

Hitachi Rail

Mobility innovation driving long-term value

Sustainability Statement Executive Summary
Fiscal Year 2025

FY25 Achievements in Numbers

Hitachi Rail remains committed to embedding sustainability at the heart of our global mobility business. Here are some highlights from FY25:

10,000+

suppliers ESG-screened

HMAX

Hitachi Rail's AI-assisted digital asset management platform, supports maintenance optimization and improved energy efficiency. Around 2,500 trains were already connected to HMAX in FY25



Zero landfill achieved at 98% of our sites



Pistoia's (Italy) rooftop photovoltaic system installation delivering 8.2 GWh of renewables per year

Employee Resource Groups (ERGs):

Supporting inclusion of vulnerable and underrepresented groups

Tito, Italy became our first manufacturing site with no natural gas consumption in operations

42%

Renewable share of total energy consumption (+2.3 p.p. vs FY24)

Top 1%

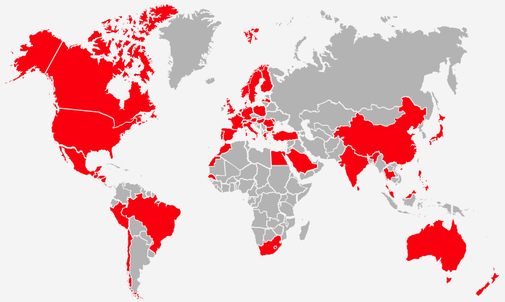
Hitachi Rail Ltd achieves ECOVADIS Platinum medal for sustainability commitments



Digital Product Passport developed for the aluminum used in train car bodies



Hitachi Rail is part of Railsponsible, the rail industry initiative promoting responsible and sustainable supply chains, to help raise standards across the sector.



BeWell program reaches colleagues across

50+ countries

LCA & eco-design principles

Applied to all new products



97%

Employees completing anti-corruption training

New Living Wage Policy introduced, applicable to all Hitachi Rail legal entities and subsidiaries



82%

Locations with ISO 14001 and 45001 certification



Hitachi Rail lasting value for society and future generations

FY2025 marked an important milestone for Hitachi Rail, as it was the first full year following the integration of the former Thales Ground Transportation Systems business. The integration strengthened our market position, expanded our capabilities, and enhanced our ability to deliver innovative rail solutions at scale. Today, over 24,000 colleagues across more than 50 countries combine deep engineering expertise, digital capabilities, and a shared commitment to delivering value for customers worldwide.

Sustainability and digitalization are strategic drivers of competitiveness, and innovation, helping us enable customers to improve performance, optimize assets, strengthen reliability, and reduce lifecycle costs. During FY2025, we made significant progress across our business. Our Tito facility became our first manufacturing site with no natural gas consumption in operations, while we expanded digital manufacturing capabilities at our Hagerstown facility, and invested in renewable electricity generation at our Pistoia site. At the same time, we continued to advance solutions ranging from battery train technologies to digital asset management platforms, drawing on Hitachi’s technological heritage in Japan and the expertise of our teams around the world, helping customers improve the efficiency, resilience and environmental performance of their networks. Following the close of FY2025, our broader sustainability performance was recognized with EcoVadis Platinum Medal.

By integrating sustainability into innovation and operational excellence, we are creating long-term value for customers, shareholders and communities while supporting the transition towards more connected, efficient and lower-carbon mobility systems.

Giuseppe Marino | Head of Mobility Business | Group CEO, Hitachi Rail



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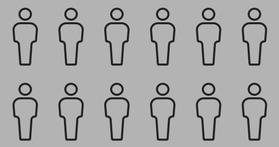
Our Pledges Drive Us

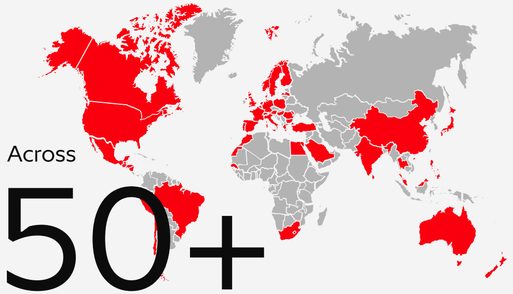
Hitachi Rail – a subsidiary of Hitachi Ltd. – is a global leader in rail transport solutions and a trusted partner to the world's leading transportation operators. Our portfolio spans the urban, mainline and freight sectors, encompassing high-speed trains, battery-powered vehicles and metro systems, as well as advanced signaling technology, digital platforms and ticketing solutions.



24,364

Workers*

Across

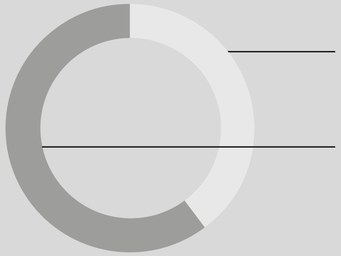


50+

Countries

FY25 Revenues

Growth year-over-year +13%



39.8%
Vehicles

60.2%
Signaling and Rail Solutions



Our sustainability PLEDGES

The PLEDGES framework is Hitachi's sustainability framework, bringing together seven priority areas that guide how the company manages its environmental, social and governance commitments. The framework connects long-term ambitions with measurable actions across operations, products, supply chains and people.

P **Planet**
Lead Green Transformation globally to achieve decarbonization.

L **Leadership**
Lead transformation with people who can boldly take on societal issues and pave the way for a brighter future.

E **Empowerment**
Build a culture that praises learning and encourages challenges and growth.

D **Diverse Perspectives**
Drive innovation by maximizing capabilities and performance of diverse talents.

G **Governance**
Build a resilient foundation with safety and ethics as a priority.

E **Engagement**
Build a sustainable value chain along with stakeholders.

S **Sustainability for All**
Accelerate value delivery to society and Hitachi's sustainable growth through PLEDGE.



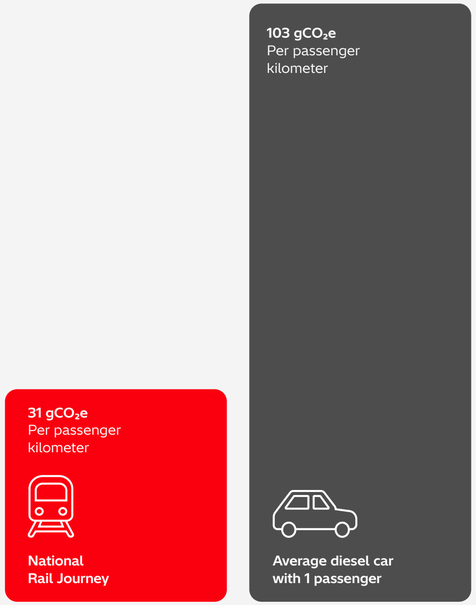
A winning combination

FY25 represented the first full fiscal year of consolidated operations following the integration of the former Thales Ground Transportation Systems business into our Signaling and Rail Solutions (SRS) line of business. This important milestone expanded our global workforce across more than 50 countries and positioned Hitachi Rail among the world's most comprehensive rail technology companies. Yet this integration represented far more than growth in scale – it brought together the expertise, culture, and ambitions of two leading organizations, enabling us to serve customers and communities more effectively than ever before.

*(financial and operational control)

Rail matters to the planet

Rail is already one of the most sustainable ways to move people and goods: national rail generates around 31 gCO_2e per passenger-kilometre, compared with approximately 103 gCO_2e for average diesel car with 1 passenger, around 70% less.*



When a passenger chooses the train, they make a choice for the environment. Our job is to make that choice as easy, comfortable, and compelling as possible, which is why we remain committed to reducing our operating emissions through battery, hybrid and digital technologies.

*Source of data by UK. Gov conversion factors 2026 evaluated by passenger-km comparison: Average car CO_2e/pkm = Average car CO_2e/vehicle-km ÷ average number of occupants. It is not present as resulting car number from official DESNZ passenger-km factor, but it is compared with one car / one passenger.





GHG Emissions FY25

Emissions	Scope 1	Scope 2 (market)	S1+S2 (market)	Scope 3 total
tCO_2e (FY25 total incl. operational control)	24,715	7,682	32,397	6,837,369
Renewable energy share FY25	42.1% of total energy consumption | Scope 3 dominated by Category 11 (use of sold products: 5,821,541 tCO_2e FY25)			

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Our pledges in action



Hagerstown, USA Factory. Low-emission site, with offsetting measures for residual emissions

A replicable blueprint for decarbonizing our global manufacturing network

A new rooftop photovoltaic system now generates 2.3 GWh of clean energy annually, and the full electrification of its heating systems eliminates fossil gas consumption, reducing annual emissions by approximately 450 tCO_2e. This demonstrates how digitalization and sustainability can work hand-in-hand to decarbonize industrial manufacturing at scale while creating skilled engineering and technology jobs.

- Factory now operating on 100% renewable electricity
- Energy management systems monitor consumption
- Full electrification of plant equipment
- Zero landfill waste
- Generates clean energy for the surrounding grid
- AI-enabled manufacturing applications and automation technologies introduced
- New Unified Data Layer provides a single source of real-time operational data



Tito Scalo, Italy becomes Hitachi Rail's first manufacturing site with no natural gas consumption in operations

Achieving decarbonization through smart engineering – without compromising productivity

In FY25, we implemented an innovative geothermal heat pump system at our Tito Scalo site in Italy, eliminating its use of natural gas – a core proof point for our broader electrification roadmap. By maximizing land use through integration within existing photovoltaic rows, the site has reduced its annual emissions by 150 tCO_2e.

- Complete replacement of natural gas used for heating
- Increased self-consumption of renewable electricity generated by the site's photovoltaic plant
- Improved overall energy efficiency
- Greater use of renewable energy sources

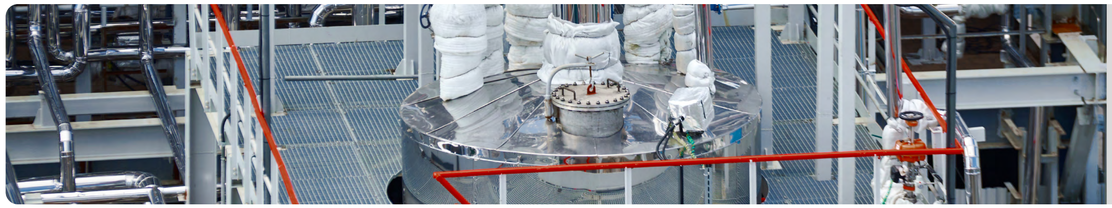


New photovoltaic system for Pistoia, Italy

Major solar project reinforces Italy's role in responsible industrial innovation

Our site in Pistoia, Italy, has joined our growing network of low-carbon manufacturing sites through the installation of a 6.5 MW rooftop photovoltaic system. Comprising 14,573 solar panels, the system generates approximately 8.2 GWh of renewable electricity annually – covering around 62% of the site's yearly electricity demand.

- Capital expenditure: approximately €497,000
- Prevents approximately 3,930 metric tons of CO_2e emissions annually
- Installed as part of the A2A Power Purchase Agreement



Digital Product Passport (DPP)

In FY25, we began to develop a Digital Product Passport (DPP) for the aluminum used in our train car bodies. By enabling end-to-end material traceability, we are enhancing supply chain transparency, supporting Scope 3 emissions reporting, and strengthening Hitachi Rail's readiness for the upcoming Ecodesign for Sustainable Products Regulation (ESPR).

Our people make the difference

Social responsibility progress on our pledges

People are at the heart of everything we do at Hitachi Rail. Every day, our 24,364 colleagues around the world design our trains, build our signaling systems, write our software, serve our customers and drive our mission forward. When people feel valued and engaged, they innovate more boldly, deliver better experiences for our customers and build lasting careers with us.



Developing a culture of care in FY25

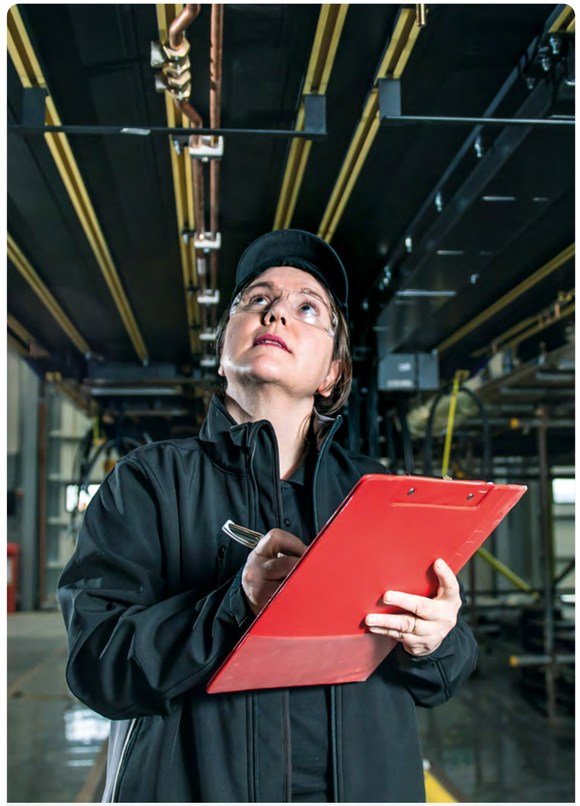
We continued to support our people in FY25 — building a healthier, more connected and more inclusive workforce — and reinforced Hitachi Rail's ambition to put people at the centre of sustainable growth:

Our global BeWell program continued to grow, covering mental health support, physical wellbeing, and work-life balance resources for colleagues across all 50+ countries where we operate.

Sustainability performance is now embedded in how we evaluate and reward our people, with the Short-Term Incentive Plan for eligible leaders directly linked to our PLEDGES targets – the clearest possible signal that sustainability performance is not separate from business performance, it is business performance.

We now have a wide range of active Employee Resource Groups (ERGs) worldwide, giving colleagues spaces to connect, support one another, and bring their authentic selves and cultures to work.

We introduced a formal Living Wage Policy, reinforcing our commitment to fair pay for all colleagues, wherever they work.



Our Commitment to Safety

Safety is non-negotiable at Hitachi Rail, for our employees, contractors, and the passengers who rely on our technology every day. Our Health, Safety and Environment (HSE) Policy establishes clear standards across all operations and is reinforced through dedicated initiatives, including the Safety Leadership Training Program, which strengthens safety accountability and promotes leadership behaviors that support a proactive safety culture at every level of the organization. In addition, all employees are required to complete annual Ethics and Compliance training, underscoring our commitment to conducting business with integrity, responsibility, and respect.

Creating positive impact beyond our business

Social responsibility progress on our pledges

Hitachi Rail's responsibility does not end at the factory gate or the server room. From our manufacturing plants in Naples and Reggio Calabria to our digital hubs in London, Genoa and Tokyo, Hitachi Rail is woven into the fabric of the communities where we operate. We are committed to creating lasting social impact and economic opportunities in all of them.



We are part of communities, industries and ecosystems that we have a duty to help strengthen.

Creating opportunities that endure in FY25:

We deepened our engagement in local communities and talent pipelines, created economic opportunities alongside our business growth and improved our sustainable procurement:

We are an active member of UNIFE — the European Rail Supply Industry Association — contributing to the development of common industry standards and supporting Europe's Rail research program.

We are a founding member of the UN Global Compact Network Italy, integrating the Ten Principles on human rights, labor standards, environmental stewardship and anti-corruption into our strategy and culture.

We participated in the UK's Railway 200 celebrations to mark the 200th anniversary of the birth of the modern railway.

Our pledges in action



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. Below are a few examples of Hitachi Rail initiatives carried out in this reporting year:

Raised over €9,000 for UK charities including Alzheimer's Research UK and Railway Children

Hitachi Rail employees participated in charity marathons in Rome and Milan

Supported school communities in Batesburg, Honolulu and Pittsburgh with school supply drives.

Participated in Honolulu's Kalihi Summit to gather local perspectives on the future development of Skyline, including considerations related to equity, sustainability and transit-oriented development.



Protecting people and communities in our supply chain

Boosting our due diligence

Sustainability risks extend far beyond our own operations. By expanding due diligence deep into the value chain, we protect people, environments and the integrity of our products and business.

10,000+ ESG supplier screenings conducted using the AI-enhanced EcoVadis IQ+ platform

Screenings spanned 203 industries and 62 countries, covering most of our global procurement spend

Three Independent Workplace Conditions Assessments (WCA) audits completed

A foundation of trust

Transparency, integrity and accountability at every level

Strong governance is the foundation of trust that customers, investors, regulators, and communities expect from us every day – as well as a source of competitive advantage.



Human and Labor rights Governance

Hitachi Rail has established a framework for the management of human and labor rights, supported by its Code of Ethics and Business Conduct, Human Rights Policy, Modern Slavery Policy, Respectful Workplace Policy and other relevant internal policies. Human Rights Due Diligence activities are supported by risk assessment, supplier screening, training, stakeholder engagement and reporting channels, alongside a risk-based approach to supplier onboarding and monitoring to identify environmental, labor, human rights and ethics-related risks across the supply chain.

Our oversight structure

Ensuring our sustainability commitments are credible, measurable and independently verifiable.

The Board of Directors meets at least quarterly to provide strategic oversight of all sustainability matters.

Four Executive Directors:



Giuseppe Marino
Hitachi Rail Chief Executive Officer



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



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



Mitsuo Iwasaki
Head of Japan Business

Seven Non-Executive Directors:



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



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



Akihide Hirao
Chief Financial Officer, Mobility Sector at Hitachi Ltd



Kentaro Masai
Executive Adviser, former Vice President at Hitachi Ltd



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



Shashank Samant
Hitachi Rail Ltd External Board Member



Manuel Valverde
Deputy Chief Risk Management Officer at Hitachi Ltd



In FY25, nearly 40 internal audits were conducted and 1,663 J-SOX (the Japanese equivalent of the Sarbanes & Oxley Act) controls tested.

All employees complete annual Ethics & Compliance training.

The Sustainability Committee* meets regularly to review ESG impacts, risks, and opportunities.

Members:

- **Giuseppe Marino,** Hitachi Rail Chief Executive Officer
- **Dr. Maiya Shibasaki,** Hitachi Rail Chief Sustainability Officer and Chief Diversity, Opportunity and Inclusion Officer
- **Rob Luijten,** Hitachi Rail Chief Human Resources Officer
- **Christophe Gourlay,** Hitachi Rail Chief Procurement Officer
- **Mariella Guerricchio,** Hitachi Rail Chief Innovation & Technology Officer
- **Christian Andi,** Hitachi Ltd Corporate Officer, Hitachi Rail Head of Signaling & Rail Solutions
- **Luca D'Aquila,** Hitachi Rail Chief Operating Officer and Head of Vehicles
- **Ulderigo Zona,** Hitachi Rail Executive Director, Head of SHEQ
- **Megumu Tsuda,** Hitachi Ltd Corporate Officer, General Manager of Group Environment Division & Group Sustainability Division
- **Alice Po,** Hitachi Ltd Chief Procurement Officer and Head of Value Integration Division

The Audit and Compliance Committee oversees whistleblowing mechanisms, anti-corruption and anti-bribery controls, trade compliance, and adherence to applicable legal and regulatory requirements.

Members:

- **Alberto De Benedictis,** CC Chair (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

*Updated Sustainability Committee composition as of 2026.

Looking ahead

Our 2027 horizon is ambitious, yet grounded in real data about where we are, where we need to go and what it will take to get there. These priorities are more than aspirations – they are concrete commitments, with KPIs tracked periodically and overseen by our Sustainability Committee.



2027

Decarbonization

Reduce Scope 1 and 2 emissions by:

Reducing and optimizing energy consumption through more efficient systems (such as the replacement of our heating systems in Naples and Pistoia, Italy) and reducing energy waste (such as the thermal insulation of our Naples workshop).

Electrifying our fossil fuel sources through projects such as the electrification of our heating systems in Naples (IT), Arnstadt (GER), Hagerstown (US) and our painting booth in Reggio Calabria (IT).

Generating additional renewable energy via new photovoltaic systems while exploring other sources such as geothermal.

Reducing water usage and waste generation, including zero landfill across all our major facilities.

Product Innovation

Expand our battery train commercial portfolio

Digital material passports pilot release (officialized during Innotrans 2026)

Talent and Engagement

Grow employee engagement scores year on year

Expand the BeWell program to all geographies

Scale the digital learning platform globally

Diverse Perspectives

Strengthen ERG visibility and engagement

Expand Executive Sponsor support for ERGs

Increase awareness of Diverse Perspectives and neurodiversity

Embed inclusion through inclusive leadership and practical workplace actions

Supply Chain & Ethics

Scale to 2,000+ supplier ESG screenings annually

Achieve full Corporate Sustainability Reporting Directive (CSRD) alignment in sustainability reporting

Deepen Railsponsible industry engagement

Strengthen conflict minerals due diligence across all tiers

Data-Driven Reporting

Develop new solutions within the new sustainability reporting tool RitaONE

Enhance the completeness and accuracy of Scope 3 data

A future worth building

We are living through one of the most consequential decades in human history. The decisions we make today about how we move people and freight – and how we power that movement – will define the world that future generations inherit.



Rail is already among the most sustainable modes of transport on the planet. But we believe it can – and must – do better.

Every battery train we deploy, every carbon-neutral factory we build, every geothermal plant we commission, every digital platform that makes rail more efficient and affordable – these are contributions to a future worth building, for the communities we serve today and for the generations who will inherit the infrastructure we create.

Beyond 2027

Decarbonization

By 2030: Carbon neutrality at all sites

By 2050: Net zero across the entire value chain

Measurable milestones at every step

Product Innovation

Battery Trains and AI-powered digital energy tools that can support operator's decarbonization roadmap without compromising service quality or passenger experience

Sustainable Supply Chain

Strengthening climate resilience by embedding sustainability across our business

Human Capital

A workplace where every colleague feels safe, valued, and empowered to grow

Continued investment in learning, wellbeing and inclusive leadership



FY25 at a Glance

Sustainability became a platform for growth

During FY25, Hitachi Rail moved beyond treating sustainability as a standalone commitment. It became increasingly embedded in how the business grows, manufactures and creates value for customers and communities.

Climate **Impact**

In FY25, Hitachi Rail translated its environmental ambitions into concrete, measurable results — from the Hagerstown, US, digital factory to cloud-based signaling, every innovation can help reduce the carbon footprint of rail transport.

Hagerstown Digital Factory

Maryland, USA

Powered entirely by electricity

~1.8 MW photovoltaic capacity

- Capacity: up to 20 railcars/month; waste-reduction targets

Reduced Scope 1 and 2 emissions vs. conventional manufacturing

Green CBTC Next Gen

Singapore

-8% energy consumption N-S/E-W Lines

- Equivalent to the annual electricity use of more than 3,000 homes
- +20% capacity on the same lines, with improved reliability

Less energy per passenger carried, with higher-capacity networks

Cloud-based Signaling

Proof of Concept

Sep 2025 digital interlocking presentation

- Safety-critical functions in sovereign cloud; less distributed copper hardware
- Lower-carbon data-centre electricity; fewer maintenance journeys

Fewer physical components = smaller material and logistics footprint

ETCS/ATO — Interoperability

Australia

ATO Cross River Rail Queensland

- ETCS + Automatic Train Operation on New Generation Rollingstock
- ETCS standard: network interoperability and operational efficiency

ATO can create positive climate impact in terms of Optimized speed profiles, Regenerative braking optimization, Lower traction electricity consumption and Reduced infrastructure/maintenance needs

HMAX for Rail

Japan

In FY25, Hitachi Rail strengthened its contribution to sustainable mobility in Japan to introduce HMAX for Rail. By combining operational expertise, asset data and AI-enabled insights, the initiative is designed to improve maintenance efficiency, asset reliability and network performance, supporting more resilient and resource-efficient railway operations

Social **Impact**

In FY25, Hitachi Rail generated tangible social value for communities, workers and passengers — from Maryland's regional economy to inclusive engineering careers.

Hagerstown, US — Advanced Employment and Regional Economic Impact*

- More than **500 advanced-manufacturing roles** directly associated with the factory
- More than **1,300 supported jobs** across the wider regional supply chain
- Approximately **$350 million** estimated annual regional economic contribution

Concrete example: new high-skill manufacturing career pathways in an area with strong rail industrial heritage (Washington, Baltimore and other North American transit systems)

Inclusive Engineering Careers — Women in Rail

- Published 23 June 2025: "From Switchgear to Software Leadership: Engineering a Career on My Terms"
- Highlights inclusive career pathways, technical governance and the contribution of women to software, signaling and engineering
- Business relevance: talent attraction and retention in specialist engineering roles

Concrete example: real-life narrative of a professional who built a career in signaling systems

Hitachi helps save world's first railway station

- Hitachi Rail makes a significant donation to secure the future of Heighington railway station

Railway 200 turned heritage into community impact: preserving Heighington Station, engaging local communities through the Newton Aycliffe Open Day, and inspiring families and young people to connect with the railway and its future.

Global Scale — Over 24,000 Employees in 50+ Countries

- FY24 Sustainability Statement (November 2025): integration of the former Thales Ground Transportation Systems business
- Extended reporting on workforce, value-chain workers and customers

Concrete example: expansion of global social impact capacity through post-acquisition integration

*EmpCo note: employment and economic impact data for Hagerstown sourced from the official Maryland State announcement (8 September 2025). Better Connected Report 2025 data based on the official Hitachi Rail publication. All facts are clearly distinguished from narrative examples.

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