

Initiatives for Material Issues

As part of Project Change, formulated in 2020, we are striving to create “a world where nature and technology work in unity” in the near future. By setting this goal, the social issues we need to address along with the values we aim to provide have been clarified. We re-identified and revised our material issues

according to the significance of each of the social issues to address with the goals of becoming carbon-free, disaster prevention and mitigation, and materializing fulfilling lifestyles.

The main initiatives for the 16 material issues thus identified are listed in the table below.

[▶ Reference Page : Identification Process of Material Issues \(P13\)](#)

[▶ Reference : IHI Sustainability Data Book 2023](#)

	Material Issues	Approach/Policies	Main Initiatives	SDB* Reference pages
E	Climate change	Climate change has a tremendous impact on society and economy, and is a social issue that questions company sustainability. We believe the social issue of climate change is one that we should work to address through mitigation and adaptation.	<ul style="list-style-type: none"> ● Taking measures against climate change through products and services (Mitigation and Adaptation) ● Reducing GHG emissions 	P92
	Circular economy	We appropriately manage waste and water resources to improve resource efficiency and reduce environmental impact in order to realize a sustainable society.	<ul style="list-style-type: none"> ● Reduce waste emission ● Appropriate management of water resources (investigating water risks and reducing water withdrawal) 	P99
	Conservation of the global environment	We position environmental law compliance and environmental accident prevention as top priority issues.	<ul style="list-style-type: none"> ● Take measures to prevent water pollution (monitoring wastewater quality, wastewater facility maintenance) ● Prevent soil contamination (identify areas where hazardous substances are used) ● Biodiversity conservation 	P102
S	Human rights	Through fostering a corporate culture that respects human rights and human rights initiatives throughout all of our business activities, we fulfill our responsibility toward respecting human rights for all people.	<ul style="list-style-type: none"> ● Promoting human rights due diligence (Human rights risk assessment and countermeasures) ● CSR procurement monitoring for business partners 	P49
	Occupational health and safety	We believe ensuring safety and health to be at the foundation of our business activities and one of our most important management concerns.	<ul style="list-style-type: none"> ● Eliminating work-related accidents based on the Five Safety Principles ● Mental and physical health management 	P55
	Diversity, equity, and inclusion	In order to solve increasingly complex social issues, it is essential that we collaborate and cooperate with various stakeholders, which serve as the foundation for promoting diversity, equity, and inclusion.	<ul style="list-style-type: none"> ● Promoting institutional reform and fostering a corporate culture that evaluates the reform challenges ● Conducting employee awareness surveys to increase engagement 	P62
	Work-style and operational process reforms	In the current world, where work values are becoming more diversified, we believe it is important for companies to provide workplaces attractive to workers that respond to a variety of values.	<ul style="list-style-type: none"> ● Introduce methods and systems that create a comfortable workplace ● Establishing a community that creates new value and innovation 	P77
	Customer relationships	While giving due consideration to safety, it is our basic policy to provide socially useful products and services that customers can trust and feel satisfied using, and that contribute to the overall development of society.	<ul style="list-style-type: none"> ● Ensure product safety through risk assessment during product development ● Implement customer satisfaction surveys, analysis, and improvement activities 	P78
	Supply chain management	We conduct purchasing activities based on the three pillars of the IHI Group Procurement Policy: fair and equitable trade, mutual prosperity with business partners, and approach to compliance and social responsibility.	<ul style="list-style-type: none"> ● Steady supply chains ● Formulating the IHI Group Code of Conduct for Business Partners and monitoring CSR procurement 	P80
	Corporate citizenship	We believe it is our corporate responsibility to meet social expectations and are making efforts toward social contribution activities.	<ul style="list-style-type: none"> ● Visiting lectures and SDGs education in order to nurture the next generation of human resources ● Environmental conservation in areas bordering business sites 	P82
G	Corporate governance	We are improving management efficiency to better capitalize on our inherent strengths through corporate governance, defined as a system that ensures sustainable growth and maximizes corporate value, ensuring appropriate operation.	<ul style="list-style-type: none"> ● Evaluate Board of Directors' effectiveness with displayed results ● Backup for improving outside director and auditor effectiveness 	P15
	Compliance	Compliance is the foundation for social business activities, and as such we must comply with laws and corporate regulations, acting in a fair and responsible manner as a business entity.	<ul style="list-style-type: none"> ● Compliance Hotline operation ● Tax compliance ● Compliance with competition and anti-bribery laws ● Security trade control 	P27
	Risk management	Considering risk management to be a material management issue, we conduct risk management based on the Basic Code of Conduct for the IHI Group.	<ul style="list-style-type: none"> ● Review of risk management activity by the Board of Directors ● Project risk management ● Formulating a business continuity plan (BCP) with continuous review 	P35
	Innovation management	Aiming to create a society where nature and technology work in unity, we are undertaking the challenge of developing technology that continuously provides new value.	<ul style="list-style-type: none"> ● Concentrating research funds and human resources toward focus areas ● Promoting public-private partnerships and industry-academia partnerships ● Usage and protection of intellectual property in business activity 	P40
	Information security	In order to ensure the confidentiality of customer and business partner information, along with company management and technical information, we strive for proper information management and to maintain and improve information security.	<ul style="list-style-type: none"> ● Taking measures to prevent security risks from three angles: rules, tools, and training ● Quantitative evaluations on information security measure levels 	P45
	Timely and proper disclosure	On top of corporate disclosure activities, we take into consideration the large impact of customers, business partners, shareholders/investors, governments, local communities, employees, and NPOs/NGOs as key stakeholders, and work to maintain positive dialogue.	<ul style="list-style-type: none"> ● Dialogue with stakeholders through financial result briefings, individual meetings, etc. ● Information disclosure through report integration and utilization as a tool for dialogue exchange 	P18, P79

*SDB:IHI Sustainability Data Book 2023