

March 28, 2024

“Mizuho Positive Impact Finance” Loan Agreement Signed

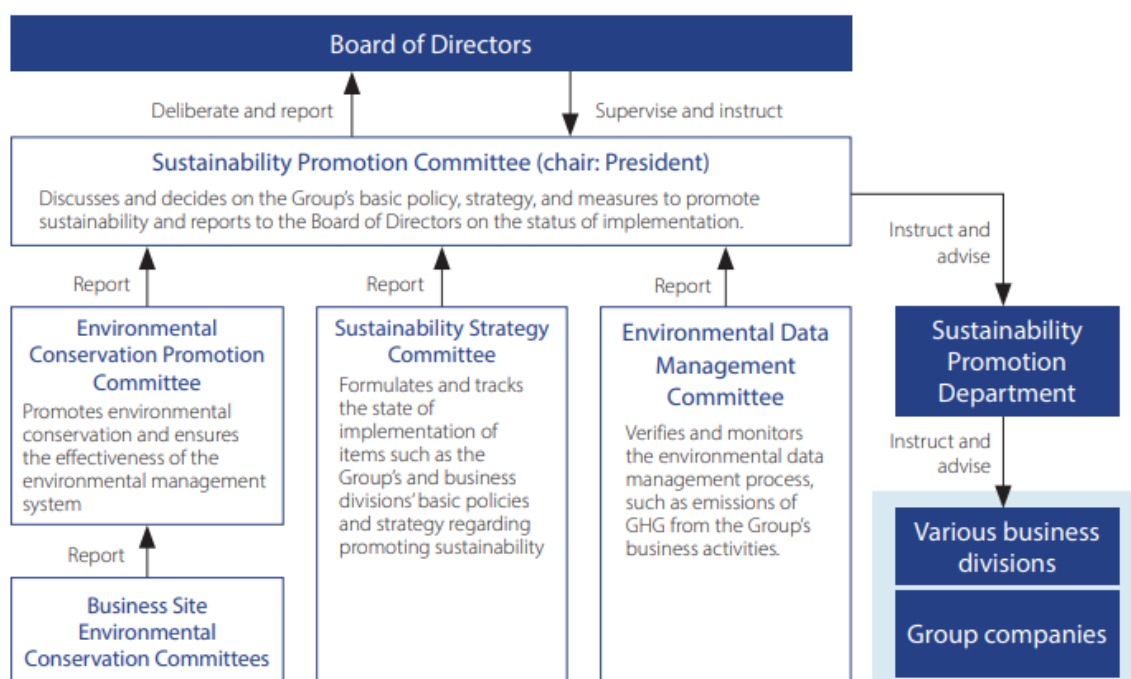
Hitachi Zosen Corporation signed the loan agreement with Mizuho Bank, Ltd (Tokyo, President & CEO : Masahiko Kato; hereinafter, “Mizuho Bank”) for 'Mizuho Positive Impact Finance', which has been executed today.

Positive impact finance is a kind of ESG finance that complies with the Positive Impact Financing Principles*¹. Mizuho Positive Impact Finance utilizes an impact assessment framework originally which Mizuho Research & Technologies Co., Ltd. developed for comprehensive and quantitative assessment of the social impact owned by its clients. If the results confirm that the it is to create a positive impact, the bank will support the ongoing efforts of the client through the finance.

In the Hitachi Zosen Group’s long-term vision “2030 Vision”, which defines our vision for 2030, we aim to be a solution partner for realizing sustainable, safe and secure society, and we have expressed it both internally and externally . We also established a “Sustainable Vision”, which aims to “realize zero environmental impact” and “maximize people’s well-being” as our vision for 2050, set “Seven Pillars of Success” (materiality) to realize the vision, and formulated a roadmap with 2050 as the goal.

For entering into the loan agreement, the themes listed in the Annex*² were evaluated qualitatively and quantitatively as activities that have a particular impact on the achievement of the SDG targets, with a focus on addressing the materiality.

[Sustainability promotion framework]



The Hitachi Zosen Group's corporate philosophy is "We create value useful to society with technology and integrity to contribute to a prosperous future" and the brand concept is "Taking on the challenge, through the power of technology to create a world that lives in balance with nature". Our businesses are broadly expanded to environmental businesses such as waste to energy and water treatment, machinery and infrastructures such as bridges and water gates, precision machinery, and decarbonization businesses such as hydrogen and metanation, and wind power generation. All of those businesses are directly linked to SDGs, and we will continue to actively contribute to the achievement of SDGs and the creation of a recycling-oriented society through our business activities.

※1 : An overarching, holistic and impact-based framework that includes the environment, social and economic development to achieve the SDGs, which was published in 2017 by the Positive Impact Working Group, banks and investors members of the United Nations Environment Program and Finance Initiative (UNEP FI), with both positive and negative impact assessments. UNEP FI also presents the Impact Radar as a tool for impact identification, consisting of 22 categories, including climate, water, energy, biodiversity, culture and tradition.













※2 : Japan Credit Rating Agency, Ltd. (JCR) has provided a third-party opinion on the conformity of this assessment with the Positive Impact Finance Principles and the Positive Impact Finance Task Force, which was established under Section 2 (4) of the Ministry of the Environment's Outline for Establishment of the High-Level Panel on ESG Finance, and the consistency with the "Basic Approach to Impact Finance" complied by the Positive Impact Finance Task.

The outline of the Agreement is as follows.

1.Loan amount: JPY 2.5 billion

2.Period : March 28, 2024 - March 28, 2029 (5 years)

Appended Table

Impact	KPI	Goals and policies	SDGs
Health and hygiene	Number of lost-time injuries (Hitachi Zosen Group)	Each fiscal year: 0	 
Employment	Reduction of overtime work (Hitachi Zosen)	FY2025: Monthly 80H over 100 persons in total Monthly 60H of at least 0	
Water (quality), air, soil, biodiversity and ecosystem services	Changes in environmental pollutant materials (Hitachi Zosen Group)	Until fiscal 2024: Completion identification of modifiable materials and formulate change plans Fiscal 2025 and beyond: Confirmation of the status of changes to the subject substances based on the plan	  
Resource efficiency, safety, and waste	Final landfill ratio (Hitachi Zosen Group)	FY2025: 3% or less	
	Recycling rate (Hitachi Zosen Group)	FY2025: 90% or more	
Climate	GHG emissions (Scope1, 2, 3) (Base year: FY2013) (Hitachi Zosen Group)	FY2030: 50% reduction Fiscal 2050: Carbon neutral	
Education	DX Human Resource Development (Hitachi Zosen)	FY2025: 500 (cumulative total)	
Employment	Employee Engagement Index (Hitachi Zosen)	FY2025: 70% or more	
Employment, inclusive and sound economic	Ratio of Female Managers (Hitachi Zosen)	FY2025: 4% or more	 
	Ratio of Female New Graduates (Hitachi Zosen)	FY2025: Administrative 50% Engineering 10%	
	Rate of men taking childcare leave and leave (Hitachi Zosen)	FY2025: 100%	
Climate	By the company's group products CO2 emissions reduction effect (Hitachi Zosen Group)	Fiscal 2030: Approx. 40 million t-CO2e/ years	