Carbon Reduction Plan

Supplier name: **Hitachi Digital Services, LLC**

Publication date: **May 6, 2025**

Last modified: **October 14, 2025**

Commitment to achieving Net Zero:

Hitachi Digital Services, LLC is committed to achieving Net Zero emissions by FY2050.

Baseline Emissions Footprint:

Hitachi Digital Services, LLC is an established entity that became operational on April 1, 2024, as part of the Hitachi Group. The Sustainability Report for fiscal year 2024 has been published on September 24, 2025, and is accessible here: Sustainability - Hitachi Digital Services. Our fiscal year runs April – March.

The Report includes greenhouse gas (GHG) emissions data for Scope 1, Scope 2, and Scope 3, covering the relevant categories aligned with the business model of Hitachi Digital Services, LLC. As part of our ongoing commitment to transparency and emissions reduction, this Carbon Reduction Plan will be reviewed and updated annually. Furthermore, our FY2024 Sustainability Report has undergone a third-party limited assurance process to validate the accuracy of our emissions calculations.

To advance our decarbonization journey, Hitachi Digital Services, LLC has set a near-term target of achieving carbon neutrality in Scope 1 and Scope 2 emissions by FY2030 in alignment with our long-term vision of reaching net zero emissions across the value chain by FY2050. We are also committed to submitting near- and long-term emissions reduction targets to the Science Based Targets initiative (SBTi) for validation. This reinforces our dedication to credible, science-aligned climate action and continuous progress in reducing our environmental impact.

As illustrated in Figure 1, Hitachi Digital Services adopts a holistic approach to decarbonization, integrating all aspects of its business model—from facilities to software development. Several strategies have been implemented to reduce Scope 1 and 2 emissions. By FY2024, the company targeted 39% renewable energy use globally, bringing it closer to its goal of achieving carbon neutrality for Scope 1 and 2 by FY2030. In addition, Hitachi Digital Services has taken a significant step by completing its first comprehensive Scope 3 emissions baseline—laying the foundation for further value chain emissions reductions.

Our six pillars of IT decarbonization

POWER SUPPLY & POWER EQUIPMENT
- Energy strategy (risk, PPAs, offsets)
- Renewable energy, battery storage
- Virtual power plants (VPPs)
- Transformers, switching gear, digital substations

ARCHITECTURE AND ENGINEERING
- Design for reliability, resiliency and sustainability
- Application portfolio management and rationalization

IT INFRASTRUCTURE
- Energy-efficient IT assets
- Carbon efficiency monitoring
- Real-time workload allocation
- HVAC & facility energy optimization

GREEN IT
Carbon insights and analytics

CLOUD STRATEGY
- Granular monitoring of GHG emissions
- Cloud CO_2 optimization (GreenOps)

APPLICATIONS
- Application CO_2 optimization (Scope 1, 2 & 3)
- Green software development (DevOps)

DATA STEWARDSHIP
- Data governance for CO_2 optimization
- Data lifecycle management
- Data de-duplication and compression
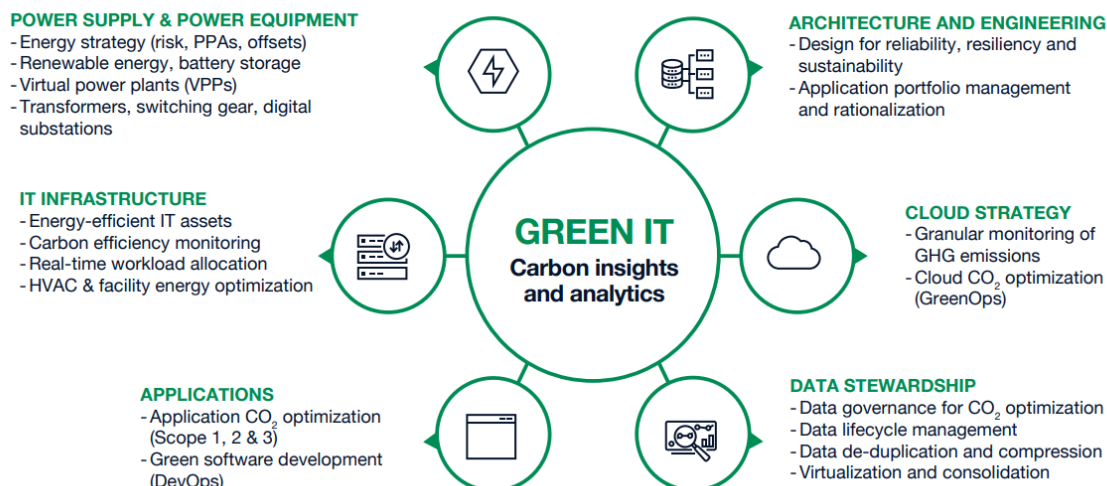- Virtualization and consolidation

Figure 1: Systemic Approach to IT Footprint Reduction: A comprehensive view of the IT footprint built on six pillars—power, infrastructure, applications, architecture, cloud strategy, and data stewardship—to help reduce carbon emissions across IT systems. Source: FY23 Hitachi Digital Services sustainability report – Page 12

Current Emissions Reporting

Reporting Financial Year: FY2024 (01.04.2024 – 31.03.2025)	
EMISSIONS	**TOTAL (MtCO$_2$e)**
Scope 1	249.18 Mt-CO$_2$e
Scope 2 (Market Base)	2,762.98 Mt-CO2e
Scope 2 (Location Base)	3,415.45 Mt-CO2e
Scope 3 (Market Base)	25,347.85 Mt-CO2e
Scope 3 (Location Base)	25,328.93 Mt-CO2e
Total Emissions (Market base)	25,347.85 Mt-CO2e
Total Emissions (Location base)	28,993.56 Mt-CO2e

Table 1: FY2024 GHG Emissions at Hitachi Digital Services
The data presented in this table is disclosed in
the FY2024 Sustainability Report - Sustainability - Hitachi Digital Services.

Category Number	Category Name	TOTAL (MtCO₂e)
Category 1	Purchased goods and services	16,323.11
Category 2	Capital goods	Included in Category 1
Category 3	Fuel- and energy related activities (not included in scope 1 or scope 2)	1,290.95
Category 4	Upstream transportation and distribution	14.00
Category 5	Waste generated in operations	341.77
Category 6	Business travel	2,711.01
Category 7	Employee commuting	4,260.32
Category 13	Downstream leased assets (Market Based)	406.69
Category 13	Downstream leased assets (Location Based)	387.76

Table 2: FY2024 GHG Emissions at Hitachi Digital Services.
The data presented in this table shows all applicable categories emission according to the business disclosed in the FY2024 Sustainability Report - Sustainability - Hitachi Digital Services.

Hitachi Digital Services recognizes that a significant portion of its climate impact occurs beyond its direct operations. In FY2024, the company conducted a comprehensive Scope 3 emissions screening to identify and calculate emissions across categories relevant to its business, in alignment with the GHG Protocol. This assessment provided valuable insights into the company's value chain footprint and helped prioritize the most material emission sources for reduction.

As part of this process, Hitachi Digital Services developed a value chain engagement strategy to drive greenhouse gas (GHG) reductions across its operations and supply chain. This engagement forms the cornerstone of the company's Scope 3 strategy and emissions reduction roadmap, particularly given the importance of Scope 3, Category 1: Purchased Goods and Services, which accounts for the largest share of its Scope 3 emissions. Through this screening, eight of the fifteen GHG Protocol categories were identified as relevant to Hitachi Digital Services' activities, and targeted actions are being developed to address these categories (please see table 2).

Categories 8, 9, 10, 11, 12, 14, and 15 of the GHG Protocol are considered not applicable or not relevant to Hitachi Digital Services LLC because they do not reflect material emission sources within the company's business model or value chain. Hitachi Digital Services operates primarily as a digital solutions and IT services provider, with limited physical products or capital-intensive infrastructure. The company does not invest in other entities, or manufacture and distribute physical goods, making categories related to upstream leased assets (8), downstream transportation and distribution (9), processing of sold products (10), use of sold products (11), end-of-life treatment of sold products (12), franchises (14), and investments (15) immaterial to its operations. Therefore, these categories are excluded from the Scope 3 inventory, as they do not significantly contribute to the company's overall GHG emissions profile.

Emissions Reduction Targets:

Hitachi Digital Services is committed to leading climate action by aligning with science-based targets and embedding decarbonization across all business operations.

As part of our Carbon Reduction Plan, we have established the following key targets:

- Achieve carbon neutrality for Scope 1 and 2 emissions by FY2030
- Reach net-zero emissions across our entire value chain (Scope 1, 2, and applicable Scope 3) by FY2050

To support progress toward these goals, we have taken the following actions:

- In FY2024, we achieved 39% renewable energy use across our operations
- By FY2025, we aim to reach 50% renewable energy use
- In FY2025, setting a near-term goal aligned with the Science Based Targets initiative (SBTi), reinforcing our commitment to a credible, transparent decarbonization pathway

These actions reflect our integrated approach to carbon management and sustainability, helping to drive measurable impact in line with global climate goals.
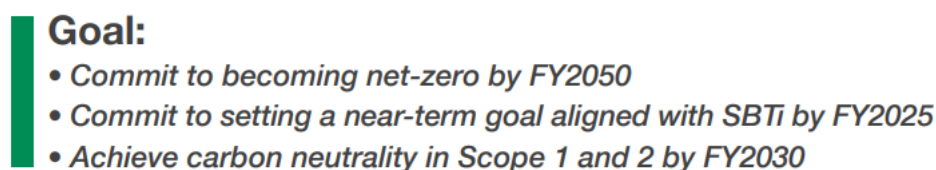

Goal:
- *Commit to becoming net-zero by FY2050*
- *Commit to setting a near-term goal aligned with SBTi by FY2025*
- *Achieve carbon neutrality in Scope 1 and 2 by FY2030*

Figure 2. *Hitachi Digital Services Carbon Reduction Goals*
This chart illustrates Hitachi Digital Services' roadmap towards carbon reduction progress,
outlining both short- and long-term targets.

Carbon Reduction Projects:

Hitachi Digital Services is committed to advancing its decarbonization journey by setting ambitious, science-aligned climate targets. Our primary objectives are to:

- Achieve carbon neutrality in Scope 1 and 2 emissions at business sites by FY2030
- Reach net-zero emissions across our full value chain (Scope 1, 2, and applicable Scope 3) by FY2050

As part of our short-term strategy, we aim to reach 50% renewable energy usage by FY2025, supporting progress toward our FY2030 carbon neutrality goal.

In FY2024, Hitachi Digital Services took a significant step forward by establishing a comprehensive Scope 3 baseline, independently verified through Limited Assurance which will be disclosed in Hitachi Digital Services FY2024 Sustainability Report published in September 2025. This marks our first fully assured Scope 3 inventory and provides a clearer understanding of emissions across our value chain, helping to identify key mitigation priorities.

To ensure alignment with global climate goals, Hitachi Digital Services has built this Carbon Reduction Plan to connect current progress with future targets. In FY2025, we will submit a near-term goal aligned with the Science Based Targets initiative (SBTi) for validation.

To support this plan, we are implementing the following strategies:

- Utilize renewable energy certificates (RECs) which are approved and accepted by the SBTi as an appropriate mitigation approach
- Improve operational efficiency by introducing and upgrading to high-efficiency IT infrastructure
- Enforce Sustainable Procurement Guidelines and Green Procurement Guidelines, requiring suppliers to set greenhouse gas reduction targets
- Promote energy-saving best practices across our facilities globally
- Install energy-efficient equipment and optimize operations in collaboration with building owners

These actions are critical to achieving our carbon reduction targets and reflect Hitachi Digital Services' commitment to sustainability, innovation, and responsible growth.

Achievements in Fiscal Year 2024:

One of Hitachi Digital Services' most significant milestones in FY2024 was the successful completion of a comprehensive Scope 3 emissions calculation, enabling the company to begin setting credible long-term targets aligned with our Net Zero goal for FY2050.

As an independently established entity as of April 2023, FY2024 marks the first full financial reporting year reflecting emissions solely from Hitachi Digital Services. This represents a critical step forward in enhancing transparency and accountability, aligning with our short-term target of achieving carbon neutrality in Scope 1 and 2 emissions by FY2030.

During this period, Hitachi Digital Services also surpassed expectations by achieving 39% of total energy use from renewable sources, forming a strong foundation for our FY2025 target of reaching 50% renewable energy use.

Following the submission of our commitment letter to the Science Based Targets initiative (SBTi), Hitachi Digital Services is now preparing to formally submit a near-term goal. This submission will be based on the newly established FY2024 emissions baseline, which includes Scope 1, 2, and applicable Scope 3 emissions across our operations and value chain. These figures went through Limited Assurance by a third-party auditor, reinforcing the integrity and credibility of our reporting.

All achievements and progress toward our climate goals are publicly disclosed in the FY2024 Sustainability Report, released in September 2025.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[3].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

Roger Lvin

………………………………………………………………….

CEO, Hitachi Digital Services

Date: …5-6-2025……………………..……….

Revision History

Date	Description	Changed by
14/10/2025	Updated Carbon Reduction Plan to include all 8 Hitachi Digital Services LLC applicable Scope 3 categories. Added justifications for any categories reported as not applicable.	Luis Eyzaguirre, Sustainability Data Project Manager

---

[1] https://ghgprotocol.org/corporate-standard
[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[3] https://ghgprotocol.org/standards/scope-3-standard