

Labor Practice (Occupational Health and Safety)

Approach

As part of the Group Management Philosophy and the Basic Code of Conduct, the IHI Group believes ensuring a safe and comfortable environment for everyone is one of its most important corporate responsibilities. In particular the Group considers ensuring health and safety as one of the foundations of its business activities and one it has positioned as an extremely important human rights issue toward “respect for human rights” outlined in the IHI Group ESG Management. Every month, the Group shares the progress of Group-wide occupational health and safety as well as health management with all Officers.

In addition, its initiatives are undertaken according to the IHI Health and Safety Policy as a way to ensure a healthy and safe workplace for everyone who works with the IHI Group whether they are a Group or partner company employee.

Policies

● IHI Health and Safety Policy

Based on our management philosophy of “Contribute to the development of society through technology” and “Human resources are our single most valuable asset,” the IHI Group is committed to establishing a corporate culture that puts safety as the first priority. Specifically, based on the Basic Code of Conduct for the IHI Group, the following initiatives will be implemented to ensure a workplace environment in which all employees can work safely and in good health.

1. The “Five Safety Principles” will be taken as a principle shared throughout the Group and managers as well as all employees will engage in safety and health activities to prevent accidents.

[Five Safety Principles]

- Safety is our first priority
- Never do or let anyone else do anything dangerous
- Eliminate potential hazards
- Strictly follow the rules
- Make a real effort

2. We will endeavor to prepare facilities and provide opportunities to promote and maintain the mental and physical health of our employees, and create ideal workplaces in which employees can work in good health.
3. While complying with relevant laws and regulations on safety and health, we will give full consideration to how our business activities affect local communities and endeavor to ensure safety and health as a member of society.

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● IHI Group Health Management Declaration

The IHI Group will implement management that values the health of employees based on the management philosophy of “Human resources are our single most valuable asset.”

We will support the proactive improvement of employee health and aim to energize the organization by maximizing employee vitality and capabilities.

By doing this, we will contribute to the development of society through the growth of the IHI Group.

July 1, 2020

Hiroshi Ide

President and Chief Operating Officer

IHI Corporation

Specific Initiatives

The IHI Group will work on both corporate health management and work-style reforms.

We will actively cooperate with labor unions and health insurance associations to spearhead the key measures below.

IHI asks every employee to strive to better their own health and take part in building an enthusiastic working environment.

1. Reduce individual and organizational health risks.
 - (i) Enforcement of working conditions according to the results of medical checkups.
 - (ii) Ensure the implementation of reactive mental health care measures. (Improve the working environment through stress checks, workplace surveys, and a clear response to illnesses.)
 - (iii) Encourage employees to stop smoking and prevent second-hand smoking.
2. Improve individual and organizational health to invigorate the working environment.
 - (i) Assist each person to actively manage their own health.
 - (ii) Proactively implement active mental health care measures. (Build a working environment where enthusiasm and professional growth is felt so that everyone cultivates an enduring spirit.)
3. Promote better health for both employees and their families.
 - (i) Expand activities to better health of employees and their families.
 - (ii) Increase employee participation in medical checkups and health guidance.

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Governance

The IHI Group has established the IHI Group Health and Safety Committee as a Group-wide committee. The Committee discusses and drafts important policies and promotes occupational health and safety activities.

The committee is composed of an Officer in charge of Health and Safety as chairperson, and is vice chaired by the General Manager of Monozukuri System Transformation Division, who provides opinions from a general manufacturing perspective, and by the President of Social Infrastructure Business Area, who handles multiple construction sites. Presidents of other business areas participate as committee members, bringing together views a wide range of perspectives.

Important matters related to health and safety, such as serious accidents, are discussed and reported to the Board of Directors.

Occupational Health and Safety Structure



IHI Group Health and Safety Committee

Chairperson	Officer in charge of Health and Safety
Deputy Chairperson	President of Social Infrastructure Business Area, General Manager and Deputy General Manager of Monozukuri System Transformation Division
Members	President of Resources, Energy & Environment Business Area, President of Industrial Systems & General-Purpose Machinery Business Area, President of Aero Engine, Space & Defense Business Area, General Manager of Corporate Research and Development Division, Chief Occupational Health Physician, and other persons nominated by the chairperson
Secretariat	Human Resources Division
Number of meetings convened in FY2023	1

Strategy

Risks

The IHI Group takes every possible measure to manage health and safety at our offices and construction sites, but in the unlikely event that an unexpected accident or disaster occurs, production activity may be disrupted, possibly having an adverse affect on the Group's financial standing as a result. Although the Group has adopted measures such as taking its various types of liability insurance, in the event of a large-scale accident or disaster, it is possible the Group may be unable to recover all damages.

Opportunities

The IHI Group believes that ensuring occupational health and safety improves employee engagement and well-being* and that it is paramount to supporting sustainable business continuity and business transformation. In this way, the Group believes that efforts made toward occupational health and safety ultimately contribute to improving its competitiveness and increasing corporate value.

* Well-being: condition where body and mind are healthy, a person is able to work in a lively manner, and both employees and organization are full of vitality

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Risk Management

Workers Protected Under IHI's Occupational Health and Safety Management System

The IHI Group has established standards laid out in both the occupational health and safety management system at works and research facilities and the occupational health and safety management system at construction sites.

These standards apply to all Group works, research facilities, and construction sites, and extend to all workers at these sites, including Group employees and partner company employees.

Health and Safety Management

The IHI Group is committed to eradicating occupational accidents through Five Safety Principles that act as a Group-wide code of conduct.

The Group assesses risk at its works and construction sites to identify and mitigate potential hazards through strict verifiable countermeasures. The Group conducts regular health and safety training for all of its employees to eradicate occupational accidents. In addition, the Group gives support to business partners at works and construction sites to improve health and safety management in a cooperative effort to ensure safe working environments.

The Group carries out these health and safety initiatives as part of the occupational health and safety management system.

Occupational Accident Risk Management

The IHI Group promotes health and safety activities upon defining occupational health and safety policies, targets, and plans according to the standards set as part of our occupational health and safety management system. The annual occupational health and safety management evaluations also drive improvements to eradicate occupational accidents.

The Group defines items requiring its attention as well by identifying dangers and hazards related to machinery, facility, chemicals, and other such factors in order to reduce and eliminate them.

The IHI Group rolled out the Safety General Principle for the six most common types of occupational accident in fiscal 2020 and are focusing on eradicating these occupational accidents throughout the entire IHI Group.

●FY2024 IHI Group Health & Safety Management Priority Policy

Management Targets

- (1) Zero lost time injuries or serious accidents
- (2) Total injuries frequency rate
(Works divisions) Less than 0.6, (Construction divisions) Less than 1.2

Based on our strong belief that all accidents are preventable, we aim to achieve zero accidents with the participation of all employees.

(1) Strengthen dialogue toward becoming an "independent and mutually enlightening" organization

- Promotion of dialogue activities and on-site verbal safety communication by management executives
- Promotion of dialogic safety activities by supervisor

(2) Eliminate accidents that fall under the Group's Safety General Principle

- Strengthen risk identification and countermeasures focusing on human behavior
- Increase risk awareness and prediction level through the promotion of risk prediction meetings that are set up on the initiative of workers

(3) Elimination of accidents caused by unskilled workers

- Improve individual risk awareness (Danger experience training using VR, etc.)
- Strengthen identification, visualization, and intensive management of unskilled workers

(4) Enhance safety management systems in the construction and service sectors —Toward overcoming the declaration of a state of emergency

- Carry out thorough discussions in advance, such as pre-construction meetings
- Strengthen relations with partner companies (including training and guidance)
- Enhance on-site guidance and support by supervisors from the main office or branch offices

As part of the above efforts, we will make improvements to confirm and share countermeasures regarding prior accidents that occurred within individual divisions.

- In order to understand safety measure issues and weaknesses beforehand and make improvements, we will work to enhance our preventive safety measures by using leading indicators (safety awareness/fact surveys, reviews, and evaluations).

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● IHI Group's Safety General Principle

1. Prevention of Fall from Height
2. Prevention of Fall from Medium and Minor Height
3. Prevention of Caught-In/Pinched-In Between Machines and Devices
4. Prevention of Caught-In/Pinched-In During Handling of Heavy Object
5. Prevention of Hand Tools-Related Accidents
6. Prevention of Grinder-Related Accidents

Due Diligence to Occupational Health and Safety during Construction and Other Projects

Concerning construction and other project execution, the IHI Group strives to identify and evaluate occupational health and safety risks in advance and take any necessary steps to reduce them.

Moreover, the Group carries out safety measures, which include the IHI Group's Safety General Principle, with our business partners.

Investigation Procedures and Observations in the Event of an Occupational Accident

The IHI Group assesses and analyzes factors of any occupational accidents through Group-wide accident investigation procedures. The use of standardized accident report formats allows for swift sharing of information about an accident in the Group.

An analysis and evaluation of the accident information collected helps put in place measures to prevent any recurrence of the same or similar accidents throughout the Group.

In fiscal 2023, 54 accidents occurred without lost time or other serious consequences. As these accidents still fall under the IHI Group's Safety General Principle, the Group is working on countermeasures for direct causes and indirect causes, focusing on root cause analysis including any background factors, and is working to strengthen countermeasures against them.

● Occupational Accident Breakdown

(Unit: Incidents, Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
Fall from height	2	2	2	1
Fall from medium and minor height	1	4	5	6
Caught-in/pinched-in between machines and devices	3	6	7	6
Caught-in/pinched-in during handling of heavy object	8	12	7	6
Hand tools-related accidents	5	1	6	6
Grinder-related accidents	3	1	2	2
Others	16	26	27	27
Total	38	52	56	54

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Health Management

The IHI Group aims to achieve a “Good + Strong” company and individual “Growth + Happiness” as set out in Group Human Talent Strategy 2023, and believes that greater employee well-being helps improve individual productivity and invigorate the workplace, which is why the Group strives for health management from both a physical and mental perspective.

The Group’s mental health education takes both reactive approaches, such as detailed follow-up with individuals suffering from mental illness, programs to help employees return to work, and reintegration programs, as well as active approaches, such as education to teach mental toughness to improve motivation and performance. These educational programs aim to build an enthusiastic workplace for everyone, from new employees to senior management.

●FY2024 IHI Group Health Care Priority Policy

Carry out both offensive and defensive measures to improve each individual’s energy and create a workplace where everyone can feel the joy of working from the perspective of physical and mental well-being, which is the foundation for everything.

(1) Offense measures:

- Provide information and health education regarding sleep, exercise, diet, etc. to increase individual vitality
- Develop well-being activities utilizing workplace health and employee awareness surveys, etc.

(2) Defense measures:

- Establish a system that can promptly address physical and mental illness stemming from a change of environment

[KGI/KPI]

- (1) Employee engagement (increase the percentage of active employees)
- (2) Increase the percentage of employees ready to perform at their best (sleep, exercise, nutrition)

Promoting Workplace Improvement Activities

The IHI Group is working on activities that improve the well-being of its employees and the organization. In fiscal 2024, the Group is integrating measures based on employee awareness survey results and moving forward with activities to improve the workplace with a focus on management and communication.

Topics Covered Under the Main Dialogue Between Employee Representatives and Management on Health and Safety

The IHI Group convenes the Central Health and Safety Committee every year to engage in a labor-management dialogue about employee health and safety.

Initiatives to Reduce Long Working Hours

The IHI Group positions human resources as the driving force behind value creation, and as part of this, the Group has established policies regarding working time management and are making efforts to reduce long employee working hours.

In particular, when it comes to monthly working hour management, the Group has set the following two goals, monitored monthly conditions, and reported to Management Committee as needed. (1) Zero employees exceeding 60 hours of overtime in a month; (2) Zero employees exceeding 80 hours of overtime in a month.

Health Management of Employees Involved in the Nuclear Power Business

The IHI Group has an established set of Radiation Control Standards for preventing radiation hazard to our employees. Based on these standards, the Group regulates the exposure of all IHI Group employees and partner company employees engaged in radiation work at nuclear power plants, nuclear fuel cycle plants, and other sites to evaluate radiation damage caused by exposure (exposure dose control).

Based on recommendations from the International Commission on Radiological Protection (ICRP), the Group has established an internal value standard (20 mSv/year) far stricter than the exposure limit for radiation workers set by the Japanese Ministry of Health, Labour and Welfare (50 mSv/year).

In fiscal 2023, 0 employees were exposed to this internal standard. Furthermore, IHI’s industrial physicians provide health checkups along with health advice.

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Metrics and Targets

Occupational Accidents

Occupational Accidents*¹

(Unit: Incidents (figure inside parentheses indicates fatal incidents), Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
Total	38 (0)	52 (1)	56 (0)	54 (0)
Employees	18 (0)	31 (1)	25 (0)	26 (0)
Temporary employees	1 (0)	3 (0)	4 (0)	2 (0)
Partners	19 (0)	18 (0)	27 (0)	26 (0)
Minor incidents	—	—	—	—

*1 Fatalities caused by occupational accidents.

Total Injuries Frequency Rate*²

(Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
Total injuries frequency rate	0.87	1.23	1.37	1.33

*2 Fatalities or injuries caused by occupational accidents per million working hours

Lost Time Injuries Frequency Rate*³

(Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
IHI Group average	0.28	0.38	0.39	0.34
National average in manufacturing industry* ⁴	1.21	1.31	1.25	1.29

*3 Fatalities or injuries caused by occupational accidents per million working hours (excluding injuries with no time lost).

*4 Scope: Business sites with at least 100 people (sample survey).

Occupational Health and Safety

Occupational Health and Safety Rate

(Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
Works Divisions	Target	Under 0.7	Under 0.6	Under 0.6
	Results	0.62	0.95	0.89
Construction Divisions	Target	Under 1.2	Under 1.2	Under 1.2
	Results	1.31	1.75	2.30

Severity Rate of Occupational Health and Safety

(Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
IHI Group average	0.01	0.18	0.01	0.01

Number of Administrative Penalties Due to Labor Standards Act Violations

(Unit: Cases, Scope: IHI and affiliated companies in Japan)

Item	FY2020	FY2021	FY2022	FY2023
Number of administrative penalties due to Labor Standards Act violations	0	0	0	0

Health Management

Medical Checkup Related Items

(Scope: IHI and 35 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
Participation rate of medical checkups	—	97%	96%	98%
Rate of diagnoses made as a result of medical checkups	72%	71%	72%	72%
Participation rate of stress checks	95%	95%	97%	96%
High stress rate	—	9%	9%	10%
Absenteeism (Ratio of employees who take three or more months of leave)	0.8%	0.7%	1.3%	1.4%
Presenteeism (Ratio of employees with restricted hours)	2.1%	1.8%	1.7%	2.3%
Smoking rate	27%	28%	25%	25%

Rate of Occupational Diseases*⁵

(Unit: Incidents, Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
Rate of occupational diseases	0.15	0.118	0.098	0.098
Deaths due to occupational diseases or illnesses	0	0	0	0

*5 People suffering from occupational diseases per million working hours.

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Initiatives

Education/Awareness Building

Employee Training and Education

The IHI Group provides education on health and safety specific to each position to everyone from new employees to management.

The works division employees undergo Supervisor Safety Training (SST) to learn about health and safety when promoted to assistant foreman or foreman.

Design and development employees on construction sites undergo Construction Safety Standard Training (CSST) to learn the ins and outs of construction health and safety as new and senior employees or group leaders and management.

Employees who are candidates for construction site director or supervisor undergo Supervisor Safety Training (SVST) and Site Manager Safety Training (SMST) to learn about on-site health and safety. The Group also provides follow-up training thereafter to expand knowledge about health and safety. The IHI Group provides education on health and safety specific to each position to everyone from new employees to management.

The IHI Group also cultivates trainers for the SST, CSST, SVST, and SMST programs as a Group.

In addition, the Health and Safety Committee constantly reflects feedback from employees based on standards laid out in the occupational health and safety management system at works and research facilities.

● IHI Group Health and Safety Training System

Construction Divisions

Eligible Participants	New employees	Training upon entry on new construction sites	Construction supervisors and test driving coordinators instructing operators	Small-scale construction site and service construction managers	Health and Safety Officer Head office Health and Safety Manager On-site Health and Safety Manager
Details	New Employee Training	CSST Training	Supervisor Training (SVST Training)	Site Manager Training (SMST-I)	Site Manager Training (SMST-II)

Works Divisions

Eligible Participants	New employees	Work safety leaders, acting assistant foremen, etc.	Upon appointment as an assistant foreman	Upon appointment as a foreman	Upon appointment as a plant manager
Details	New Employee Training	SST-1	SST-2	SST-3	New Manager Training

● Training Participants

(Unit: People, Scope: IHI and affiliated companies in Japan)

Item	FY2020	FY2021	FY2022	FY2023
SVST	—	—	268	209
SMST-I	125	69	56	109
SMST-II	—	—	—	22
SST-1	—	—	131	136
SST-2	—	—	109	98
SST-3	—	—	31	42
SST and SMST Trainer Courses	—	14	27	15
Safety Management Appointment Training	—	—	26	71

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Health Management

Management Resilience Program

The IHI Group started a Resilience Program for its management beginning in fiscal 2021. The industrial physicians give lectures throughout the year covering four topics where workers learn about the body (sleep, exercise, and nutrition), emotion, consideration, and spirituality and put them into practice. The purpose of this program is not only to maintain and improve physical strength, but through these initiatives, to further build an individual and organizational vitality and strengthen cooperation among Officers. By making changes within the management class that leads the organization, the Group will continue making efforts to improve the health of the organization as a whole by striving for the happiness of its employees and improving the organization's corporate value.

Initiatives Related to Various Health Issues

When the IHI Group dispatches employees to overseas areas where there is risk of contracting infectious disease, the Group recommends that those employees receive vaccinations against measles, rubella and other diseases in accordance with the recommended standards set by the Ministry of Health, Labour and Welfare Quarantine Station (FORTH).

In addition to this the Group is working on a thorough system for preventing infection in the workplace, including administering in-house mass vaccinations for seasonal influenza and measures to prevent the spread of the new coronavirus. During annual medical checkups, chest X-rays are performed to detect early respiratory and circulatory diseases, including tuberculosis.