Working toward a Society in Harmony with Nature—Addressing Biodiversity

Basic Concept

In June 2024, the Hitachi Construction Machinery Group formulated its biodiversity policy to outline its approach to biodiversity. Since then, we have been raising awareness of this policy both within and outside the Group, while implementing necessary measures and promoting the disclosure of relevant data.

In line with the policy, Hitachi Construction Machinery joined the 30by30 Alliance for Biodiversity, which is an initiative promoted by the Japanese Ministry of the Environment, in October 2024. "30by30" means to stop the degradation of ecosystem services and effectively conserve at least 30% of the land and sea as healthy ecosystem areas by 2030, as agreed at the G7 Summit held in the United Kingdom in June 2021. We decided to support and participate in the Alliance launched in Japan, believing it to be aligned with our own commitment to a circular economy and carbon neutrality, which are also challenges pursued by our customers.

Going forward, we will implement biodiversity conservation measures across the Hitachi Construction Machinery Group in consideration of external trends, including activities of the 30by30 Alliance.

Web: Hitachi Construction Machinery Group Biodiversity Policy
https://www.hitachicm.com/global/en/sustainability/environment/nature/

Biodiversity Survey Conducted at the Tsuchiura Works

The Hitachi Construction Machinery Group Biodiversity Policy clearly sets out our commitment to "understanding the relationship between business and biodiversity and reducing impacts." In line with this policy and based on cooperation between our related departments, we partnered with external experts to conduct our first biodiversity survey to check how natural ecosystems are conserved on the premises of the Tsuchiura Works and how the activities of this manufacturing base affect the surrounding environment.

Present Situation and Important Points Identified through the Survey

	State of nature	Important point
Regulating pond	• The water source is the rainwater that falls on the premises, which is good in quality. • A mix of deciduous trees such as Chinese hackberries, evergreen trees such as Chinese privets, Japanese cedars and other trees thrive on the waterside slopes of the pond. The droppings of martens were found around the pond, and the presence of raccoon dogs, masked palm civets and raccoons was confirmed. • More than 100 mallard ducks and more than 30 common teals pass the winter on the pond. Lots of spot-billed ducks are also observed there. • Aquatic life observed in the pond includes topmouth gudgeons and water scavenger beetles.	• The water quality does not exert any adverse influence over the water environment. • The non-presence of aquatic life in shallows is a negative point for biodiversity. However, there are floating plants in shallows, which are worth conserving as they provide a habitat for damselflies and species that prefer aquatic plants. • It must be noted that the floating plants might include alien species. • The presence of invasive alien species such as carp and American crayfish poses a challenge.
Mixed forest	• Mainly composed of indigenous Japanese oaks and Chinese hackberries, and vegetation that is similar to the former mixed forest still exists. • The presence of Japanese white-eyes, Japanese tits, turtle doves, pale thrushes, brown-headed thrushes, dusky thrushes and other birds was confirmed. • There are multiple big Chinese hackberries. Therefore, giant purple butterflies, nymphalid butterflies and beetles, whose larvae eat the leaves of the trees, might be living in the forest.	• Japanese oaks and other deciduous trees have no offspring, while evergreen trees are thriving. Accordingly, the forest might become one of evergreen trees in 10 to 20 years. • If the forest becomes dominated by evergreen trees, giant purple butterflies and other species that prefer a bright environment provided by a mixed forest may disappear from the forest. • It is necessary to maintain and manage the present light-reaching forest composed largely of deciduous trees, including by thinning evergreen trees and moso bamboo, cutting down large-diameter trees to make way for the growth of Japanese oak offspring, and raking fallen leaves.

Direction of Future Measures

The results of the survey indicate that the regulating pond and the mixed forest on the premises of the Tsuchiura Works constitute a so-called *satoyama* environment, where a variety of indigenous species including endangered ones may be living with high probability. The pond and forest are deserving of certification by the Japanese Ministry of the Environment as a "sustainably managed natural site*."

For the regulating pond, it was deemed necessary to remove the earth and sand deposited on the bottom of the pond in consideration of the risk of flooding due to heavy rain and of the need for biodiversity conservation. For the mixed forest, which had been conserved well, the need to update and revitalize it was pointed out.

The survey results testify to the fact that Hitachi Construction Machinery has been giving consideration to a range of environmental issues in its business activities since its founding. We will continue to conduct similar surveys to grasp the current situation accurately in order to conduct examinations to implement measures for biodiversity, including the formulation of a related action plan.

* Sustainably managed natural sites: The Ministry of the Environment certifies areas where biodiversity conservation measures are implemented by the private sector, such as forests and *satoyama* nature-rich sites and land protected by companies, as well as green spaces in cities as "sustainably managed natural sites."