breakdown by years of service, offering insight into employee tenure across the Organization:

Workforce by seniority					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
< 5 [headcount]	5,586	1,690	14	130	**7,420**
5-10 [headcount]	3,874	1,011	2	4	**4,891**
11-15 [headcount]	1,908	434	1	3	**2,346**
16-20 [headcount]	2,007	410	-	3	**2,420**
21-25 [headcount]	1,251	238	-	-	**1,489**
> 25 [headcount]	1,578	329	1	1	**1,909**
Total employees [headcount]	**16,204**	**4,112**	**18**	**141**	**20,475**

Workforce by seniority					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
< 5 [headcount]	6,116	1,868	1	12	**7,997**
5-10 [headcount]	4,206	1,007	2	3	**5,218**
11-15 [headcount]	1,614	414	-	-	**2,028**
16-20 [headcount]	1,740	363	-	-	**2,103**
21-25 [headcount]	1,306	247	-	-	**1,553**
> 25 [headcount]	1,977	479	-	-	**2,456**
Total employees [headcount]	**16,959**	**4,378**	**3**	**15**	**21,355**

The following tables present workforce turnover and hiring data of Hitachi Rail for FY25, segmented by generation. Turnover figures show that Generation X and Y experienced the highest number of departures, while Baby Boomers also recorded a notable exit rate. In contrast, hiring trends indicate a strong intake among younger generations, reflecting a strategic renewal of the workforce. These insights support generational workforce planning and help monitor demographic shifts within the Organization:

Workforce turnover by generation					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Traditionals (1926-1945) [headcount]	-	-	2	-	**2**
Baby Boomers (1946-1965) [headcount]	289	58	-	-	**347**
Generation X (1966-1985) [headcount]	444	108	-	1	**553**
Generation Y (1986-1995) [headcount]	332	110	-	-	**442**
Generation Z (1996-2005) [headcount]	160	40	-	-	**200**
Total turnover [headcount]	**1,225**	**316**	**2**	**1**	1,544

Workforce hires by generation					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Traditionals (1926-1945) [headcount]	-	-	-	-	**0**
Baby Boomers (1946-1965) [headcount]	80	11	-	-	**91**
Generation X (1966-1985) [headcount]	534	143	-	-	**677**
Generation Y (1986-1995) [headcount]	559	147	1	-	**707**
Generation Z (1996-2005) [headcount]	459	141	21	-	**621**
Total hires [headcount]	**1,632**	**442**	**22**	**0**	2,096

Workforce turnover by generation					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Traditionals (1926-1945) [headcount]	2	0	0	0	**2**
Baby Boomers (1946-1965) [headcount]	276	42	0	0	**318**
Generation X (1966-1985) [headcount]	414	105	0	1	**520**
Generation Y (1986-1995) [headcount]	331	88	0	3	**422**
Generation Z (1996-2005) [headcount]	221	91	0	1	**313**
Total turnover [headcount]	**1,244**	**326**	**0**	**5**	1,575

Workforce hires by generation					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Traditionals (1926-1945) [headcount]	1	-	-	-	**1**
Baby Boomers (1946-1965) [headcount]	100	15	-	-	**115**
Generation X (1966-1985) [headcount]	531	194	-	-	**725**
Generation Y (1986-1995) [headcount]	656	229	-	1	**886**
Generation Z (1996-2005) [headcount]	554	223	-	1	**778**
Total hires [headcount]	**1,842**	**661**	**-**	**2**	2,505

The following tables present key workforce diversity indicators for Hitachi Rail, focusing on gender distribution at the top management level, both in terms of headcount and percentage:

Gender distribution at top management levels & employees by age					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Executives [headcount]					
<30	-	-	-	-	**-**
30-50	36	8	-	-	**44**
>50	94	11	-	-	**105**
Total - Executives	**130**	**19**	**-**	**-**	**149**
Middle management [headcount]					
<30	-	-	-	**1**	**1**
30-50	606	156	-	**-**	**762**
>50	754	135	-	-	**889**
Total - Middle Management	**1,360**	**291**	**-**	**1**	**1,652**
White collars [headcount]					
<30	1,196	522	-	107	**1,825**
30-50	6,282	1,956	5	4	**8,247**
>50	2,883	745	3	3	**3,634**
Total - White collars	**10,361**	**3,223**	**8**	**114**	**13,706**
Blue collars [headcount]					
<30	610	69	2	26	**707**
30-50	2,528	317	6	-	**2,851**
>50	1,215	193	2	-	**1,410**
Total - Blue collars	**4,353**	**579**	**10**	**26**	**4,968**
TOTAL [headcount]					
<30	1,806	591	2	134	**2,533**
30-50	9,452	2,437	11	4	**11,904**
>50	4,946	1,084	5	3	**6,038**
Total	**16,204**	**4,112**	**18**	**141**	**20,475**

Category	Men	Women	Other	Not reported	Total FY24
Executives [%]					
<30	-	-	-	-	**-**
30-50	27.7%	42.1%	-	-	**29.5%**
>50	72.3%	57.9%	-	-	**70.5%**
Middle management [%]					
<30	-	-	-	100%	**0.06%**
30-50	44.6%	53.6%	-	-	**46.1%**
>50	55.4%	46.4%	-	-	**53.8%**
White collars [%]					
<30	11.5%	16.2%	-	93.9%	**13.3%**
30-50	60.6%	60.7%	62.5%	3.5%	**60.2%**
>50	27.8%	23.1%	37.5%	2.6%	**26.5%**
Blue collars [%]					
<30	14.0%	11.9%	20%	100%	**14.2%**
30-50	58.1%	54.8%	60%	-	**57.4%**
>50	27.9%	33.3%	20%	-	**28.4%**
TOTAL [%]					
<30	11.2%	14.4%	11.1%	95.0%	**12.4%**
30-50	58.3%	59.3%	61.1%	2.8%	**58.1%**
>50	30.5%	26.4%	27.8%	2.1%	**29.5%**

Gender distribution at top management levels & employees by age					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Executives [headcount]					
<30	-	-	-	-	**-**
30-50	61	23	-	-	**84**
>50	158	26	-	-	**184**
Total - Executives	**219**	**49**	**-**	**-**	**268**
Middle management [headcount]					
<30	45	23	-	-	**68**
30-50	977	286	-	-	**1,263**
>50	810	161	-	-	**971**
Total - Middle Management	**1,832**	**470**	**-**	**-**	**2,302**
White collars [headcount]					
<30	1,166	506	-	2	**1,674**
30-50	5,804	1,983	1	5	**7,793**
>50	2,809	716	1	1	**3,527**
Total - White collars	**9,779**	**3,205**	**2**	**8**	**12,994**
Blue collars [headcount]					
<30	711	90	-	2	**803**
30-50	2,983	327	-	3	**3,313**
>50	1,435	237	1	2	**1,675**
Total - Blue collars	**5,129**	**654**	**1**	**7**	**5,791**
TOTAL [headcount]					
<30	1,922	619	-	4	**2,545**
30-50	9,825	2,619	1	8	**12,453**
>50	5,212	1,140	2	3	**6,357**
Total	**16,959**	**4,378**	**3**	**15**	**21,355**

Category	Men	Women	Other	Not reported	Total FY25
Executives [%]					
<30	-	-	-	-	**-**
30-50	27.85%	46.94%	-	-	**31.34%**
>50	72.15%	53.06%	-	-	**68.66%**
Middle management [%]					
<30	2.46%	4.89%	-	-	**2.95%**
30-50	53.33%	60.85%	-	-	**54.87%**
>50	44.21%	34.26%	-	-	**42.18%**
White collars [%]					
<30	11.92%	15.79%	-	25.00%	**12.88%**
30-50	59.35%	61.87%	50.00%	62.50%	**59.97%**
>50	28.72%	22.34%	50.00%	12.50%	**27.14%**
Blue collars [%]					
<30	13.86%	13.76%	-	28.57%	**13.87%**
30-50	58.16%	50.00%	-	42.86%	**57.21%**
>50	27.98%	36.24%	100.00%	28.57%	**28.92%**
TOTAL [%]					
<30	11.33%	14.14%	-	26.67%	**11.92%**
30-50	57.93%	59.82%	33.33%	53.33%	**58.31%**
>50	30.73%	26.04%	66.67%	20.00%	**29.77%**

The following table presents data of non-employees in Hitachi Rail's own workforce:

Characteristics of non-employees in the Hitachi's own workforce		
Category	**Total FY24**	**Total FY25**
Non-employees [headcount]	1,574	2,171



Collective bargaining agreements and social dialogue[16]

The following tables provide an overview of collective bargaining coverage and employee representation across Hitachi Rail's workforce. They detail the percentage of employees covered by collective bargaining agreements, both within and outside the European Economic Area (EEA), as well as the share of employees represented by workers' representatives. This overview reflects Hitachi Rail's commitment to fair labor practices and structured social dialogue across its global operations:

Coverage of collective bargaining		
Category	**Total FY24**	**Total FY25**
Total number of employees covered [headcount]	11,816*	11,421
Number of employees [headcount]	20,475	21,355
Total number of employees covered [%]	57.7%	53.5%

* The FY24 total number of employees covered was revised from 11,815 to 11,816 following refinements to the calculation methodology and data collection process.

Coverage of collective bargaining and social dialogue FY24			
Coverage rate	**Collective bargaining coverage**		**Social dialogue**
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	**Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)**	**Workplace representation (EEA only) (for countries with >50 empl.)**
0-19%			
20-39%			
40-59%		United Kingdom	Italy*
60-79%			
80-100%	Italy, Germany		Germany

* The FY24 figure was restated from the 20–39% range to the 40–59% range following refinements to the calculation methodology and data collection process.

[16] ESRS mandates the request "Employees covered by workers' representatives [%]" only for the European Economic Area (EEA) countries. Therefore, only employees from these countries are considered for the rate calculation.

Coverage of collective bargaining and social dialogue FY25			
Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl.)
0-19%			
20-39%		United Kingdom	
40-59%			
60-79%			
80-100%	Italy, Germany		Italy, Germany

Coverage of social dialogue [EEA countries]		
Category	Total FY24*	Total FY25
Employees covered by workers' representatives [headcount]	7,680	10,745
Number of employees [headcount]	11,210	11,472
Employees covered by workers' representatives [%]	68.5%	93.7%

* The FY2024 figures were restated following refinements to the calculation methodology and data collection process. Employees covered by workers' representatives were revised from 8,401 to 7,680, the number of employees from 10,005 to 11,210, and the resulting coverage rate from 84.0% to 68.5%.

Coverage of collective bargaining [EEA countries]		
Category	Total FY24	Total FY25
Total number of employees covered [headcount]	9,640	9,893
Number of employees [headcount]	11,210	11,472
Total number of employees covered [%]	85.9%	86.2%

Coverage of collective bargaining [Italy]		
Category	Total FY24	Total FY25
Total number of employees covered [headcount]	4,776	4,891
Number of employees [headcount]	4,776	4,891
Total number of employees covered [%]	100%	100%

Coverage of collective bargaining [Germany]		
Category	Total FY24	Total FY25
Total number of employees covered [headcount]	1,896	2,011
Number of employees [headcount]	2,234*	2,331
Total number of employees covered [%]	84.9%*	86.3%

* The FY24 number of employees was restated from 2,291 to 2,234 following refinements to the calculation methodology and data collection process. As a result, FY24 coverage rate was restated from 82.8% to 84.9%.

Coverage of collective bargaining [EMEA - non EEA]		
Category	Total FY24*	Total FY25
Total number of employees covered [headcount]	1,910	1,257
Number of employees [headcount]	4,491	4,779
Total number of employees covered [%]	42.5%	26.3%

* The FY24 figures were restated following refinements to the calculation methodology and data collection process. The total number of employees covered was revised from 4 to 1,910 and the total number of employees from 949 to 4,491. Consequently, the coverage rate was revised from 0.4% to 42.5%.

Coverage of collective bargaining [United Kingdom]		
Category	Total FY24	Total FY25
Total number of employees covered [headcount]	1,799	1,116
Number of employees [headcount]	3,243	3,460
Total number of employees covered [%]	55.5%	32.2%

Coverage of collective bargaining [APAC]		
Category	**Total FY24**	**Total FY25**
Total number of employees covered [headcount]	93	77
Number of employees [headcount]	1,915	2,132
Total number of employees covered [%]	4.9%	3.6%

Coverage of collective bargaining [AMERICAS]		
Category	**Total FY24**	**Total FY25**
Total number of employees covered [headcount]	173	194
Number of employees [headcount]	2,859*	2,972
Total number of employees covered [%]	6.1%	6.5%

*The FY24 value was restated from 2,830 to 2,859 following refinements to the calculation methodology and data collection process.

Adequate wages

All employees within Hitachi Rail receive wages that meet or exceed the applicable adequate wage benchmark. The benchmark has been determined using recognized national and international sources, taking into consideration the geographical location of employees. For employees located within the European Union, adequacy has been assessed against the relevant national minimum wage statistics published by Eurostat, while for employees outside the European Union, the assessment has been based on internationally recognized wage benchmarks, including the International Labor Organization's Global Wage Report. Based on this assessment, no employees were identified as earning below the applicable adequate wage threshold during the reporting period.

Social protection

Social protection	FY25 - Employees
Countries where employees are not covered by social protection on occurrence of the following events:*	
Sickness	India.
Unemployment starting from when the employee is working for the undertaking	Egypt, Hong Kong, Hungary, India, Malaysia, Mexico, Panama, Saudi Arabia, Senegal, Singapore, UAE, UK.
Employment injury and acquired disability	UK.
Parental leave	India, Senegal, UK.
Retirement	Saudi Arabia, UAE.

*The listed countries represent jurisdictions in which social protection coverage for the respective event is either not applicable or does not cover the entire employee population.

Persons with disabilities

The following tables provide an overview of the representation of persons with disabilities within Hitachi Rail's workforce, subject to legal limitations on data collection. The data includes the percentage of employees with disabilities, broken down by gender, and is accompanied by contextual information explaining how the data was compiled and interpreted. This disclosure supports transparency and inclusivity in workforce reporting:

Persons with disabilities					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Employees with disabilities* [headcount]	255	110	-	-	**365**
Number of employees [headcount]	16,204	4,112	18	141	20,475
Percentage of employees with disabilities	**1.6%**	**2.7%**	**-**	**-**	**1.8%**

* UK data is not disclosed due to privacy reasons.

Persons with disabilities					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Employees with disabilities [headcount]	307	130	-	87*	**524**
Number of employees [headcount]	16,959	4,378	3	15	21,355
Percentage of employees with disabilities	**1.8%**	**3.0%**	**-**	**N/A****	**2.5%**

*Some data have been classified under this category due to privacy reasons.
**Some data have been classified under this category due to privacy reasons. Therefore, it is not possible to calculate a meaningful percentage.

Work-life balance

The following table presents key metrics related to family-related leave entitlements and usage within the Organization:

Work-life balance metrics					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Employees entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	14,275	3,641	14	4	**17,934**
Employees that took family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	843	327	-	-	**1,170**
Number of employees [headcount]	16,204	4,112	18	141	20,475
Share of employees entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [%]	88.1%	88.6%	77.8%	2.8%	**87.6%**
Share of employees that took family-related leave (parental leave, maternity leave, and paternity leave) [%]	5.2%	8%	-	-	**5.7%**

Work-life balance metrics					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Employees entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	16,755	4,298	3	15	**21,071**
Employees that took family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	1,291	842	-	158	**2,291**
Number of employees [headcount]	16,959	4,378	3	15	21,355
Share of employees entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [%]	98.8%	98.2%	100%	100%	**98.7%**
Share of employees that took family-related leave (parental leave, maternity leave, and paternity leave) [%]	7.6%	19.2%	0%	N/A*	**10.7%**

*Some data have been classified under this category due to privacy reasons. Therefore, it is not possible to calculate a meaningful percentage.

Incidents, complaints and severe human rights impacts

Hitachi Rail monitors workforce-related concerns through the case management system supporting the Hitachi Global Compliance Hotline and other available speak-up channels.

The data disclosed in this section reflects concerns reported and managed through the Organization's grievance and speak-up mechanisms during the reporting period. Reported concerns are recorded and monitored through dedicated issue categories covering workforce-related matters, including harassment and discrimination, as well as broader human rights-related concerns. During FY25, concerns reported through these mechanisms were assessed, investigated and managed in accordance with the Organization's established whistleblowing, compliance and labor relations processes. Where required, appropriate corrective and remedial actions were implemented in line with internal procedures and applicable legal requirements.

Incidents of discrimination, including harassment, reported in the reporting period (number)		
Fiscal Year	**FY24**	**FY25**
Total number of incidents of discrimination	**75**	**91**
of which harassment	66	80
Total number of closed cases	**63**	**80**
of which closed (substantiated or partially substantiated)	**38**	**31**
of which closed (not substantiated or dispositioned)	25	49
of which currently under investigation	12	11
Complaints filed through channels for Hitachi Rail's own workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for OECD Multinational Enterprises		
Total number of complaints filed by workers	**75**	**91**
of which: through the Organization's own channels	75	91
Identified cases of severe human rights incidents (e.g., forced labor, human trafficking or child labor)		
Number of severe human rights incidents	0	0
Total amount of fines, penalties and compensation for damages for the incidents described above		
The total amount of fines / penalties / compensation for the incidents during the reporting period	0	0

No severe human rights incidents relating to forced labor, human trafficking or child labor were identified within Hitachi Rail's own workforce during the reporting period. Furthermore, no fines, penalties or compensation payments relating to such incidents were reported or recorded during the reporting period.

3.1.2.2 Learning and career development

Annual performance review					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Executives [headcount]	130	19	-	-	**149**
Middle management [headcount]	1,354	291	-	1	**1,646**
White collars [headcount]	10,288	3,196	8	114	**13,606**
Blue collar [headcount]	4,184	499	10	26	**4,719**
Total [headcount]	**15,956**	**4,005**	**18**	**141**	**20,120**
Number of employees [headcount]	16,204	4,112	18	141	20,475
Percentage of employees that participated in career development reviews					
Executives [%]	0.8%	0.5%	0%	0%	0.7%
Middle management [%]	8.4%	7.1%	0%	0.7%	8.0%
White collars [%]	63.5%	77.7%	44.4%	80.9%	66.5%
Blue collar [%]	25.9%	12.1%	55.6%	18.4%	23.1%
Total [%]	**98.5%**	**97.4%**	**100%**	**100%**	**98.3%**

Annual performance review					
Category	Men	Women	Other	Not reported	Total FY25
Executives [headcount]	214	45	-	-	**259**
Middle management [headcount]	1,815	471	-	-	**2,286**
White collars [headcount]	9,440	3,055	1	3	**12,499**
Blue collar [headcount]	4,940	620	1	-	**5,561**
Total [headcount]	16,409	4,191	2	3	**20,605**
Number of employees [headcount]	16,959	4,378	3	15	**21,355**
Percentage of employees that participated in career development reviews					
Executives [%]	1,3%	1.0%	-	-	**1,2%**
Middle management [%]	10.7%	10.8%	-	-	**10.7%**
White collars [%]	55.7%	69.8%	33.3%	20.0%	**58.5%**
Blue collar [%]	29.1%	14.2%	33.3%	-	**26.0%**
Total [%]	**96.8%**	**95.7%**	**66.7%**	**20.0%**	**96.5%**

Average hours of training					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Executives [headcount]	13.3	19.4	-	-	**14.1**
Middle management [headcount]	11.3	10.9	-	3.5	**11.2**
White collars [headcount]	17.0	15.1	2.7	4.7	**16.4**
Blue collar [headcount]	5.9	5.5	0.0	0.6	**5.8**
Total [headcount]	**13.5**	**13.5**	**1.2**	**3.9**	**13.4**

Average hours of training					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Executives [headcount]	2.1	2.2	-	-	**2.2**
Middle management [headcount]	12.5	10.6	-	-	**12.1**
White collars [headcount]	21.0	18.8	38.1	66.9	**20.5**
Blue collar [headcount]	12.0	14.1	11.8	1.0	**12.2**
Total [headcount]	**17.1**	**17.0**	**29.3**	**36.1**	**17.1**

Distribution of training hours by training category [%]		
Category	**FY24**	**FY25**
Technical specialist	42.8%	52.1%
Language	4.4%	4.5%
Managerial	5.4%	13.3%
Environment	0.2%	0.1%
Health and Safety	19.1%	17.8%
Quality	8.5%	4.3%
Human Rights	2.2%	0.5%
Business Ethics\Ethical Aspects	11.5%	6.5%
Anti-corruption	0.6%	0.2%
Sustainability	0%	0.7%
Other	5.3%	-

3.1.2.3 Safety in the workplace

The following section presents data relating to health and safety within the Organization, both for employees and non-employees:

Health and safety - employees		
Category	**FY24**	**FY25**
Number of recordable work-related injuries	**101**	**113**
of which fatalities as a result of work-related injury	0	0
of which high-consequence work-related injuries (excluding fatalities)	1	1
of which lost time work-related injury	92	94
of which Medical Treatment and Restricted Work Case	8	18
Rate of recordable work-related accidents*	2.5	2.9
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	**2,216**	**2,789**
Number of near misses	**330**	**618**
Number of first-aid	**231**	**240**
Number of cases of recordable work-related ill health	**4**	**2**
Number of fatalities as a result of work-related ill health	**0**	**0**
Rate of employees covered by an occupational health and safety management system [%]	93.0	94.5
Health and safety - not employees (agency workers)		
Category	**FY24****	**FY25**
Number of recordable work-related injuries	**6**	**3**
of which fatalities as a result of work-related injury	0	0
of which high-consequence work-related injuries (excluding fatalities)	1	0
of which lost time work-related injury	5	1
of which Medical Treatment and Restricted Work Case	0	2
Rate of recordable work-related accidents	7.0	1.4
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	**-**	**2**
Rate of non employees covered by an occupational health and safety management system [%]	98.0	87.9

* This is calculated per 1,000,000 working hours
** The FY24 figures for the number of recordable work-related injuries and the rate of recordable work-related accidents were revised from 5 to 6 and from 5.8 to 7.0, respectively, following refinements to the data collection process.

3.1.2.4 Employee-related targets

Hitachi Rail recognizes employee wellbeing and engagement as fundamental drivers of long-term organizational success. In line with the BeWell Framework, the Diverse Perspectives Policy, the Respectful Workplace Policy and the Hitachi Group Code of Ethics and Business Conduct, the Organization has set targets aimed at fostering an engaged, inclusive and respectful workplace, strengthening employees' perceptions of its ethical and compliance culture, and supporting employee wellbeing and retention.

The targets are defined by the relevant corporate functions in alignment with the Organization's strategic priorities. Although employees and their representatives are not directly involved in determining the quantitative target levels, their views and feedback are taken into account in identifying workforce needs and defining related improvement actions. Their progress is monitored annually.

Employee engagement	2027 target
Base year: **N/A** FY2024 performance: **75.3** FY2025 performance: **76**	78

Ethical culture and compliance perceptions assessment	2027 target
Base year: **N/A** FY2024 performance: **76.9** FY2025 performance: **79.7**	82

3.1.2.5 Targets related to training and development

Hitachi Rail recognizes the pivotal role of training in fostering employee engagement and enhancing awareness across key topics. Through the implementation of targeted training programs and dedicated communication campaigns, Hitachi Rail aims to strengthen awareness across the whole Organization on Sustainability and Diverse Perspectives, Human Rights, and Ethics by FY27.

Employee awareness	Yearly target
Base year: **N/A** FY2024 performance: **Several training sessions completed** FY2025 performance: **Several training sessions completed**	**Increase employee's awareness on Sustainability, Diverse Perspectives, Ethics and Human Rights through training sessions and a communication campaign**

3.1.2.6 Health and safety targets

Employees' health and safety is fundamental to Hitachi Rail, which has set the following target:

Fatal accidents	Yearly target
Base year: **N/A** FY2024 performance: **0** FY2025 performance: **0**	Zero



Value chain workers and workers of operational control perimeter legal entities

3.2.1 Managing impacts, risks and opportunities relating to value chain workers and workers of operational control perimeter legal entities

Through the double materiality exercise, described in the chapter 1 General Information, Hitachi Rail was able to identify the following material impacts and risks and opportunities pertaining to workers of its value chain, including workers of operational control perimeter legal entities. The identified impacts on value chain workers are connected to the Organization's strategy and business model and are taken into consideration in their development and implementation. For the purpose of this document, Hitachi Rail defines value chain workers as individuals potentially impacted by the Organization both upstream and downstream (e.g., workers at suppliers and clients), as well as employees at its operational control perimeter sites in Japan, as outlined in the methodological introduction.

IRO Description	Business	Value chain	Time horizon	IRO type
Working conditions				
In the upstream value chain, such as during raw-material extraction and (semi)component production, workers may experience casual and unstable employment conditions, extended working hours, inadequate wages, limited collective bargaining coverage, and restricted ability to represent themselves due to the absence of works council. These factors significantly undermine upstream workers' wellbeing and work–life balance.	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to long term	Potential negative impact
In the conduction of activities such as the extraction of raw materials and the production of (semi)components, especially when considering sites located in lightly regulated regions, workers are subject to health and safety risks that lead to the occurrence of accidents such as injuries and/or fatalities.	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to medium term	Actual negative impact
Failure to ensure fair working conditions across the value chain (e.g., fair and adequate wages, working time quality, freedom of association) may expose the Group to liabilities, including regulatory fines, and reputational damage.	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to medium term	Risk
Poor safety standards may lead to legal consequences and higher insurance costs	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to medium term	Risk
Equal treatment and opportunities for all				
In the conduction of activities such as the extraction of raw materials and the production of (semi) components, particularly in lightly regulated regions and in contexts marked by weak personal and profession development and diversity policies, workers may be exposed to discrimination on various grounds (e.g., gender, race) and to episodes of physical, psychological, or verbal violence and harassment.	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to long term	Potential negative impact
Other work-related rights				
In the conduction of activities such as the extraction of raw materials and the production of (semi) components, especially in lightly regulated regions, there might be episodes of child labor and forced labor that violate the most basic human rights.	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to medium term	Potential negative impact
The use of the so-called conflict minerals (e.g., cobalt, copper, gold, graphite, iron, lead, lithium, nickel, silicon, silver, tantalum, tungsten, tin, and zinc) the majority of which are found in hotspot states perceived to be conflict affected and high-risk areas (CAHRAs) may entail child and forced labor.	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to medium term	Potential negative impact
Human rights violation, including child and forced labor, in the value chain may lead to severe legal and reputational consequences	Vehicles / Signaling and Rail Solutions	● ○ ○	Short to medium term	Risk
Risk of data breaches and privacy violations involving value chain workers' data, leading to potential non-compliance with GDPR and associated fines and penalties.	Vehicles / Signaling and Rail Solutions / Digital and AI	● ○ ○	Medium to long term	Risk

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

3.2.1.1 Policies for socially responsible value chain

To uphold human rights across its operations and throughout the value chain, Hitachi Rail has implemented a comprehensive set of policies that promote ethical conduct and responsible business practices. These policies are designed to ensure that all business partners and third parties engaging with the Organization adhere to its core values and commitment to respecting human rights and fair labor practices. Additionally, as outlined later in chapter 4 Governance information, Hitachi Rail conducts supplier evaluations that incorporate ESG factors, alongside ESG risk screening and due diligence, to further promote respect for human rights throughout its supply chain.

Human Rights Policy

Hitachi Rail is firmly committed to upholding internationally recognized human rights standards throughout its entire value chain. This commitment is embedded in the Human Rights Policy, which applies to all individuals engaged in the Business Unit's operations—including direct employees, contractors, workers employed by suppliers and business partners.

All stakeholders are expected to respect and promote human rights in line with international principles and frameworks. To ensure transparency and accountability, the Human Rights Policy is publicly accessible on the Organization's website. Further information on its key principles, reference standards, and the senior management role responsible for its implementation and oversight is provided in chapter 3.1.1.1 Policies for a thriving workplace.

Conflict Minerals Policy

Hitachi Rail is committed to responsible procurement practices that uphold human rights and ethical sourcing across its supply chain. In support of this commitment, the Organization has implemented a Business Unit-wide policy aimed at ensuring that the sourcing of materials containing conflict minerals and cobalt does not contribute to illegal activities or human rights violations, including risks associated with armed groups and child labor, as further outlined in section 2.4.1.1 Circular economy policies.

Recognizing the importance of addressing systemic risks such as modern slavery, particularly in regions with weaker human rights and labor standards, Hitachi Rail proactively identifies and mitigates these risks across its operations and supply chains. In jurisdictions where required by law, the Organization publishes annual Modern Slavery Statements outlining its efforts to combat forced labor and human trafficking.

The Organization's due diligence processes are aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and include enhanced assessments that take into account broader social risks and the responsibilities expected of companies operating in complex contexts.

Further details regarding the senior management function responsible for policy oversight, as well as the operational mechanisms in place to ensure compliance, are available in section 2.4.1 Management of impacts, risks and opportunities relating to resource use and circular economy.

Modern Slavery Policy

Hitachi Rail is committed to eradicating all forms of modern slavery, forced labor, and human trafficking across its global operations, while promoting the right to freedom of association, collective bargaining, and safe, healthy, and hygienic working conditions across all operations. Modern slavery—understood as the coercive exploitation of adults or children, often for labor or sexual purposes—is recognized as a serious human rights violation and criminal offence in many jurisdictions. In line with the Organization's Human Rights Policy, the use of forced labor is strictly prohibited.

Hitachi Rail is committed to fulfilling its responsibility to respect all internationally recognized human rights, as enshrined in the International Bill of Human Rights, and set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the Ten Principles of the United Nations Global Compact and the principles of Standard SA8000 (Social Accountability).

This policy applies globally to all legal entities and affiliates within the Business Unit and is binding on all personnel. Breaches may result in disciplinary action, including dismissal, and failure to report or cooperate in investigations may also lead to sanctions. The individual with the highest level of accountability for its implementation is Hitachi Rail's Chief Legal and Compliance Officer.

Hitachi Rail expects all business partners acting on its behalf to comply with relevant modern slavery legislation and to align with the Organization's values and standards. recognizing that partners may face risks within their own operations or supply chains, Hitachi Rail applies robust due diligence procedures to ensure compliance.

3.2.1.2 Efforts for a human centered value chain

Hitachi Rail engages with workers across the value chain either directly or through its Tier 1 suppliers, with the goal of ensuring that ethical standards, fair working conditions, and health and safety practices are upheld throughout its extended supply network. This is achieved through a combination of onboarding processes, contractual obligations, active engagement initiatives, and continuous monitoring mechanisms.

As part of supplier onboarding, as further detailed in the chapter 4.1.1.4 Management of relationships with suppliers, Hitachi Rail conducts comprehensive due diligence, including screening for sanctions, adverse media, and politically exposed persons, covering key individuals (e.g. directors, managers, beneficial owners, controlling shareholders). Additional requirements may be applied based on spend thresholds and supplier risk profiles. In the contractual phase, whenever feasible, clauses outlining suppliers' responsibilities—covering labor rights, HSE standards, and ethical conduct—are embedded in both framework agreements and individual purchase orders.

To further strengthen its supplier oversight, most suppliers undergo an annual sustainability risk screening by EcoVadis, which evaluates four key areas:

- Environment;
- Labor & Human Rights;
- Ethics;
- Sustainable Procurement.

In FY25, Hitachi Rail launched and completed a program of Workplace Conditions Assessments (WCAs) with three suppliers in Italy and Japan. The WCA evaluates supplier performance across five key areas: Labor, Wages & Hours, Health & Safety, Management Systems, and Environment.

Information on key suppliers gathered through Hitachi Rail's due diligence framework and activities is subject to annual review, ensuring alignment with current legal obligations, ethical principles and sustainability commitments.
The Chief Procurement Officer oversees the due diligence process and ensures that feedback from value chain workers is considered, with the support of the Head of HSE who ensures effective oversight of HSE issues across the stakeholder value chain

Engagement on Health and Safety

Hitachi Rail recognizes the strategic importance of value chain workers, particularly those employed by contractors and partners. As a result, the Organization integrates actual and potential impacts on these workers into the design and implementation of health and safety initiatives. Maintaining high safety standards is essential to mitigating legal, financial and reputational risks, as inadequate practices can lead to legal liabilities, financial penalties and increased insurance costs.

This active engagement and continuous development of suppliers, subcontractors and their workforce is fundamental to achieving Hitachi Rail's HSE performance objectives. Suppliers are regularly subject to HSE audits and inspections, conducted through the Organization's risk-based HSE Audit program, to ensure continuous compliance with corporate standards and regulations.

Workers across the value chain are also involved in HSE programs, including awareness campaigns, training sessions and performance monitoring that covers workplace risks, safety procedures and emergency protocols. Subcontractors are engaged through targeted communication initiatives, such as the Life Saving Rules, to reinforce shared responsibility for safe and ethical working conditions.

Hitachi Rail monitors program effectiveness using participation data and performance indicators, such as the Total Recordable Frequency Rate (TRFR), which includes both direct employees and contractor personnel.

In accordance with national legislation and international frameworks (e.g., European Health & Safety Directives), the Organization pays particular attention to the vulnerabilities of workers – both internal and across the value chain – linked to gender, age, and disability status. Suppliers and their workforce are informed about grievance mechanisms, including the SpeakUp platform, which provides a confidential channel for reporting concerns.

Hitachi Rail aligns with the Hitachi Group Human Rights Policy, grounded in the UN Guiding Principles on Business and Human Rights, and acknowledges its responsibility to provide or contribute to remedy where it has caused or contributed to material negative impacts on value chain workers. When such impacts are identified, the Organization supports legitimate remediation processes, either directly or in collaboration with relevant stakeholders. These may include corrective action plans with suppliers, follow-up assessments, and engagement through grievance mechanisms. The effectiveness of these actions is evaluated through ongoing human rights due diligence, supplier monitoring tools such as EcoVadis, and the tracking of outcomes related to specific incidents or audit findings. This ensures that remediation efforts are both implemented and assessed for their ability to prevent recurrence and address the concerns of affected workers.

In line with its commitment to open and constructive dialogue, Hitachi Rail engages with Health & Safety (H&S) trade unions and workers' representatives. No Global Framework Agreement with a Global Union Federation is currently in place. Depending on the country or project context, local H&S Committees may be established to facilitate communication, promote HSE improvements, and incorporate workers feedback.

To ensure accessibility and confidentiality, Hitachi Rail provides multiple grievance channels:

- An anonymous email address linked to the Code of Ethics, as part of the whistleblowing process;
- The SpeakUp platform, a secure and confidential tool available in multiple languages, enabling employees and value chain workers to report actual or suspected violations of laws, policies, or ethical standards.

These mechanisms are designed to ensure that all concerns—whether related to health and safety, human rights, or other material issues—are received, assessed, and addressed promptly and fairly. Value chain workers have the ability to report actual or suspected violations of laws, regulations, the Group Code of Ethics and Business Conduct, or Hitachi Rail's policies anonymously. The process includes clearly defined responsibilities for investigation, protections against retaliation supported by a dedicated policy, and follow-up actions to guarantee resolution. For more information on the grievance mechanism, please refer to chapter 4 Governance information.

Hitachi Rail communicates the availability of grievance mechanisms to suppliers and value chain partners through the Hitachi Group Code of Ethics and Business Conduct, which outlines expectations regarding ethical behavior, compliance, and the right to raise concerns. For further information on how Hitachi Rail communicates the availability of grievance mechanisms to its business partners, please refer to Chapter 4 "Governance Information", section "Code of Ethics and Business Conduct".

In FY25, Hitachi Rail also joined Railsponsible, a cross-industry initiative aimed at embedding sustainability into the heart of railway procurement. Through this platform, the Organization contributes to the development and implementation of forward-looking sustainability strategies and standards, addressing key challenges in the industry.

Hitachi Rail is dedicated to safeguarding the rights and well-being of all individuals working within its operations and across its entire value chain—both upstream and downstream. This commitment extends beyond its own workforce to include all workers engaged through suppliers, contractors, and other business partners.

To demonstrate this responsibility, Hitachi Rail has made the Hitachi Global Compliance Hotline accessible to all stakeholders, including workers in the value chain and third parties, other than its own workforce. For further details on the Hitachi Global Compliance Hotline, please refer to chapter 3.1. Own workforce.

Main actions	Timeframe	Status
HSE Contractor Management program	Medium term	Ongoing
Workplace Conditions Assessment	Short term	Completed

HSE Contractor Management program

Hitachi Rail has launched a comprehensive Contractor Management program to strengthen health, safety, and environmental (HSE) performance across its global operations. This Organization-wide initiative provides a structured framework to ensure consistent and effective contractor safety management at both industrial plants and project sites.

The program reflects the core principles of Hitachi Rail's HSE Policy, which affirms:

> It is our objective to see everybody return home every day without injury or illness.

> As a colleague or contractor, each of us has a responsibility to contribute at our individual level to creating a safe, healthy and sustainable working environment, putting people and the planet at the center of everything we do.

The program is global in scope and applies to both the BU's industrial plants and project sites. Designed with a three-year implementation horizon, the program is being progressively rolled out, with initial pilot training sessions completed in Italy and the United Kingdom. The first regional deployment is planned for the EMEA region – home to the majority of Hitachi Rail's plants and a high concentration of Signaling and Rail Solutions projects – where the initiative is expected to deliver the greatest impact on HSE performance due to the region's significant operational footprint.

The program is supported by dedicated operational expenditure (OpEX) across two fiscal years as follows:

- Investments for FY24 include Contractor Management Project design, material delivery and Train the Trainer delivery;
- Investments for FY25 include the implementation along the value chain and delivery of Training Contractor Management Program.

These investments reflect Hitachi Rail's commitment to embedding a culture of safety and accountability throughout its value chain.

The program's ultimate aim is to improve HSE performance across both Hitachi Rail and its contractors, raise internal awareness of contractor H&S responsibilities and reduce the **Total Recordable Injury Frequency Rate (TRIFR)**. The program will also help share tools, resources, and best practices with contractors to enhance working conditions for value chain workers. Furthermore, the program supports business continuity and operational excellence, while offering strategic advantages such as market differentiation and enhanced customer trust through demonstrable HSE leadership.

The program also supports the development of small and medium-sized enterprises (SMEs) by providing access to training, tools, and guidance. This helps build internal capabilities and align SME practices with Hitachi Rail's expectations.

The program's effectiveness will be monitored through specific HSE key performance indicators (KPIs), including the number of training sessions and workshops delivered, as well as TRIFR trends. These metrics will help track progress and ensure alignment with the Organization's broader HSE Strategy.

This program is supported by cross-functional collaboration across key areas of the business, including Supplier Qualification, Manufacturing, Project Management, Design, Construction, Procurement, and Human Resources. By combining performance oversight with capacity-building, Hitachi Rail aims to foster a safer, more resilient, and more sustainable value chain.

Workplace Conditions Assessment

The Workplace Conditions Assessment (WCA) is a social compliance and workplace sustainability audit framework developed by Intertek to assess whether suppliers and manufacturing facilities operate in accordance with internationally recognized labor, health and safety, environmental, and ethical business standards. The framework covers five mandatory pillars—Labor, Wages and Hours, Health & Safety, Management Systems, and Environment—together with an optional Business Practices module.

During FY25 Hitachi Rail conducted three assessments together with Intertek in Italy and in Japan, with the aim to identify any opportunities for improvement, share findings with suppliers and advise on corrective action plans. The purpose was to generate tangible benefits for both suppliers, by enhancing management practices, reducing operational and compliance risks, and improving workplace conditions and workers, supporting a safer, healthier, and more inclusive working environment.

Hitachi Rail also conducts extensive supplier evaluations considering ESG factors through the EcoVadis platform. For more details, please refer to the chapter 4.1.1.4 Management of relationships with suppliers".

3.2.2 Workers in the value chain and workers of operational control perimeter legal entities – metrics and targets

3.2.2.1 Metrics relating to value chain workers and workers of operational control perimeter legal entities

The following section presents data derived from the disclosure requirements for own workforce (ESRS S1), applied to the human capital data of the Japanese legal entities under operational control perimeter. As noted in Chapter 1 General Information, these Japanese sites are generally considered part of the business unit, regardless of the type of control. Since the ESRS requirements do not specify how to account for employees of legal entities under operational control perimeter, Hitachi Rail has voluntarily chosen to include this human resources data in this section of the Sustainability Statement. This decision underscores the Organization's commitment to transparency and to the well-being of its workforce.

Characteristics of the workforce

Characteristics of the undertaking's workers in the value chain – Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Employees - 'Operating control' with open-ended contracts [headcount]	2786	257	0	0	**3,043**
Employees- 'Operating control' with temporary contracts [headcount]	167	10	0	0	**177**
Non-guaranteed hours employees - 'Operating control' [headcount]	0	0	0	0	0
Total employees - 'Operating control' [headcount]	**2953**	**267**	**0**	**0**	**3,220**
Full-time employees - 'Operating control' [headcount]	2,920	264	0	0	**3,184**
Part-time employees - 'Operating control' [headcount]	33	3	0	0	**36**
Total employees - 'Operating control' [headcount]	**2,953**	**267**	**0**	**0**	**3,220**

Characteristics of the undertaking's workers in the value chain – Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Employees - 'Operating control' with open-ended contracts [headcount]	2,492	223	-	-	**2,715**
Employees- 'Operating control' with temporary contracts [headcount]	235	33	-	-	**268**
Non-guaranteed hours employees - 'Operating control' [headcount]	24	2	-	-	26
Total employees - 'Operating control' [headcount]	**2,751**	**258**	**-**	**-**	**3,009**
Full-time employees - 'Operating control' [headcount]	2,727	256	-	-	**2,983**
Part-time employees - 'Operating control' [headcount]	24	2	-	-	**26**
Total employees - 'Operating control' [headcount]	**2,751**	**258**	**-**	**-**	**3,009**

Gender distribution at top management levels & employees by age - Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Executives - Operating control [headcount]					
<30	0	0	0	0	**0**
30-50	4	0	0	0	**4**
>50	24	0	0	0	**24**
Total - Executives - 'Operating control'	**28**	0	0	0	**28**
Middle management - Operating control [headcount]					
<30	0	0	0	0	**0**
30-50	302	18	0	0	**320**
>50	383	8	0	0	**391**
Total - Middle Management - 'Operating control'	**685**	**26**	0	0	**711**
White collars - Operating control [headcount]					
<30	224	36	0	0	**260**
30-50	1032	109	0	0	**1,141**
>50	333	63	0	0	**396**
Total - White collars - 'Operating control'	**1,589**	**208**	0	0	**1,797**
Blue collars - Operating control [headcount]					
<30	100	2	0	0	**102**
30-50	342	12	0	0	**354**
>50	209	19	0	0	**228**
Total - Blue collars - 'Operating control'	**651**	**33**	0	0	**684**
TOTAL - Operating control [headcount]					
<30	324	38	0	0	**362**
30-50	1,680	139	0	0	**1,819**
>50	949	90	0	0	**1,039**
Total - 'Operating control'	**2,953**	**267**	0	0	**3,220**

Gender distribution at top management levels & employees by age - Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Executives - Operating control [headcount]					
<30	-	-	-	-	**-**
30-50	4	-	-	-	**4**
>50	22	-	-	-	**22**
Total - Executives - 'Operating control'	**26**	**-**	**-**	**-**	**26**
Middle management - Operating control [headcount]					
<30	-	-	-	-	**-**
30-50	262	12	-	-	**274**
>50	397	10	-	-	**407**
Total - Middle Management - 'Operating control'	**659**	**22**	**-**	**-**	**681**
White collars - Operating control [headcount]					
<30	212	32	-	-	**244**
30-50	670	100	-	-	**770**
>50	375	66	-	-	**441**
Total - White collars - 'Operating control'	**1,257**	**198**	**-**	**-**	**1,455**
Blue collars - Operating control [headcount]					
<30	159	2	-	-	161
30-50	396	10	-	-	406
>50	254	26	-	-	280
Total - Blue collars - 'Operating control'	**809**	**38**	**-**	**-**	**847**
TOTAL - Operating control [headcount]					
<30	**371**	**34**	-	-	**405**
30-50	**1,332**	**122**	-	-	**1,454**
>50	**1,048**	**102**	-	-	**1,150**
Total - 'Operating control'	**2,751**	**258**	**-**	**-**	**3,009**

Gender distribution at top management levels & employees by age - Operating control FY24					
Category	Men	Women	Other	Not reported	Total FY24
Executives - 'Operating control' [%]					
<30	-	-	-	-	-
30-50	14.29%	-		-	14.2%
>50	85.71%	-	-	-	85.71%
Middle management - Operating control [%]					
<30	-	-	-		-
30-50	44.09%	69.23%	-	-	45.01%
>50	55.91%	30.77%	-	-	54.99%
White collars - Operating control [%]					
<30	14.10%	17.31%	-	-	14.47%
30-50	64.95%	52.40%	-	-	63.49%
>50	20.96%	30.29%	-	-	22.04%
Blue collars - Operating control [%]					
<30	15.36%	6.06%	-	-	14.91%
30-50	52.53%	36.36%	-	-	51.75%
>50	32.10%	57.58%	-	-	33.33%
TOTAL - Operating control [%]					
<30	10.97%	14.23%	-	-	11.24%
30-50	56.89%	52.06%	-	-	56.49%
>50	32.14%	33.71%	-	-	32.27%

Gender distribution at top management levels & employees by age - Operating control FY25					
Category	Men	Women	Other	Not reported	Total FY25
Executives - 'Operating control' [%]					
<30	-	-	-	-	-
30-50	15.4%	-	-	-	15.4%
>50	84.6%	-	-	-	84.6%
Middle management - Operating control [%]					
<30	-	-	-	-	-
30-50	39.8%	54.5%	-	-	40.2%
>50	60.2%	45.5%	-	-	59.8%
White collars - Operating control [%]					
<30	16.9%	16.2%	-	-	16.8%
30-50	53.3%	50.5%	-	-	52.9%
>50	29.8%	33.3%	-	-	30.3%
Blue collars - Operating control [%]					
<30	19.7%	5.3%	-	-	19.0%
30-50	48.9%	26.3%	-	-	47.9%
>50	31.4%	68.4%	-	-	33.1%
TOTAL - Operating control [%]					
<30	13.5%	13.2%	-	-	13.5%
30-50	48.4%	47.3%	-	-	48.3%
>50	38.1%	39.5%	-	-	38.2%

General

Environment

Social

Governance

Characteristics of the undertaking's workers in the value chain – Operating Control		
Category	**Total FY24**	**Total FY25**
Non-employees - 'Operating control' [headcount]	521	539

Collective bargaining agreements and social dialogue

Coverage of collective bargaining - Operating Control		
Category	**Total FY24**	**Total FY25**
Total Number of employees - 'Operating control' covered [headcount]	3,220	1,871
Number of employees - 'Operating control' [headcount]	3,220	3,009
Total Number of employees - 'Operating control' covered [%]	100%	62.2%

Coverage of social dialogue - Operating Control		
Category	**Total FY24**	**Total FY25**
Total Number of employees - 'Operating control' covered [headcount]	3,220	1,871
Number of employees - 'Operating control' [headcount]	3,220	3,009
Total Number of employees - 'Operating control' covered [%]	100%	62.2%

Adequate wages

All employees within the Japanese legal entities under operational control perimeter are paid at or above the applicable adequate wage benchmark. As a result, no employees were identified as earning below the relevant adequate wage threshold during the reporting period. In particular, for these employees, the assessment has been based on the International Labor Organization's Global Wage Report, the benchmark used as a reference for employees located outside the European Union.

Social protection

Hitachi Rail ensures that all employees working within entities under its operational control perimeter are covered by social protection, either through public programs or benefits offered. These arrangements are designed to protect employees against loss of income arising from significant life events, including sickness, unemployment starting from when the employee begins working for the undertaking, employment injury and acquired disability, parental leave, and retirement.

Persons with disabilities

Persons with disabilities – Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Employees - 'Operating control' with disabilities [headcount]	0	0	0	0	**0**
Number of employees - 'Operating control' [headcount]	2953	267	0	0	**3,220**
Percentage of employees - 'Operating control' with disabilities	0.00%	0.00%	0.00%	0.00%	0.00%

Persons with disabilities – Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Employees - 'Operating control' with disabilities [headcount]	32	13	-	-	**45**
Number of employees - 'Operating control' [headcount]	2,751	258	-	-	**3,009**
Percentage of employees - 'Operating control' with disabilities	1.16%	5.04%	-	-	**1.50%**

Work-life balance metrics

Work-life balance metrics – Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Employees - 'Operating control' entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	**2,953**	**267**	**0**	**0**	**3,220**
Employees - 'Operating control' that took family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	**69**	**12**	**0**	**0**	**81**
Number of employees - 'Operating control' [headcount]	2,953	267	0	0	3,220
Share of employees - 'Operating control' entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [%]	**100%**	**100%**	**-**	**-**	**100%**
Share of employees - 'Operating control' that took family-related leave (parental leave, maternity leave, and paternity leave) [%]	**2.34%**	**4.49%**	**-**	**-**	**2.5%**

Work-life balance metrics – Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Employees - 'Operating control' entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	**2,751**	**258**	**-**	**-**	**3,009**
Employees - 'Operating control' that took family-related leave (parental leave, maternity leave, and paternity leave) [headcount]	**73**	**17**	**-**	**-**	**90**
Number of employees - 'Operating control' [headcount]	2,751	258	-	-	**3,009**
Share of employees - 'Operating control' entitled to take family-related leave (parental leave, maternity leave, and paternity leave) [%]	**100%**	**100%**	-	-	100%
Share of employees - 'Operating control' that took family-related leave (parental leave, maternity leave, and paternity leave) [%]	**2.7%**	**6.6%**	-	-	**3.0%**

Learning and Career Development

Annual performance review - Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Executives - 'Operating control'	28	-	-	-	**28**
Middle management - 'Operating control'	685	26	-	-	**711**
White collars - 'Operating control'	1,515	177	-	-	**1,692**
Blue collar - 'Operating control'	564	28	-	-	**592**
Total - 'Operating control'	**2,792**	**231**	**-**	**-**	**3,023**
Number of employees [headcount]	2,953	267	-	-	**3,220**
Percentage of employees that participated in career development reviews – Operating Control					
Executives - 'Operating control'	0.95%	0	-	-	0.87%
Middle management - 'Operating control'	23.2%	9.8%	-	-	22.1%
White collars - 'Operating control'	51.3%	66.3%	-	-	52.6%
Blue collar - 'Operating control'	19.1%	10.5%	-	-	18.4%
Total	**94.6%**	**86.5%**	**-**	**-**	**93.9%**

Annual performance review - Operating Control					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Executives - 'Operating control'	26	-	-	-	**26**
Middle management - 'Operating control'	659	22	-	-	**681**
White collars - 'Operating control'	1,257	198	-	-	**1,455**
Blue collar - 'Operating control'	809	38	-	-	**847**
Total - 'Operating control'	**2,751**	**258**	**-**	**-**	**3,009**
Number of employees [headcount]	2,751	258	-	-	**3,009**
Percentage of employees that participated in career development reviews – Operating Control					
Executives - 'Operating control'	0.9%	-	-	-	0.9%
Middle management - 'Operating control'	24.0%	8.5%	-	-	22.6%
White collars - 'Operating control'	45.7%	76.7%	-	-	48.4%
Blue collar - 'Operating control'	29.4%	14.7%	-	-	28.1%
Total	**100%**	**100%**	**-**	**-**	**100%**

Average hours of training FY24					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY24**
Executives	1	-	-	-	1
Middle managers	21	23	-	-	21
Other White Collars	32	40	-	-	33
Blue collars	33	35	-	-	34
Total	30	38	-	-	30

Average hours of training FY25					
Category	**Men**	**Women**	**Other**	**Not reported**	**Total FY25**
Executives	2	-	-	-	2
Middle managers	14	21	-	-	14
Other White Collars	41	48	-	-	42
Blue collars	29	12	-	-	28
Total	30	40	-	-	31



HEALTH AND SAFETY - EMPLOYEES - Operational Control Perimeter Sites	FY24	FY25
Number of recordable work-related injuries	**6**	**4**
of which fatalities as a result of work-related injury	0	0
of which high-consequence work-related injuries (excluding fatalities)	0	0
of which lost time work-related injury	3	0
of which Medical Treatment and Restricted Work Case	3	4
Rate of recordable work-related accidents	**1.0**	**0.7**
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	**289**	**0**
Number of near misses	**140**	**232**
Number of first-aid	**3**	**0**
Number of cases of recordable work-related ill health	**0**	**0**
Number of fatalities as a result of work-related ill health	**0**	**0**
Rate of employees covered by an occupational health and safety management system [%]	**92.4**	**100**

HEALTH AND SAFETY - NOT EMPLOYEES - Operational Control Perimeter Sites	FY24	FY25
Number of recordable work-related injuries	**0**	**1**
of which fatalities as a result of work-related injury	0	0
of which high-consequence work-related injuries (excluding fatalities)	0	0
of which lost time work-related injury	0	0
of which Medical Treatment and Restricted Work Case	0	1
Rate of recordable work-related accidents	**0**	**1.0**
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	**-**	**0**
Number of fatalities as a result of work-related ill health	**-**	**0**
Rate of non employees covered by an occupational health and safety management system [%]	**100**	**100**

HEALTH AND SAFETY - CONTRACTORS	FY24	FY25
Number of recordable work-related injuries	**59**	**73**
of which fatalities as a result of work-related injury	-	0
of which high-consequence work-related injuries (excluding fatalities)	1	0
of which lost time work-related injury	51	54
of which Medical Treatment and Restricted Work Case	7	19
Rate of recordable work-related accidents	**4.5**	**3.9**
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	**-**	**1,812**
Number of fatalities as a result of work-related ill health	**-**	**0**
Number of contractors covered by an occupational health and safety management system	**5,415**	**9,548**

3.2.2.2 Targets relating to value chain workers and workers of operational control perimeter legal entities

At this stage, the Organization has not yet set measurable targets specifically addressing the impacts and risks relating to workers of its value chain. However, Hitachi Rail remains committed to monitoring the effectiveness of its actions to ensure that material impacts and risks are appropriately managed, in line with due diligence processes and policy commitments.

Customers

3.3.1 Management of impacts, risks and opportunities relating to customers

Material impacts and risks related to customers and end-users have been identified in accordance with the process described in chapter 1 General information, and are summarized in the table below:

IRO Description	Business	Value chain	Time horizon	IRO type
Personal safety of consumers and/or end-users – Security of person				
Hitachi Rail invests in enhancing the safety of its trains and systems capable of handling traffic data from railway infrastructure. The proper functioning of its products and systems ensures the proper functioning of international traffic and prevents malicious incidents or accidents that could endanger the safety of the rail network and people.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ○ ●	Medium to long term	Actual positive impact
Ensuring high standards of product and service safety and quality, supported by transparent communication, can strengthen client trust and foster long-term brand loyalty.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ○ ●	Short to medium term	Opportunity
Information-related impacts for consumers and/or end-users - Privacy				
The failure to guarantee data protection of consumers and end users may result reputational damage and regulatory fines.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ○ ●	Short to medium term	Risk

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

The consumers and end-users primarily include passengers, railway operators and other users of railway transportation systems that rely on Hitachi Rail's vehicles, Signaling and Rail Solutions (SRS) and digital mobility solutions. These stakeholders are dependent on the safe and reliable performance of such systems, as well as on accurate and accessible service-related information, to ensure the safe use of railway infrastructure and services.

Such contribution is generated through the design, development, deployment and operation of trains, Signaling and Rail Solutions (SRS) and digital solutions that support the safe and efficient management of railway traffic and infrastructure, thereby enhancing safety and reliability for passengers, railway operators and other end-users across the rail network.

3.3.1.1 Customer-related policies

Hitachi Rail has adopted policies and management systems that support the efficient management of impacts and risks pertaining to customers, consumers and end-users. These policies contribute to embedding safety, product quality, information security and reliability principles across the Organization and across the lifecycle of products, systems and services.

Quality and Product Safety Policy

Hitachi Rail's Quality and Product Safety Policy aims to ensure that products, systems and services consistently meet customer expectations and applicable requirements across the entire lifecycle. The policy supports a customer-focused approach by addressing technical, operational, economic and scheduling requirements while contributing to the reliability and performance of railway transportation solutions.

The policy applies across all Business Units and is available to employees through the Organization's intranet platform. It establishes a clear hierarchy of priorities that guides decision-making and operational activities throughout the Organization:

Safety (S) – ensuring the protection of all individuals involved;
Quality (Q) – delivering products and services that meet the required standards;
Delivery (D) – ensuring timely completion of commitments;
Cost (C) – maintaining cost-effectiveness without compromising the priorities above.

To operationalize these principles, Hitachi Rail has implemented a Quality Management System fully integrated into its Global Business Management System (GBMS). This system reflects the Organization's commitment to innovation and digitalization, enhancing product and service quality across the value chain.

The policy contributes to the Organization's commitment to enhancing the safety and reliability of its trains, Signaling and Rail Solutions (SRS) and digital solutions. Through these activities, Hitachi Rail supports the efficient functioning of railway infrastructure and traffic management systems, helping to reduce the likelihood of accidents, disruptions and malicious incidents that may affect railway operations and their users. Implementation of the policy is overseen by the Chief Safety, Health, Environment & Quality Officer, who holds ultimate

responsibility for its execution. All employees and managers are expected to support the policy and perform their activities in accordance with the established principles, as far as reasonably practicable.

Recognizing the importance of people engagement and collaboration, Hitachi Rail promotes a culture of accountability and operational excellence through appropriate leadership behaviors, a First Time Right approach and continuous training initiatives. The Organization also engages relevant stakeholders, including suppliers, to facilitate hazard reporting and promote awareness of quality and safety objectives.

Customer satisfaction is monitored regularly to identify opportunities for improvement and strengthen overall service performance. Compliance with the policy is supported through adherence to applicable legal obligations, corporate strategic guidelines, internal requirements and relevant national and international standards. The policy is subject to periodic review to ensure its continued effectiveness and alignment with regulatory and Organizational requirements.

Information Security Policy

Hitachi Rail is committed to delivering safe, effective, high-quality and fit-for-purpose systems, products and services to customers, in compliance with applicable laws, international and national standards and recognized good practices. To support this commitment, the Organization has implemented an Information Security Management System (ISMS) within its Global Business Management System (GBMS), in accordance with the requirements of the ISO/IEC 27001 standard.

The Information Security Policy applies across all Business Units and is maintained at corporate level. The policy is communicated to relevant stakeholders and aligned with Hitachi Rail's broader policies, standards and governance framework. It is available to employees through the Organization's intranet platform.

Through the implementation of the Information Security Policy and the ISMS, Hitachi Rail seeks to protect the confidentiality, integrity and availability of information and digital assets, strengthening the resilience of its operational and information systems. In doing so, the Organization supports the secure and reliable operation of railway infrastructure and mobility solutions, helping to mitigate cybersecurity threats and reduce the risk of incidents that could adversely affect customers, end-users and railway operations.

Responsibility for the implementation of the policy lies with the Group Chief Information Officer. At the same time, all employees and managers are expected to contribute to the effectiveness of the Information Security Management System by carrying out their activities in accordance with the established information security principles.

The policy is regularly monitored and updated, where necessary, to ensure continued compliance with evolving regulatory requirements, security risks and business needs.

Information Security Objectives Policy

The Information Security Objectives Policy sets out the overall information security objectives to be globally pursued by Hitachi Rail, independently from the specific enterprise process or information system. It supports the management of information security and cybersecurity risks, including risks that could affect the confidentiality, integrity and availability of information relevant to customers and end-users.

This policy is designed to align with the regulatory and legislative requirements, as well as the ISF Standard of Good Practice for Information Security, ISO/IEC 27001 and the NIST Cybersecurity Framework.

The policy applies to all Business Unit's employees, agents, contractors, consultants, suppliers, service providers, system owners and business partners involved in managing, or able to influence, the information security of IT assets. Accordingly, the policy applies not only to Hitachi Rail's workforce but also to relevant external stakeholders involved in the management or protection of information assets.

Hitachi Rail's Chief Information Security Officer (CISO) is responsible for defining and enforcing the Information Security Objectives in accordance with Hitachi Rail Corporate and Business strategies, policies and standards. This includes communicating and sharing with all the relevant functions and levels. The CISO is the most senior level accountable for the implementation of the policy. All other functions are responsible, within the scope of their assigned duties, for operating in accordance with the defined Information Security Objectives.

The policy is maintained at corporate level and communicated to relevant stakeholders. It is made available through the Organization's intranet platform and supports the consistent application of information security principles across the Organization.

The policy is subject to regular monitoring and review to ensure continued alignment with regulatory requirements, corporate standards and evolving information security needs.

Through its implementation, the policy contributes to the protection of information assets and supports the secure management of information relevant to customers and end-users.

3.3.1.2 Efforts for a customer oriented organization

Through its Vehicles, Signaling and Rail Solutions and Digital & AI portfolios, Hitachi Rail develops products, systems and technologies designed to support safe, reliable, connected and passenger-centric mobility systems. These solutions help railway operators address evolving expectations relating to safety, service continuity, operational resilience, comfort, accessibility, security and the availability of timely service-related information.

Safety considerations are embedded throughout the lifecycle of Hitachi Rail's products and systems, from design and development to testing, certification, operation and maintenance. Across its businesses, the Organization applies structured safety management processes aimed at identifying potential hazards, assessing associated risks and implementing mitigation measures to achieve acceptable safety levels in accordance with applicable regulatory and industry requirements. Safety-related requirements are incorporated into product design and subsequently verified and validated through dedicated testing activities, including testing under degraded operating conditions where relevant.

To support the robustness of these processes, Hitachi Rail maintains organizational separation between design, assessment and validation activities. Independent functions provide oversight of safety-related decisions and challenge design assumptions, while verification and testing activities are performed through dedicated processes designed to ensure objectivity and traceability. Where required by the applicable regulatory

framework, external independent assessors and authorities may also be involved in reviewing safety documentation and validating safety-related conclusions.

Hitachi Rail operates across multiple regulatory and market environments, including mainline rail, high-speed rail, metro and tram systems in Europe and internationally. Within the Vehicles business, safety activities are guided by the relevant Technical Specifications for Interoperability (TSIs) and by internationally recognized RAMS principles, covering reliability, availability, maintainability and safety. Vehicle safety is supported by a range of safety-critical systems designed to monitor and protect train operation, including onboard signaling systems, speed protection systems, blocked-axle detection, hotbox detection and fire protection systems. In parallel, maintenance plans and lifecycle management requirements are established to preserve vehicle performance and conformity with the original safety assessment throughout the asset's operational life.

Within the Signaling and Rail Solutions business, safety-by-design principles are embedded into signaling, rail control and traffic management technologies. These include fail-safe architectures, checked redundancy mechanisms and safe software design practices, supported by independent verification and validation activities and compliance with industry standards such as EN 50129 and other CENELEC-based requirements. Safety-related systems are not placed into revenue service without the required certification, and operational decisions are based on deterministic and validated scenarios designed to maintain safe railway operations under both normal and degraded conditions.

The Signaling and Rail Solutions portfolio includes technologies such as Communication-Based Train Control (CBTC), interlockings, traffic management systems, ETCS-compatible solutions, wayside equipment and safety-critical components supporting train separation, route setting, monitoring and the safe control of railway operations. The business also leverages safety-critical platforms, which support the consistent implementation of monitoring, redundancy and safety functions across multiple applications. Innovation activities include the migration of selected platforms from cabinet-based hardware to server and cloud-based environments, as well as the deployment of centralised monitoring capabilities and advanced automation features in driverless metro operations.

In parallel, Hitachi Rail continues to enhance its Digital & AI portfolio through solutions designed to support real-time operational supervision, intelligent incident management and data-driven decision-making. These technologies enable railway operators to access operational insights across networks and assets, supporting faster response to operational events, improved service reliability and more informed management of railway operations. By combining operational data, advanced analytics and digital capabilities, these solutions contribute to enhancing the overall travel experience and service continuity for passengers and other end-users.

These technologies are designed to identify potential equipment degradation before service disruption occurs, enabling more targeted maintenance interventions and supporting enhanced reliability, operational resilience and service continuity. Applications include monitoring solutions for components such as bearings, doors and pantographs in rolling stock, as well as diagnostic tools supporting corrective, preventive and predictive maintenance activities across signaling and rail control systems.

To complement these technical measures, Hitachi Rail works closely with customers throughout the lifecycle of projects. Collaboration activities include the collection of operational requirements during project definition, customer participation in testing and acceptance activities, trial operations prior to revenue service and ongoing maintenance and support arrangements. These interactions contribute to ensuring that products and services continue to meet customer needs while supporting the safe and reliable operation of railway transportation systems.

Customer Satisfaction Survey

The processes governing customer engagement activities aimed at understanding customer needs, expectations, and satisfaction levels are defined within the following processes:

- Sales, with specific reference to the Scouting Sales Opportunities activity;
- Customer Satisfaction, through customer satisfaction surveys.

Hitachi Rail has implemented a Customer Satisfaction process that describes the rules for defining the yearly Customer Satisfaction Survey strategy, submitting questionnaires, analyzing results and managing possible complaints received. Customer satisfaction surveys are conducted on an annual basis by Project Management and / or Quality Assurance teams, who engage in detailed interviews to gather customer feedback.

In addition to surveys, a dedicated section of the Hitachi Rail Global Hotline is available for submitting concerns relating to product and service quality. This independent and confidential reporting platform supports the collection of concerns that may be relevant to customers, consumers and end-users.

Customer engagement on technical safety topics occurs through project-specific interactions, including customer inputs during project definition, joint hazard identification, involvement in testing and acceptance processes, and feedback loops during operation.

3.3.1.3 Continuous improvement, complaint management and remediation

Continuous improvement process

To further enhance responsiveness to customer needs, Hitachi Rail has developed a harmonized Customer Satisfaction process, incorporating best practices from legacy processes and applicable from 1 April 2026 onwards. The process establishes a common framework for managing customer feedback and complaints and includes specific mechanisms to monitor responsiveness to customer needs and concerns through customer satisfaction surveys.

Complaint management and remediation

During FY25, a total of 45 complaints were received across Signaling & Rail Solutions and Vehicles projects. Complaint-related activities, including complaint registration, progress monitoring and resolution management, were handled through different tools and stakeholders, reflecting legacy processes. Nevertheless, common principles were applied across the Organization to ensure the traceability of formal complaints and systematic monitoring throughout the complaint lifecycle, from acknowledgement and action plan definition to customer acceptance and implementation of agreed corrective actions.

To support a more structured and consistent approach, project-related complaints are managed through the EcoOnline software platform, enabling timely handling, monitoring and follow-up of

customer concerns while enhancing transparency and accountability.

Safety incident management is supported by formal processes covering detection, investigation, root-cause analysis, corrective actions and lessons learned. RAMS functions drive internal follow-up on safety-related incidents, while quality functions manage formal customer feedback and acceptance processes. Hitachi Rail monitors global safety-impacting incidents across products as a high-level performance indicator of safety effectiveness.

Where safety issues are identified within Hitachi Rail's system boundary, corrective measures are defined to eliminate root causes and improve internal engineering and process activities. Lessons learned are therefore used to strengthen future product development, testing, maintenance and operational practices.

Reporting channels and protection of complainants

Hitachi Rail maintains grievance and reporting mechanisms through which customers, consumers and end-users can raise concerns or report issues. Policies are in place to protect individuals from retaliation and to ensure that all reports are handled confidentially and in accordance with applicable privacy and data protection requirements. Anonymous reporting channels are also available where appropriate.

As part of these arrangements, the Hitachi Rail Global Hotline includes a dedicated channel for concerns relating to product and service quality. The platform allows individuals to submit concerns, including anonymously where appropriate, thereby promoting transparency, accountability and impartial handling of reports. Further information on the available reporting channels is provided in the Hitachi Group Code of Ethics and Business Conduct and in chapter 3.1.1.4 Efforts for a positive work environment.

Please, refer to chapter 4.1 Business conduct for additional information on the grievance mechanisms available to consumers and end-users, including the Global Hotline, and on the policies in place to protect reporting individuals from retaliation.

3.3.1.4 Taking action on material impacts on customers, consumers and end-users

Hitachi Rail implements targeted actions aimed at strengthening trust and satisfaction among customers and end-users, with the dual objective of enhancing product and service quality and addressing potential adverse impacts.

Main Actions	Timeframe	Status
Cybersecurity business process	Short term	Completed
Ensuring functional safety for consumers and end users	Short/medium term	Ongoing

Cybersecurity business process

To address the material impacts, risks and opportunities relating to consumers and end-users, Hitachi Rail has established a Cybersecurity Process aligned with internationally recognized standards, including IEC 62443 and TS 50701. The process is currently being revised to incorporate lessons learned from GTS integration activities and to ensure consistent applicability across Hitachi Rail's Business Area.

The process applies to Signaling Generic Products (GP), Generic Applications (GA), Specific Applications (SA), Telecommunication systems, SCADA and other Industrial Control System (ICS) technologies, as well as Turnkey Systems developed by Hitachi Rail. It is implemented across projects and customer environments and applies to both internally developed and third-party technologies. Its objective is to protect the confidentiality, integrity and availability of customer data, information and systems, thereby supporting the secure and reliable operation of railway infrastructure and services.

The Cybersecurity Process is embedded across the Organization through a structured governance framework and a systematic approach to cybersecurity risk management. Cybersecurity awareness is promoted across relevant business functions and extended, where applicable, to customer environments.

The process consists of a structured set of activities covering the entire lifecycle of products, applications and systems. Key activities include:

- Definition of the Cybersecurity Strategy based on applicable legislation, international standards, customer requirements and project-specific risks;
- Development of Cybersecurity Management Plans;
- Cybersecurity risk assessment and design activities for Generic Products (GP) and Generic Applications (GA);
- Cybersecurity risk assessment and design activities for Specific Applications (SA);
- System and subsystem cybersecurity assessments, including ICS technologies, to demonstrate achievement of tolerable risk levels;
- Security testing and continuous enhancement, including vulnerability assessments and penetration testing and patch management processes execution;
- Operational recommendations and operation and maintenance guidelines supporting secure service delivery.

In addition, the process includes cybersecurity risk management throughout the project lifecycle, design activities aimed at protecting customer information, data and infrastructure, testing and commissioning activities supporting the implementation of cybersecurity technologies within customer environments, and ongoing support during revenue service operations.

This initiative contributes to the prevention and mitigation of material impacts on consumers and end-users by strengthening the cybersecurity resilience of Signaling systems, railway infrastructure and operational technologies. Through the identification, assessment and treatment of cybersecurity risks, it supports the protection of critical systems, customer information and operational data, helping to maintain the safety, reliability and continuity of railway services.

Where cybersecurity incidents occur, Hitachi Rail relies on dedicated incident response capabilities through its Product Incident Response Team (PIRT). Dedicated resources are responsible for managing cybersecurity events affecting customer environments, supporting the identification, containment, mitigation and resolution of incidents. Lessons learned from incident management activities are incorporated into cybersecurity controls and practices to strengthen future resilience and consumer protection.

During FY25, the process remained operational while several enhancement initiatives were underway. These include:

- Harmonization with GTS cybersecurity policies and procedures;
- Integration of Incident Management requirements in line with the NIS 2 Directive;
- Integration of Vulnerability Management requirements in line with the NIS 2 Directive and the Cyber Resilience Act (CRA);
- Further development of Cybersecurity Supply Chain Management capabilities to strengthen the monitoring and management of cybersecurity dependencies across suppliers and partners.

These actions support the mitigation of material risks arising from impacts and dependencies related to consumers and end-users. In parallel, Quality, Supply Chain, Procurement and Cybersecurity functions are jointly defining enhanced requirements for Cybersecurity Supply Chain Management, with the objective of strengthening the security and resilience of products and services delivered to customers and end-users.

The action is expected to continue over the short term, with the planned enhancement initiatives scheduled for implementation within the next year.

Ensuring functional safety for consumers and end users

To address the material positive impact relating to the personal safety of consumers and end-users, Hitachi Rail implements a Functional Safety framework across its railway systems, products and projects. The framework aims to ensure that safety-critical products and technologies are developed, validated, operated and maintained in a manner that supports the safe and reliable operation of railway transportation systems.

The framework is implemented through dedicated RAMS functions within each Line of Business and is aligned with internationally recognized railway standards, including EN 50126, EN 50657 and EN 50129. These functions oversee safety-related activities throughout the lifecycle of products and systems, ensuring that safety requirements are systematically assessed, implemented and verified.

Within the Vehicles business, the action supports the safe operation of rolling stock through the implementation of safety-critical functions and lifecycle controls designed to maintain conformity with safety requirements throughout the operational life of the asset.

Within the Signaling and Rail Solutions business, the action is implemented through fail-safe architectures, checked redundancy mechanisms and safe software design practices embedded in signaling, rail control and traffic management solutions.

The action is supported by condition-monitoring and maintenance optimization tools that contribute to sustaining safety performance throughout the operational lifecycle of products and systems.

Through the implementation of this action, Hitachi Rail seeks to prevent accidents and hazardous events that may affect passengers, operators, maintenance personnel and other end-users, thereby contributing to the safety, reliability and resilience of railway transportation systems.

3.3.2 Customers – metrics and targets

3.3.2.1 Customer-related targets

Hitachi Rail has not yet set measurable, outcome-oriented targets to address customer-related impacts and risks. Despite this, the Organization regularly monitors the effectiveness of its actions aimed at fostering and maintaining a customer-centric Organization, where customers' perspectives are actively sought and integrated into the decision-making process. This helps support Hitachi Rail in identifying areas for improvement and aligning its practices with stakeholder expectations.

Governance information



In this section

4.1 Business conduct 113

Business Conduct

4.1.1 Management of impacts, risks and opportunities relating to business conduct

The following impacts and risks were deemed as relevant for Hitachi Rail based on the double materiality analysis described in chapter 1 General information.

IRO Description	Business	Value chain	Time horizon	IRO type
Corporate culture				
Through a comprehensive set of policies (e.g., Anti-Bribery, Anti-Corruption, Fair Competition, and Anti-Money Laundering policies), Hitachi Rail fosters responsible, ethical, and transparent business conduct, positively impacting employees and its business relationships with actors across its upstream and downstream value chain.	Vehicles / Signaling and Rail Solutions / Digital and AI	○ ● ○	Short to medium term	Actual positive Impact
Corruption and Bribery - Incidents				
Failure to implement legally required corruption-prevention measures may result in corruption incidents, leading to legal consequences and reputational damage.	Vehicles / Signaling and Rail Solutions	○ ● ○	Short to medium term	Risk
Hitachi Rail, when carrying out its own activities, as well as in its upstream and downstream value chain, may be exposed to episodes of corruption and bribery that could undermine the Group's corporate culture, including the relationship with its employees, suppliers and clients.	Vehicles / Signaling and Rail Solutions / Digital and AI	● ○ ○	Short to medium term	Potential negative Impact
Management of relationship with suppliers				
Through the achievement of a strong ESG rating, Hitachi Rail might have access to incentive schemes, tax advantages, and financing opportunities, as well as have reputational gains.	Vehicles / Signaling and Rail Solutions	○ ● ○	Short to medium term	Opportunity
Encouraging ESG practices in the supply chain strengthens sustainability of the entire value chain, leading to reputational gains and reduces risks of operational disruption.	Vehicles / Signaling and Rail Solutions	○ ● ○	Medium to long term	Opportunity
Protection of whistleblowers				
Failure to foster a transparent and accountable work environment by encouraging employees to speak up through the established channels (e.g. Global Compliance Hotline, reporting to line managers) could lead to negative impact on the workforce.	Vehicles / Signaling and Rail Solutions / Digital and AI	● ● ●	Short to medium term	Potential negative Impact

Legend ● ○ ○ Upstream value chain ○ ● ○ Own operations ○ ○ ● Downstream value chain

4.1.1.1 Approach to business conduct and corruption prevention

Hitachi Rail has adopted a comprehensive framework of policies and procedures to ensure that impacts, risks and opportunities related to responsible business conduct are effectively addressed, and that all business activities are carried out in an ethical, lawful and transparent manner. This framework is built on the Hitachi Group Code of Ethics and Business Conduct, which sets the overarching principles and expectations applicable across the Organization, and is complemented by a suite of global Hitachi Rail policies and procedures that translate these principles into practical requirements and controls.

To support consistent understanding and implementation across its global workforce, all ethics and compliance policies are made readily accessible through COSMO, Hitachi Rail's dedicated internal intranet portal, and through the VivaEngage communication channels. Policies are translated into multiple languages, including English, Japanese, Italian, French, Spanish, and German, and are designed to be practical and user-friendly. Each policy includes dedicated sections such as "What to Watch For" and "In Your Daily Work", helping employees understand how requirements apply in practice, while the "Impact of Non-Compliance" section clearly explains the consequences of failing to meet expected standards.

Together, the Code and the supporting policies and procedures form a coherent compliance framework that is applied across six core domains:

- Acting with Integrity;
- Operating Ethically;
- Safeguarding Privacy and IP;
- Protecting Employees;
- Business Partners;
- Trade Compliance.

These domains reflect the principal areas in which clear rules, defined responsibilities and targeted controls are needed to promote ethical conduct, support legal and regulatory compliance, and embed accountability across the business.

Acting with Integrity

Anti-Bribery and Anti-Corruption - we refuse to pay or accept bribes

Business Courtesies - no gifts, travel or entertainment that could influence decisions

Donations and Sponsorships - reviewed to avoid any perception of corruption and recipient legitimacy

Conflicts of Interest - we avoid conflicts, and the perception of them

Books and Records - honest, accurate records of our business

Operating Ethically

Anti-Money Laundering - we deal only with reputable customers and legitimate funds

Fair Competition - we compete fairly in the marketplace

Fraud Prevention - strong controls and segregation of duties prevent fraud

Modern Slavery - we minimize risks of forced labor across our supply chains

Safeguarding Privacy and IP

Privacy and Data Protection - we handle personal data responsibly

Impact assessments - we assess and protect personal data before we collect it

Breach Management - we act fast to contain and protect personal data

Data Subject Requests - we respect individuals' personal data rights

Intellectual Property - we protect our IP and respect that of others

Protecting Employees

Respectful Workplace - a safe, dignified and inclusive environment free of harassment

Whistleblowing and Speak-Up - we encourage speaking up and do not tolerate retaliation

Business Partners

Compliance Due Diligence - we screen partners for integrity and quality and vet third parties against ethical standards; we protect the business against reputational risk (harmonized policy forthcoming)

Trade Compliance

Export and Trade Compliance - we comply with export controls and sanctions laws

Updated Manual and Playbook - one unified source of trade-control requirements (forthcoming).

The effectiveness and embedding of Hitachi Rail's ethical culture is assessed through employee engagement and feedback mechanisms, including the Annual Employee Survey, the Hitachi Group Ethical Perceptions Survey and the monitoring of engagement metrics. Further details are provided in the section "Efforts for a Positive Work Environment – Workforce communication and engagement

Code of Ethics and Business Conduct

The Hitachi Group Code of Ethics and Business Conduct (hereinafter also referred to as “the Code”) defines the ethical standards and principles that govern the conduct of all individuals engaging in business with Hitachi Rail, including employees, executives, directors, and third parties that represent or act on behalf of Hitachi Rail. The rules, values and principles outlined in the Code are intended to guide decision-making and ensure behaviors are aligned with the Hitachi Group Identity.

The Code sets out core commitments related to responsible business conduct. These include:

- Being aware: making good decisions and reporting concerns;
- Protecting what is ours: safeguarding assets, intellectual property, and non-public information;
- Demonstrating accountability: selecting business partners carefully, maintaining accurate financial records, and preventing money laundering, exchanging business courtesies responsibly, identifying and managing conflicts of interest, and safeguarding personal data;
- Dealing fairly with others: building customer trust, competing fairly, preventing bribery and corruption, complying with trade compliance laws;
- Caring for Hitachi Rail’s communities: caring for the planet, respecting human rights, appreciating diversity, equity, and inclusion, providing a workplace free of harassment, promoting health and safety, and investing in local communities.

The Code is supported by a set of global policies adopted by Hitachi Rail, such as the Anti-Bribery & Anti-Corruption (ABAC) Policy, which is described in detail in the following section. It is further complemented by two operational procedures: Business Courtesies and Donations & Sponsorships.

The Code applies to all individuals working for or representing Hitachi Rail, including members of the Board of Directors, management, employees, and temporary workers. Furthermore, Hitachi Rail expects its business partners to act in a manner consistent with the values of the Code and in compliance with all applicable laws and regulations, as specified in the Expectations of Business Partners. The most senior level accountable for the implementation of the Code is the Legal and Compliance function.

In addition to internal dissemination to all employees, the Code is publicly available on both the Hitachi Group and Hitachi Rail websites, ensuring accessibility and awareness of the standards of conduct expected.

4.1.1.2 Global Hitachi Rail policies and procedures

Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption (ABAC) Policy aims to ensure Hitachi Rail’s full compliance with all applicable laws and regulations in every jurisdiction in which it operates. Its primary objective is to prevent bribery and corruption by clearly defining unacceptable conduct and promoting a culture of integrity and transparency.

Bribery and corruption are defined as the offering, promising, giving, or accepting of anything of value—whether financial, non-financial, or of other advantage—in exchange for, or as a reward for, improper behavior or actions. This also includes any payments or other advantages made by Hitachi Rail to third parties, or by business partners acting on the Organization’s behalf.

The policy is designed to address risks such as legal and regulatory sanctions, reputational damage, and financial losses and operational disruption, by identifying clear rules, responsibilities, and procedures for ethical business conduct.



Specific risk areas covered by our ABAC Policy

‘Grease’ Payments

Prohibited under the ABAC Policy unless there is an immediate threat to life, personal safety, security or freedom

Business Courtesies

Pre-approval requirements for gifts, travel and entertainment exchanged with external parties, whether public or private recipients

Charitable Donations

Pre-approval requirements to ensure we only give to legitimate recipients, aligned to Hitachi Values

Sponsorships

Pre-approval requirements to ensure we only give sponsor legitimate events or engagements, aligned to Hitachi Values

Political Donations

Political Donations made by or on behalf of Hitachi Rail are prohibited under the ABAC Policy

Political Events

Reporting requirements if attending a political event on behalf of Hitachi Rail, under the Conflicts of Interest Policy

Former Public Officials

Hiring must go through normal Company hiring processes and former Public Officials need review under any local ‘Revolving Door’ laws

Other Employment

Hiring must go through normal Company hiring processes, including for interns and non-paid positions

The Policy is further supported by associated procedures on Business Courtesies, Donations and Sponsorships, and Conflicts of Interest. Together, these procedures define and standardize pre-approval controls for the offering or acceptance of business courtesies, the provision of donations and sponsorships, and the identification, disclosure and management of known or perceived conflicts of interest. Their purpose is to support effective implementation of Hitachi Rail’s anti-bribery and anti-corruption (ABAC) framework, promote transparency in interactions with external parties, and provide employees with clear and practical guidance on appropriate conduct.

In particular, the Business Courtesies and Donations and Sponsorships procedures help ensure that gifts, travel, entertainment, donations and sponsorships are subject to appropriate review and approval before they are offered, accepted or provided.

The Conflicts of Interest procedure establishes a consistent approach to identifying, documenting, managing and, where necessary, eliminating actual, potential or perceived conflicts of interest across Hitachi Rail.

This process is intended to ensure that beneficiaries do not have improper connections to public officials, government representatives or Hitachi Rail’s business partners, and that no other relevant compliance risks are identified before approval is granted. More broadly, these procedures are designed to strengthen assurance over implementation by embedding standardised controls, supporting record-keeping and oversight, and promoting consistency in decision-making across the Organization.

ABAC Key Facts and Figures

1,396

Business courtesies requests (giving and accepting) reviewed by Compliance in FY25, representing a **33%** YoY increase. Some 1,324 requests, 95%, were approved.

+51%

FY25 saw more than **double** the count of donations and sponsorship requests compared to FY24.

2x

Increase in disclosure YoY; 5x increase from our Vehicles entities, and ~2x increase across our Signaling and Rail Solutions (SRS) entities, contextually working for a low baseline of disclosure in FY24.

$1.38M

Total value in U.S. dollars of business courtesies given, accepted or declined during FY25, of which **~$1.19M was approved** for giving.

$1.4M

Value of requests increased by 70% in FY25 compared to FY24 as Hitachi Rail **supported key initiatives in multiple regions.**

19

Transparent disclosure related to **external business activities,** representing a significant increase compared to FY24.

4

The average number of business courtesies approval requests **processed globally, per day**, in FY25.

4

Requests pertaining to charitable donations in value that triggered a **CEO approval** at the SEC under Hitachi's Corporate Legal Directive and Hitachi Rail's CEO Shortlist.

16

Transparent disclosure related to **external speaking engagements and publications** were reviewed, ensuring Hitachi's confidential information is protected.

The Anti-Bribery & Anti-Corruption Policy applies globally to all legal entities and affiliates within the Railway Systems Business Unit. The Legal and Compliance Function is tasked with maintaining it.

Fraud Prevention Policy

The Fraud Prevention Policy aims to uphold the integrity of Hitachi Rail's operations by protecting its assets from fraudulent activity, fostering a culture of fraud awareness and prevention, and ensuring robust controls are in place to comply with all applicable legal obligations in every jurisdiction where the Organization operates.

Fraud is defined as any deliberate act or omission intended to deceive, resulting in a loss to the victim and / or a benefit to the perpetrator. It may include, but is not limited to:

- Falsifying or misrepresenting documents or financial records;
- Withholding relevant information;
- Misappropriating assets or resources;
- Theft;
- Improper handling or reporting of financial transactions;
- Abuse of position;
- Dishonest use of services;
- Fraudulent travel or expense claims.

This Policy is intended to complement the Hitachi Rail Anti-Bribery & Anti-Corruption Policy, the Books & Records Policy, and the Anti-Money Laundering Policy. This Policy applies globally to all legal entities and affiliates or the Railway Systems Business Unit. While the Legal and Compliance Function sets the Policy, day-to-day operational compliance is overseen by the Chief Financial Officer (CFO) and the Finance function, with the support of Legal & Compliance, who together are tasked with developing and implementing appropriate global and local controls, policies, and procedures to support the objectives of this Policy.

All members of the BU workforce are required to act in accordance with the Organization set of policies, including the Fraud Prevention Policy and the Code of Ethics and Business Conduct, to prevent unlawful behavior. Fraud can have a significant and lasting impact on the Organization, including financial losses, reputational harm, and broader business consequences.

Hitachi Rail has implemented internal controls designed to prevent and detect fraud. Circumventing these controls—whether intentionally or inadvertently—can undermine the Organization's ability to safeguard against fraudulent activity.

Any suspected or actual incidents of fraud—whether involving Hitachi Rail personnel, business partners, or external parties—must be reported.

Anti-Money Laundering Policy

The purpose of the Anti-Money Laundering Policy is to ensure that Hitachi Rail complies with all applicable anti-money laundering (AML) laws and regulations in force in every jurisdiction in which it operates. Money laundering is an unlawful process used to conceal the origins of funds generated through criminal activities such as drug trafficking, fraud, human trafficking, tax evasion, or terrorism. It typically involves funneling illicit proceeds through legitimate businesses to make them appear lawful and also encompasses the use of legitimate funds to finance criminal activities or terrorism, also known as anti-social transaction[17].

This Anti-Money Laundering (AML) Policy applies globally to all legal entities and affiliates within the Railway Systems Business Unit. The Hitachi Rail Legal & Compliance function is responsible for maintaining this AML Policy. The Finance function is responsible for ensuring the Organization's operational compliance with the provisions of this Policy.

Hitachi Rail's personnel must never engage in or tolerate money laundering. This means they must not initiate or assist in any conduct involving Hitachi Rail's products, services, or solutions that contravenes tax, trade, or anti-money laundering laws, including the evasion of taxes or import duties.

Furthermore, Hitachi Rail is committed to conducting business only with individuals and entities that uphold its standards of integrity, ethical behavior, and values-based business practices. Even a distant association with parties that breach anti-money laundering laws and regulations can damage the Organization's reputation or expose it to legal risk. Therefore, all potential business partners must be thoroughly assessed before entering into any business relationship, to identify any links to money laundering or other illicit activities. Any suspect that a business partner may be in breach of relevant laws or regulations must be promptly reported.

Conflicts of Interest Policy

The Conflicts of Interest Policy is intended to establish a consistent approach to managing conflicts of interest across the Organization. A conflict of interest (COI) arises when a member of Hitachi Rail's workforce finds themselves in a situation where their personal interests are at odds with those of the Organization. Such circumstances pose an unacceptable risk when they compromise the individual's ability to make impartial and objective decisions in the best interests of the BU. This Policy covers actual, perceived, and potential conflicts of interest.

This Conflicts of Interest (COI) Policy applies globally to all legal entities and affiliates within the Railway Systems Business Unit and to all personnel.

The Legal & Compliance function within Hitachi Rail is responsible for maintaining the COI Policy, while the Human Resources function is tasked with implementing local policies and procedures that support it. This includes the disclosure of COIs during recruitment or pre-employment screening, and in relation to workplace relationships. Where local policies and procedures are more stringent than this policy, the local provisions shall take precedence. In cases where this policy conflicts with local laws or regulations, the local laws or regulations shall prevail.

Adherence to Hitachi Rail's policies and procedures aimed at promoting business conduct, including the Conflicts of Interest Policy, is a fundamental obligation for all workforce members. Hitachi Rail also expects its business partners who represent or act on behalf of the Organization to avoid conflicts of interest in the course of their work.

[17] The term refers to any dealings – whether direct or indirect and regardless of the parties involved – that support, conceal, or are otherwise connected to criminal acts or organizations. This includes the financing of terrorism and any business undertakings, such as investments or joint ventures, involving anti-social forces (including individuals or entities listed on any country's sanctions lists).

Fair Competition Policy

The Fair Competition Policy aims to ensure that Hitachi Rail complies with all applicable competition laws and regulations in force in every jurisdiction in which it operates, upholding and promoting fair competition. The latter is a key cornerstone of the free market, fostering innovation, enabling fair pricing, and supporting the quality and variety of products and services. These dynamics ultimately benefit both consumers and customers, while also reinforcing the Organization's business and reputation.

This Fair Competition Policy applies globally to all legal entities and affiliates within the Business Unit of Hitachi, Ltd.
The Chief Legal and Compliance Officer is the most senior individual within Hitachi Rail responsible for the implementation of this Policy.

Hitachi Rail, its workforce, and its business partners acting on the Organization's behalf shall compete fairly and in full compliance with the Policy and all applicable competition laws and regulations. They must not engage in deceptive business practices, participate in activities that unlawfully restrict trade, or attempt to monopolize any market for a particular product, service, or solution.

This commitment applies to both horizontal relationships (i.e., between Hitachi Rail and its competitors) and vertical relationships (i.e., between and among Hitachi Rail companies and various levels of their supply and distribution chains).
For the purposes of this Policy, companies that compete with Hitachi Rail in recruiting or retaining employees are also considered competitors.

Breaches of this Policy may result in disciplinary action, up to and including termination of employment or engagement, in accordance with local laws and regulations. Failure to report violations or refusal to cooperate in investigations may also result in disciplinary measures

Business Continuity Policy

Hitachi Rail has established and maintains a robust and effective Business Continuity Management System (BCMS), as part of its Global Business Management System (GBMS). The Business Continuity Policy is designed to ensure the continuity and timely restoration of critical services in the event of business disruptions, in alignment with the principles of ISO 22301:2019. It sets out clear roles, responsibilities, rules and procedures to effectively manage and mitigate operational risks.

The policy aims to minimize the impact of disruptive incidents on operations, customers and stakeholders, while strengthening the Organization's overall resilience and preparedness, in line with relevant standards and regulatory requirements. The Business Continuity Policy also contributes to managing risks such as operational disruptions caused by natural disasters, cyber-attacks or supply chain failures, potential reputational damage and financial losses due to service unavailability, and legal or regulatory consequences arising from non-compliance.

The Business Continuity Policy applies across the entire BU and its implementation is supervised by the Chief Safety, Health, Environment & Quality Officer.

The Organization is committed to effectively managing relationships with internal and external stakeholders, including during crisis situations, by adopting a proactive approach to ensure resilience. This includes identifying the needs and expectations of relevant parties, as well as aligning business continuity objectives with corporate strategic guidelines and the broader Organizational context.



4.1.1.3 Prevention and detection of corruption and bribery

Hitachi Rail's anti-bribery and anti-corruption framework is supported by a combination of policies, controls, reporting mechanisms, investigations procedures and targeted training activities. Together, these measures are designed to prevent, detect and respond to potential misconduct, while reinforcing a strong culture of integrity, accountability and responsible business conduct across the Organization. To assess the effectiveness of these initiatives and further strengthen its ethics and compliance culture, Hitachi Rail regularly monitors employees' perceptions and feedback.

Building on the findings of the Ethical Perceptions Survey, conducted as part of the organization's commitment to understanding employees' perceptions, Hitachi Rail developed the action plan below to address the key areas identified for improvement regarding the organization's ethics and compliance culture.

Hitachi Rail is working to implement these measures to improve ethical perceptions among employees:

Leadership Engagement: Tone from the Top

- Continue **promoting a speak-up culture with senior leadership and middle managers;**
- Continue to **support direct CEO messaging** on ethics and compliance which has amplified significantly in FY25;
- Train middle managers to engage more meaningfully with their teams, setting a positive tone and modelling ethical behaviour, using a tailored '**manager toolkit**' resource built by the Compliance Team.

Speak-Up: One Hitachi Compliance Hotline

- Continue promoting the Hitachi Hotline through posters and regular training on speak-up channels;
- Provide **specific guidance and practical tools to middle management for greater listening** of their teams and better decision making including non-retaliation and concerns management, consistent with the Whistleblowing and Speak-Up Policy;
- Continue to transparently share anonymized disciplinary actions in the Annual Compliance Report and other communication channels where appropriate.

E&C Trainings and Engagement

- **Drive completion rates for Annual Code** training with multi-faceted engagement and communication strategy;
- Deploy our **New Joiners Initiative** that reinforces the 'basics and ethics' with early, direct engagement with the Compliance Team to supplement Code training;
- Continue implementing Hitachi Group Compliance Office E&C initiatives, plus Hitachi Rail initiatives such as **Playbooks** on Policies and Procedures and function-specific Compliance responsibilities.

The policies and related procedures outlined above establish the standards of conduct expected in the development and management of business relationships across Hitachi Rail. Together, they support the prevention of unethical or unlawful practices while fostering a strong culture of integrity, accountability, and compliance.

To strengthen the prevention, detection, and remediation of potential or confirmed cases of corruption and misconduct, Hitachi Rail maintains a range of whistleblowing channels governed by the Whistleblowing & Speak-Up Policy. These include Managers, Human Resources, Legal & Compliance and the Hitachi Global Compliance Hotline.

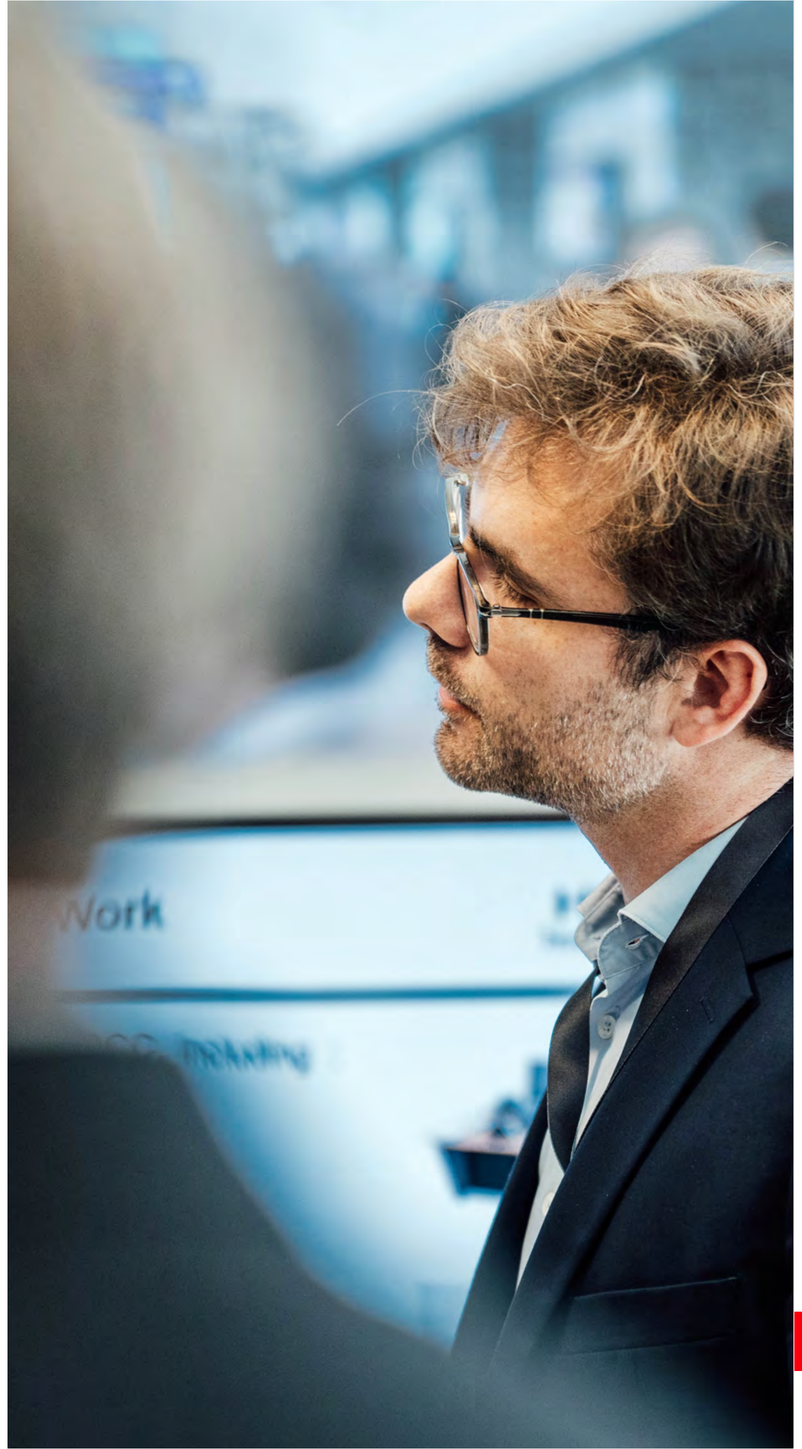
The Chief Compliance Officer, or an authorized delegate, appoints an independent investigator over the ongoing cases, who is required to identify any potential conflicts of interest and recuse themselves where necessary. Investigators remain independent from the business areas concerned by the reported issues.

The Compliance function also manages the reporting of confirmed outcomes arising from investigations into bribery or corruption allegations. The Chief Compliance Officer periodically reports key performance indicators related to the Whistleblowing & Speak-Up Program, as well as the outcomes of investigations, to the Audit and Compliance Committee (three times during each fiscal year). Reports are also submitted directly to the Chief Executive Officer on a regular basis, to the Senior Executive Committee on a monthly basis, and quarterly to internal and external auditors. In addition, quarterly reports are provided to Supervisory Bodies concerning matters within their scope and relevant legal entity or jurisdiction.

For further details on these procedures, please refer to the section “Mechanisms for remediating adverse impacts and enabling workers to raise concerns” in 3.1 Own workforce disclosure.

During FY25, Hitachi Rail did not record any confirmed cases of corruption or bribery, nor were any penalties imposed for breaches of applicable anti-corruption or anti-bribery legislation. No employees were terminated or subjected to disciplinary action in connection with corruption- or bribery-related misconduct. Likewise, no business relationships were discontinued and no contracts with partners were terminated or not renewed as a result of such conduct. Furthermore, no public legal proceedings relating to corruption or bribery involving the Organization or its employees were initiated or resolved during the reporting period, including any cases originating from prior reporting periods.

Alongside these reporting and investigation mechanisms, anti-bribery and anti-corruption requirements are embedded in mandatory annual training based on the Hitachi Group Code of Ethics and Business Conduct. The training includes dedicated modules on Ethical Conduct, Anti-Bribery & Anti-Corruption, Gifts, Travel & Entertainment, Anti-Money Laundering, Conflicts of Interest, Fair Competition, Speak-Up and Data Protection. For production staff who may not have access to the e-learning platform, the same content is delivered through video-based training sessions held in shared areas. Targeted instructor-led training is also provided to higher-risk functions, including Sales and Procurement teams, in order to reinforce the practical application of the Anti-Bribery and Anti-Corruption Policy and related procedures. Hitachi Rail Management, including the Senior Executive Committee, is also required to complete annual e-learning on the Hitachi Group Code of Ethics and Business Conduct. In addition, supervisory bodies have been provided with relevant information regarding the Code, as well as the Organization’s internal policies and procedures, to support their oversight responsibilities and reinforce a culture of integrity and accountability. In FY25, training coverage for functions-at-risk reached 100%, while 97.29% of the total workforce completed anti-corruption training.



4.1.1.4 Management of relationships with suppliers

Hitachi Rail manages its relationships with suppliers and business partners[18] through a risk-based approach designed to promote ethical, lawful and responsible business conduct across its value chain. The Organization has not adopted a standalone policy specifically addressing late payments to suppliers, including SMEs. Nevertheless, Hitachi Rail is committed to fostering fair, transparent and responsible supplier relationships, including through compliance with agreed contractual payment terms and applicable legal requirements. In fact, Hitachi Rail's expectations are communicated through a clear set of principles, contractual requirements and due diligence processes that support responsible sourcing, compliance oversight and sustainability performance. This approach is intended not only to protect business continuity and operational resilience, but also to identify and address environmental, social, ethical and governance risks associated with third-party relationships.

Hitachi Rail's expectations for suppliers are set out through the applicable contractual documentation and purchase order terms, as well as through a core suite of Group documents, including:

- Hitachi Group Code of Ethics & Business Conduct;
- Hitachi Expectations of Business Partners;
- Hitachi Group Sustainable Procurement Guidelines;

Together, these documents cover key areas such as ethics and compliance, human rights, health and safety, environmental stewardship, sustainability performance and responsible business conduct. Human rights and responsible business requirements are also embedded directly into supplier contractual agreements.

ESG clauses are incorporated into framework agreements, purchase orders and associated contractual documentation, where applicable. These clauses require suppliers to perform their obligations in a manner that supports Hitachi Rail's ESG targets, to participate in supplier sustainability programs and, where relevant, to respond proactively to corrective actions identified either by Hitachi Rail or by its ESG rating partners.

Sustainability and integrity considerations are integrated throughout supplier selection and management activities.

Hitachi Rail uses the EcoVadis platform to assess supplier sustainability performance and risk exposure, providing a structured view across four key pillars: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. Each supplier assessment is based on a framework, which comprises 21 sustainability criteria, with relevance determined according to factors such as industry sector, company size and geographic location, in line with EcoVadis's methodology and internationally recognized standards, including the Ten Principles of the UN Global Compact, the conventions of the International Labor Organization (ILO), the Global Reporting Initiative (GRI) Standards, ISO 26000, the CERES Roadmap, and the UN Guiding Principles on Business and Human Rights (Ruggie Framework).

In December 2025, Hitachi Rail consolidated its separate Rail and GTS EcoVadis platforms into a unified Hitachi Rail EcoVadis Platform, establishing a single, centralized approach to supplier sustainability management. This integrated platform provides visibility into supplier sustainability performance, screened ESG risk, corrective actions, and engagement across the Organization. Currently, the program encompasses over 2,200 assessed suppliers, representing more than 65% of global procurement spend, thereby significantly enhancing transparency and management of sustainability risks within the supply chain.

From January 2026, suppliers participating in the EcoVadis program are expected to achieve a minimum EcoVadis score of 45 in support of ongoing business relationships. Suppliers with lower sustainability performance are expected to implement corrective action plans through the EcoVadis platform to address identified gaps and improve performance over time.

Beyond sustainability ratings, Hitachi Rail applies a risk-based due diligence process to supplier onboarding and oversight. ESG risk screening is conducted across the majority of the active global supplier base using the EcoVadis IQ+ platform, which combines sustainability risk mapping with AI-enabled document analysis to identify environmental, labor, human rights, ethics and sustainable procurement risks. During FY25, over 10,000 supplier partners across 203 industries and 62 countries were screened through this framework, covering most of the Organization's global procurement spend. This supports the prioritization of resources towards higher-risk areas and helps strengthen responsible sourcing, supply chain resilience and sustainability performance.

FY25 Snapshot

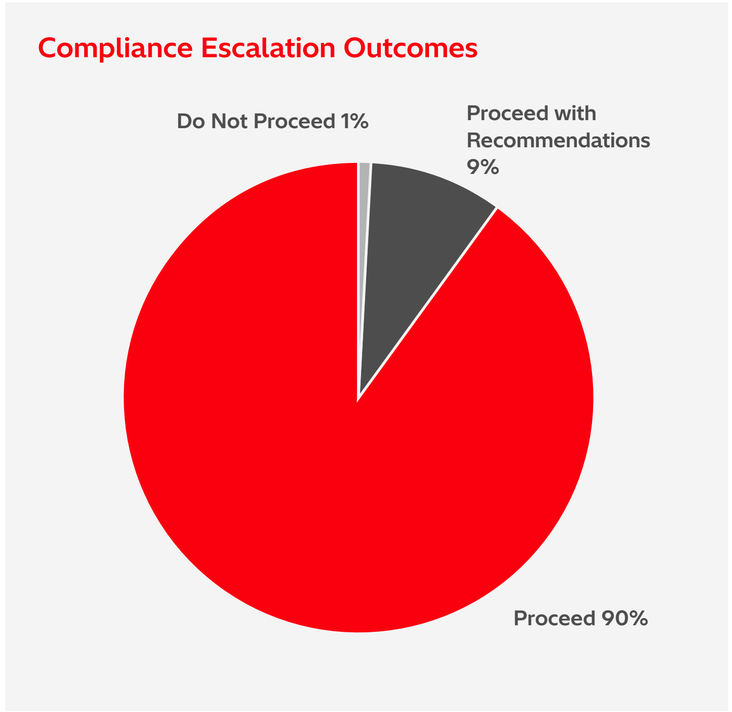
1,660
Suppliers assessed

58%
Rated low risk

1%
Do not proceed

Supplier due diligence also includes compliance-related checks at onboarding, such as sanctions screening, adverse media reviews and politically exposed person checks. In FY25, more than 1,600 suppliers and subcontractors were screened by the Compliance function as part of onboarding and risk-based escalation processes. Screening criteria included compliance and reputational risks, export controls, trade sanctions, blacklisting indicators, corruption risk factors and, where relevant, human rights risk indicators. Suppliers assessed as medium or high risk were escalated for additional Compliance review and, where necessary, subjected to mitigation measures, enhanced monitoring or protective contractual language.

[18] A business partner is defined as any external organization, entity, or individual with whom Hitachi Rail has, or may consider having, a business relationship. This includes but is not limited to customers; resellers or distributors (intermediaries); joint venture or consortium partners; subcontractors or suppliers; commercial agents; and consultants.



Additional tools support more targeted due diligence in selected risk areas. Independent Workplace Conditions Assessments conducted by Intertek on selected suppliers evaluate labor practices, working conditions and broader social responsibility aspects, with three such audits completed during the reporting period. Hitachi Rail also maintains due diligence on conflict minerals using the Responsible Minerals Initiative Conflict Minerals Reporting Template and promotes sourcing from smelters validated through the Responsible Minerals Assurance Process. Finally, as part of its broader supplier sustainability program, Hitachi Rail leverages the EcoVadis Carbon Action Module (CAM), which includes a Carbon Scorecard assessing suppliers' maturity in managing greenhouse gas (GHG) emissions. The scorecard provides insights into suppliers' carbon management practices across key areas such as emissions measurement, reporting and target setting. This enables Hitachi Rail to better understand suppliers' readiness for climate action and to progressively engage its supply chain in decarbonization efforts.

Hitachi Rail is committed to doing business only with entities and individuals that share its values of integrity, ethical conduct and responsible business practice, and expects relevant business partners acting on its behalf to comply with applicable anti-bribery and anti-corruption laws and regulations. In line with its Compliance Due Diligence Policy, Hitachi Rail conducts risk-based due diligence on relevant business partners at the outset of the relationship and, where appropriate, at regular intervals thereafter. This process supports the identification and assessment of integrity, bribery, corruption and reputational risks associated with third-party relationships. In FY25, the Compliance team conducted full-scope due diligence on 83 partners. During the reporting period, Hitachi Rail continued to strengthen and align its business partner due diligence framework across Hitachi Rail and the legacy GTS operations. In FY26, a new Compliance Due Diligence Policy will establish a more harmonized framework, aligned with Hitachi Group protocols, for identifying, assessing and managing business partner risks. Once implemented, the framework will apply across all Lines of Business and geographies, with the aim of supporting clearer accountability, more consistent implementation and enhanced oversight of third-party relationships. Where concerns arise that a business partner may be acting inconsistently with applicable law, regulation or Hitachi Rail policy, these may be reported through the Organization's dedicated speak-up channels, including the Hitachi Global Hotline. For further details on these channels, please refer to the section in 3.1 Own workforce disclosure.

4.1.2 Business conduct - metrics and targets

Hitachi Rail is committed to promoting the enhancement of suppliers' performance, contributing to the transition to a low carbon economy, as shown below. Furthermore, Hitachi Rail is advancing the assessment of its suppliers through the EcoVadis platform, progressively expanding the number of evaluated partners to strengthen transparency and accountability across its supply network.



Annex I – Methodological note on energy consumption and GHG emissions computation

Consumption data was collected at the operational site level in the original unit of measurement. The conversion factors used for translating energy consumption into MWh are those provided by the UK Government's Department for Environment, Food and Rural Affairs (DEFRA).

Scope 1

The calculation structure and methodology follow the guidelines provided by the ESRS E1 and the GHG Protocol, considering emissions conversion factors recognized by the international community and consistent Global Warming Potential (GWP) rates. Scope 1 emissions are calculated using the factors provided in their most up-to-date publicly available version by the UK Government's Department for Environment, Food and Rural Affairs (DEFRA).

Scope 2

Market-based emissions were calculated using a combination of emission factors provided directly by the suppliers, market-based factors of EU AIB (Association of Issuing Bodies) and, residually, for sites where the previous factors were not available, IEA (International Energy Agency) Emission Factors. The market-based methodology considers contractual instruments (e.g. Power Purchase Agreements) and energy attribute certificates (RECs, GOs, etc.). Location-based emissions instead were calculated using IEA (International Energy Agency) Emission Factors provided by Hitachi Ltd. and used at a Group level.

Scope 3

In line with last year's methodology, to account for the highest number of applicable categories as possible, a hybrid calculation method has been adopted. This follows the hierarchic order provided by the GHG Protocol Guidelines, which has been applied following this logic:

Emission category	Methodology
1. Purchased Goods and Services	Computation adopting a hybrid methodology considering both a spend-based method and, when applicable, Supplier-specific method. The spend-based methodology was implemented considering Environmentally Extended Input-Output (EEIO) emission factors. Emission factors, specific to the country and product or service provided by a supplier have been mapped to all expenditures made by Hitachi Rail. The categorisation and emission factor mapping of all activities has been reviewed and approved by Hitachi Rail's procurement team. All the EF derives from Exiobase database through Hitachi Rail's supplier. Additionally, Hitachi Rail has started to incorporate direct actual emissions from suppliers, based on the criteria of the presence of third-party assurance of the emissions data or emissions data according to relevant GHG standards. This year, Hitachi Rail included direct actual emissions from 186 suppliers in our scope 3.1 and 3.2 computation. For scope 3.1, this data represented 20% of emissions. This ongoing effort reaffirms Hitachi Rail's vision to shift toward full actual data computation in the upcoming years.
2. Capital Goods	Computation adopting a hybrid methodology considering both a spend-based method and, when applicable, Supplier-specific method. The spend-based methodology was implemented considering Environmentally Extended Input-Output (EEIO) emission factors. Emission factors, specific to the country and product or service provided by a supplier have been mapped to all expenditures made by Hitachi Rail. The categorisation and emission factor mapping of all activities has been reviewed and approved by Hitachi Rail's procurement team. Additionally, Hitachi Rail has started to incorporate direct actual emissions from suppliers, based on the criteria of the presence of third-party assurance of the emissions data or emissions data according to relevant GHG standards. This year, Hitachi Rail included direct actual emissions from 186 suppliers in the Organization's scope 3.1 and 3.2 computation. For scope 3.2, this data represented 0.95% of emissions. This ongoing effort reaffirms the Organization's vision to shift toward full actual data computation in the upcoming years.
3. Fuel and energy-related activities	Computation following GHG Protocol provisions, incorporating fuel and energy related activities not mapped in scope 1 and 2 with the updated DEFRA conversion factors for T&D, losses and WTT GHG impact.
4. Upstream transportation and distribution	Computation adopting a spend-based methodology. The spend-based methodology was implemented considering Environmentally Extended Input-Output (EEIO) emission factors. Emission factors, specific to the country and product or service provided by a supplier have been mapped to all expenditures made by Hitachi Rail. The categorisation and emission factor mapping of all activities has been reviewed and approved by Hitachi Rail's procurement team. Due to the nature of the calculation Scope 3.4 and 3.9 have been merged due to the impossibility to split upstream, downstream and intra-company logistic flows.

Emission category	Methodology
5. Waste generated in operations	Computation adopting a waste-type-specific method using DEFRA emission factors: sum of the multiplication, by the respective conversion factor, of treated water and hazardous and non-hazardous waste, also broken down by disposal method (recycling, incineration, landfill).
6. Business travel	Computation adopting a distance-based method using DEFRA emission factors. Business travel data was collected with particular reference to air travel with a split between domestic, long-haul, and short-haul flights and leased vehicles and taxis.
7. Employee Commuting	Emissions were estimated using average travel distances and modal split data from Numbeo, tailored to each country where the company operates. Emission factors were sourced from the UK Department for Business, Energy & Industrial Strategy (DBEIS). The methodology aligns with CSRD requirements for Scope 3 disclosures, ensuring consistency and transparency.
8. Upstream leased assets	Category not calculated.
9. Downstream transportation and distribution	Category not applicable as all Hitachi Rail shipments meet the characteristics of category 4.
10. Processing of sold products	Category not calculated.
11. Use of sold products	Components: For traction products, the same CO_2 emission values of Japanese vehicles were used as precautionary overestimation. Japanese vehicles emission computation based on railway operator public emission data because Hitachi Rail does not have any primary data for Japanese projects as the project belongs to the customer. Hitachi Rail has started working on simulation to obtain primary data on energy consumption of traction products so that Scope 3.11 emissions will be calculated in line with the GHG Protocol guideline. Signaling and Rail Solutions: The adopted methodological approach for estimating energy consumption and emissions of Signaling Systems is based on the development of mathematical models derived from consumption data and nominal power ratings of system components, provided for the main projects activated during the reference FY25. The models have been categorized into two main types: Mainline: Signaling systems for High-Speed/High-Capacity (HS/HC) interurban railway lines; Urban Line: metropolitan transport systems based on Communications-Based Train Control (CBTC) technology. Given the multi-year nature of the projects managed by the Line of Business (LoB), a criterion based on activations rather than deliveries was adopted. This choice allows for a more accurate representation of the systems that were actually put into operation during the reference period, regardless of the delivery date of individual components. The models were scaled according to the activations planned for FY2025, taking into account the technical specifications and dimensions of each system. Specifically: For systems that are homogeneous with the reference model, consumption data were scaled proportionally to the length of the activated line (linear scaling approach). For systems that include only a subset of the components in the reference model, only the activated elements and their respective energy consumption were considered. Based on the estimated energy consumption, emissions were calculated using the energy mix of the country where the activation occurred, applying conversion factors from the Ecoinvent database. This approach was discussed and aligned with colleagues from GTS, ensuring a shared and consistent framework within the current Signaling Railway Systems (SRS) Line of Business. Vehicles: Japanese vehicles emission computation based on railway operator public emission data because Hitachi Rail does not have any primary data for Japanese projects as the project belongs to the customer. Hitachi Rail has started working on simulation to obtain primary data on energy consumption of traction products so that Scope 3.11 emissions will be calculated in line with the GHG Protocol guideline. For all other vehicles designed by Hitachi Rail, Scope 3 Category 11 calculation method is in line with GHG Protocol guidelines. Rolling stock vehicles are products that directly consume energy (electricity) during use: their type of emissions are “Direct use-phase emissions”. It was decided to include maintenance emissions when available from product LCA results. Emission factors from the Ecoinvent database are chosen based on the region in which the product sold operates and the type of voltage (low, medium, high) it requires to operate. The emission factors used in the calculation were extracted from Simapro software with Ecoinvent 3.10 database and “EN 15804 + A2 Method V1.03 / EF 3.0 normalization and weighting set (including both infrastructure and long-term emissions, fossil+biogenic+LUC) method. Electricity and diesel emission factors are on a WTW basis following SBTi Criteria.
12. End-of-life treatment of sold products	Computation based on available EPDs for a portion of Vehicles delivered in the FY25. Materials data was paired with waste fate emission factors Ecoinvent 3.8 factors for material groups. The emission related to category 12 currently encompasses only the vehicles production business of Hitachi Rail.
13. Downstream leased assets	Category not applicable as it does not apply to Hitachi Rail's business model.
14. Franchises	Category not applicable as it does not apply to Hitachi Rail's business model.
15. Investments	Category not calculated.

General

Environment

Social

Governance

Annex II – ESRS contents index

ESG Category	ESRS Topic		Disclosure Requirement		Page	Notes
General	2	Governance (GOV)	GOV-1	The role of the administrative, management and supervisory bodies	17-20	
General	2	Governance (GOV)	GOV-2	Information provided to and sustainability matters addressed by Hitachi's administrative, management and supervisory bodies	17-20	
General	2	Governance (GOV)	GOV-3	Integration of sustainability-related performance in incentive schemes	21	
General	2	Governance (GOV)	GOV-4	Statement on due diligence	21	
General	2	Governance (GOV)	GOV-5	Risk management and internal controls over sustainability reporting	22-23	
General	2	Strategy (SBM)	SBM-1	Strategy, business model and value chain	7-11	
General	2	Strategy (SBM)	SBM-2	Interests and views of stakeholders	13-16	
General	2	Strategy (SBM)	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	10-11	
General	2	Impact, Risk and Opportunity (IRO) Management	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	24-26	
General	2	Impact, Risk and Opportunity (IRO) Management	IRO-2	Disclosure requirements in ESRS covered by Hitachi's sustainability report	128-131	
Environmental	E1	Climate change	GOV-3	Integration of sustainability-related performance in incentive schemes	21	
Environmental	E1	Climate change	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	28-32	
Environmental	E1	Climate change	E1-1	Transition plan for climate change mitigation	28	
Environmental	E1	Climate change	IRO-1	Description of the processes for identifying and assessing the significant impacts, risks, and opportunities related to climate change	32	
Environmental	E1	Climate change	E1-2	Policies related to climate change mitigation and adaptation	33	
Environmental	E1	Climate change	E1-3	Actions and resources in relation to climate change policies	34-36	
Environmental	E1	Climate change	E1-4	Targets related to climate change mitigation and adaptation	39	
Environmental	E1	Climate change	E1-5	Energy consumption and mix	36-37	
Environmental	E1	Climate change	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	37	
Environmental	E1	Climate change	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	38	
Environmental	E1	Climate change	E1-8	Internal carbon pricing	N/A	Not applicable for Hitachi Rail
Environmental	E1	Climate change	E1-9	Anticipated financial effects from material physical risks	N/A	Phase-in exercised
Environmental	E2	Pollution	IRO-1	Description of the processes for identifying and assessing the significant impacts, risks, and opportunities related to pollution	40	
Environmental	E2	Pollution	E2-1	Policies related to pollution	40	
Environmental	E2	Pollution	E2-2	Actions and resources related to pollution	40-42	
Environmental	E2	Pollution	E2-3	Targets related to pollution	43	
Environmental	E2	Pollution	E2-4	Pollution of air, water and soil	43	
Environmental	E2	Pollution	E2-6	Anticipated financial effects from material pollution	N/A	Phase-in exercised
Environmental	E3	Water & Marine Resources	IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	44	

ESG Category	ESRS Topic		Disclosure Requirement		Page	Notes
Environmental	E3	Water & Marine Resources	E3-1	Policies related to water and marine resources	44	
Environmental	E3	Water & Marine Resources	E3-2	Actions and resources related to water and marine resources	45	
Environmental	E3	Water & Marine Resources	E3-3	Targets related to water and marine resources	47	
Environmental	E3	Water & Marine Resources	E3-4	Water consumption	46	
Environmental	E3	Water & Marine Resources	E3-5	Anticipated financial effects from material water and marine resources	N/A	Phase-in exercised
Environmental	E5	Resource use and circular economy	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	48	
Environmental	E5	Resource use and circular economy	E5-1	Policies related to resource use and circular economy	49	
Environmental	E5	Resource use and circular economy	E5-2	Actions and resources related to resource use and circular economy	50-53	
Environmental	E5	Resource use and circular economy	E5-3	Targets related to resource use and circular economy	58	
Environmental	E5	Resource use and circular economy	E5-4	Resource inflows	54-55	
Environmental	E5	Resource use and circular economy	E5-5	Resource outflows	57	
Environmental	E5	Resource use and circular economy	E5-6	Anticipated financial effects from material resource use and circular economy	N/A	Phase-in exercised
Social	S1	Own Workforce	SBM-2	Interests and views of stakeholders	61	
Social	S1	Own Workforce	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	60-61	
Social	S1	Own Workforce	S1-1	Policies related to own workforce	62-65	
Social	S1	Own Workforce	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	65-67	
Social	S1	Own Workforce	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	67-68	
Social	S1	Own Workforce	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks	69-81	
Social	S1	Own Workforce	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	95	
Social	S1	Own Workforce	S1-6	Characteristics of Hitachi's employees	82-87	
Social	S1	Own Workforce	S1-7	Characteristics of non-employees in Hitachi's own workforce	87	
Social	S1	Own Workforce	S1-8	Collective bargaining coverage and social dialogue	88-90	
Social	S1	Own Workforce	S1-9	Diversity metrics	87	
Social	S1	Own Workforce	S1-10	Adequate wages	90	
Social	S1	Own Workforce	S1-11	Social protection	90	
Social	S1	Own Workforce	S1-12	Persons with disabilities	91	
Social	S1	Own Workforce	S1-13	Training and skills development metrics	93	
Social	S1	Own Workforce	S1-14	Health and safety metrics	94	
Social	S1	Own Workforce	S1-15	Work-life balance metrics	91	
Social	S1	Own Workforce	S1-16	Remuneration metrics (pay gap and total remuneration)	N/A	Omitted for FY25
Social	S1	Own Workforce	S1-17	Incidents, complaints and severe human rights impacts	92	
Social	S2	Workers in the value chain	SBM-2	Interests and views of stakeholders	97-98	
Social	S2	Workers in the value chain	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	96	

ESG Category	ESRS Topic		Disclosure Requirement		Page	Notes
Social	S2	Workers in the value chain	S2-1	Policies related to value chain workers	97	
Social	S2	Workers in the value chain	S2-2	Processes for engaging with value chain workers about impacts	97-98	
Social	S2	Workers in the value chain	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	97-98	
Social	S2	Workers in the value chain	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	98-99	
Social	S2	Workers in the value chain	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	106	
Social	S4	Consumers and end users	SBM-2	Interests and views of stakeholders	109-110	
Social	S4	Consumers and end users	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	107	
Social	S4	Consumers and end users	S4-1	Policies related to consumers and end-users	107-108	
Social	S4	Consumers and end users	S4-2	Processes for engaging with consumers and end-users about impacts	109-110	
Social	S4	Consumers and end users	S4-3	Processes to remediate negative impacts and channels for consumers and end	109-110	
Social	S4	Consumers and end users	S4-4	Taking action on material impacts on consumers and end	110-111	
Social	S4	Consumers and end users	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end	111	
Governance	G1	Business Conduct	GOV-1	The role of the administrative, management and supervisory bodies	17-20	
Governance	G1	Business Conduct	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	113	
Governance	G1	Business Conduct	G1-1	Business conduct policies & corporate culture	115-119	
Governance	G1	Business Conduct	G1-2	Management of relationship with suppliers	122-123	
Governance	G1	Business Conduct	G1-3	Prevention and detection of corruption and bribery	120-121	
Governance	G1	Business Conduct	G1-4	Incidents of corruption or bribery	121	

Annex III – List of data points in general and thematic standards deriving from other EU regulations

Disclosure Requirement	Data Point	SFDR reference	Third pillar reference	Benchmark	EU climate law reference	Page	Not material/ Phase in
ESRS 2 GOV-1 Board gender diversity	21 d	•		•		17	
ESRS 2 GOV-1 Percentage of independent board members	21 e			•		18	
ESRS 2 GOV-4 Statement on due diligence	30	•				21	
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities	40 d i	•	•	•			No involvement.
ESRS 2 SBM-1 Involvement in activities related to chemical production	40d ii	•		•			No involvement.
ESRS 2 SBM-1 Involvement in activities related to controversial weapons	40 d iii	•		•			No involvement.

Disclosure Requirement	Data Point	SFDR reference	Third pillar reference	Benchmark	EU climate law reference	Page	Not material/ Phase in
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco	40 d iv			•			No involvement.
ESRS E1-1 Transition plan to reach climate neutrality by 2050	14				•	28	
ESRS E1-1 Whether the undertaking is excluded from Paris aligned Benchmarks paragraph	16 g		•	•			The undertaking is not excluded from Paris aligned benchmarks.
ESRS E1-4 GHG emission reduction targets	34	•	•	•		39	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	38	•				36	
ESRS E1-5 Energy consumption and mix	37	•				36	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors	From 40 to 43	•				37	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	44	•	•	•		37	
ESRS E1-6 Gross GHG emissions intensity	From 53 to 55	•	•	•		37	
ESRS E1-7 GHG removals and carbon credits	56				•	38	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks	66			•			Phase in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk	66 c		•				Phase in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes	67 c		•				Phase in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities	69			•			Phase in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	28	•				43	
ESRS E3-1 Water and marine resources	9	•				44	
ESRS E3-1 Dedicated policy	13	•				44	
ESRS E3-1 Sustainable oceans and seas	14	•					Not material
ESRS E3-4 Total water recycled and reused	28 c	•				46	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations	29	•				46	
ESRS 2 IRO-1 – E4	16 ai	•					Not material
ESRS 2 IRO-1 – E4	16 b	•					Not material

General

Environment

Social

Governance

Disclosure Requirement	Data Point	SFDR reference	Third pillar reference	Benchmark	EU climate law reference	Page	Not material/ Phase in
ESRS 2 IRO-1 – E4	16 c	•					Not material
ESRS E4-2 Sustainable land/agriculture practices or policies	24 b	•					Not material
ESRS E4-2 Sustainable oceans/seas practices or policies	24 c	•					Not material
ESRS E4-2 Policies to address deforestation	24 d	•					Not material
ESRS E5-5 Non-recycled waste	37 d	•				57	
ESRS E5-5 Hazardous waste and radioactive waste	39	•				57	
ESRS 2 – SBM3 – S1 Risk of incidents of forced labor	14 f	•				71-72	
ESRS 2 – SBM3 – S1 Risk of incidents of child labor	14 g	•				71-72	
ESRS S1-1 Human rights policy commitments	20	•				73	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	21			•		74	
ESRS S1-1 Processes and measures for preventing trafficking in human beings	22	•				76-79	
ESRS S1-1 Workplace accident prevention policy or management system	23	•				75-76	
ESRS S1-3 Grievance/complaints handling mechanisms	32 c	•				78-79	

Disclosure Requirement	Data Point	SFDR reference	Third pillar reference	Benchmark	EU climate law reference	Page	Not material/ Phase in
ESRS S1-14 Number of fatalities and number and rate of work-related accidents	88 b and 88 c	•		•		105	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness	88 e	•				105	
ESRS S1-16 Unadjusted gender pay gap	97 a	•		•			N/A
ESRS S1-16 Excessive CEO pay ratio	97 b	•					N/A
ESRS S1-17 Incidents of discrimination	103 a	•				103	
ESR S1-17 Non-respect of UNGPs on Business and Human Rights and OECD	104 a	•		•			N/A
ESRS 2 SBM-3 – S2 Significant risk of child labor or forced labor in the value chain	11 b	•				107	
ESRS S2-1 Human rights policy commitments	17	•				108	
ESRS S2-1 Policies related to value chain workers	18	•				108	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	19	•		•			N/A
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	19			•		108	
ESRS S3-1 Human rights policy commitments	16	•					Not material

Disclosure Requirement	Data Point	SFDR reference	Third pillar reference	Benchmark	EU climate law reference	Page	Not material/ Phase in
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	17	•		•			Not material
ESRS S3-4 Human rights issues and incidents	36	•					Not material
ESRS S4-1 Policies related to consumers and end-users	16	•				118-119	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	17	•		•			
ESRS S4-4 Human rights issues and incidents	35	•					
ESRS G1-1 United Nations Convention Against Corruption	10 b	•					
ESRS G1-1 Protection of whistleblowers	10 d	•					
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws	24 a	•		•		132	
ESRS G1-4 Standards of anti-corruption and anti-bribery	24 b	•				132	

General

Environment

Social

Governance

HITACHI