# Labor Practice (Occupational Health and Safety)

## Approach/Policies

The IHI Group considers ensuring health and safety as one of the foundations of its business activities and an extremely important human rights issue. Every month, IHI shares the progress of Group-wide occupational health and safety as well as health management with all Officers. We actively strive to build a work-friendly environment where all Group employees can reach their full potential. Our 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.

### ● 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 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.

## Structure

● **Occupational Health and Safety Structure**

**Chief Executive Officer (CEO)**

**Management Committee**

**IHI Group Health and Safety Committee**

● **IHI Group Health and Safety Committee**

| | |
|---|---|
| **Chairperson** | Officer in charge of Health and Safety |
| **Deputy Chairperson** | President of Social Infrastructure & Offshore Facilities Business Area and President of Industrial Systems & General-Purpose Machinery Business Area |
| **Members** | President of Resources, Energy & Environment Business Area, President of Aero Engine, Space & Defense Business Area, General Manager of Technology & Intelligence Integration, Chief Occupational Health Physician, and other persons nominated by the chairperson |
| **Secretariat** | Human Resources Division |
| **Number of meetings convened in FY2022** | 2 |

## 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.

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## 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.

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 Site Manager Safety Training (SMST) to learn about on-site health and safety. We also provide follow-up training thereafter to expand knowledge about health and safety.

The IHI Group also cultivates trainers for the SST, CSST, 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 |

Note: CSST stands for Construction Safety Standard Training.
     SMST stands for Site Manager Safety Training.
     SST stands for Supervisor Safety Training.

### ● Training Participants

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

| Item | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|
| Foreman Training | 48 | 50 | 27 | 33 |
| Assistant Foreman Training | 103 | 90 | 82 | 83 |
| Supervisor Safety Training (SVST) | — | — | — | 268 |
| Site Manager Safety Training-I (SMST-I) | 169 | 125 | 69 | 56 |
| Supervisor Safety Training (SST) | — | — | — | 275 |
| SST Trainer Course and SMST Trainer Course | 18 | — | 14 | 27 |

* Training in fiscal 2020 was not conducted due to the effects of the COVID-19 pandemic.

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## Targets and Results

### Occupational Accidents
#### ● Occupational Accidents*1
(Unit: Incidents (figure inside parentheses indicates fatal incidents), Scope: IHI and 31 affiliated companies)

| Item | | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|---|
| Total | | 71(0) | 38(0) | 52(1) | 56(0) |
| | Employees | 42(0) | 18(0) | 31(1) | 25(0) |
| | Temporary employees | 4(0) | 1(0) | 3(0) | 4(0) |
| | Partners | 25(0) | 19(0) | 18(0) | 27(0) |
| Minor incidents | | — | — | — | — |

*1 Fatalities caused by occupational accidents.

#### ● Total Injuries Frequency Rate*2          (Scope: IHI and 31 affiliated companies)

| Item | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|
| Total injuries frequency rate | 1.49 | 0.87 | 1.23 | 1.37 |

*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 | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|
| IHI Group average | 0.40 | 0.28 | 0.38 | 0.39 |
| National average in manufacturing industry*4 | 1.20 | 1.21 | 1.31 | 1.25 |

*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

| Item | | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|---|
| Works divisions | Target | — | Under 0.7 | Under 0.6 | Under 0.6 |
| | Result | 1.17 | 0.62 | 0.95 | 0.89 |
| Construction divisions | Target | — | Under 1.2 | Under 1.2 | Under 1.2 |
| | Result | 2.11 | 1.31 | 1.75 | 2.30 |

#### ● Severity Rate of Occupational Health and Safety

| Item | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|
| IHI Group average | 0.01 | 0.01 | 0.18 | 0.01 |

#### ● Health Management          (Scope: IHI and 35 affiliated companies)

| Item | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|
| Participation rate of medical checkups | — | — | 97% | 96% |
| Rate of diagnoses made as a result of medical checkups | 71% | 72% | 71% | 72% |
| Participation rate of stress checks | 94% | 95% | 95% | 97% |
| High stress rate | — | — | 9% | 9% |
| Absenteeism (Ratio of employees who take three or more months of leave) | 1.0% | 0.8% | 0.7% | 1.3% |
| Presenteeism (Ratio of employees with restricted hours) | 1.6% | 2.1% | 1.8% | 1.7% |
| Smoking rate | 27% | 27% | 28% | 25% |

#### ● Rate of Occupational Diseases*5          (Unit: Incidents, Scope: IHI and 31 affiliated companies)

| Item | FY2019 | FY2020 | FY2021 | FY2022 |
|---|---|---|---|---|
| Rate of occupational diseases | 0.165 | 0.15 | 0.118 | 0.098 |
| Deaths due to occupational diseases or illnesses | — | 0 | 0 | 0 |

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

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## Initiatives

### 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.

We assess risk at our works and construction sites to identify and mitigate potential hazards through strict verifiable countermeasures. We conduct regular health and safety training for all of our employees to eradicate occupational accidents. In addition, we give support to business partners at works and construction sites to improve health and safety management in a cooperative effort to ensure safe working environments.

We carry out these health and safety initiatives as part of the occupational health and safety management system.

#### Activities to Reduce the Risk of Occupational Accidents

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. Our annual occupational health and safety management evaluations also drive improvements to eradicate occupational accidents.

We define items requiring our attention as well by identifying dangers and hazards related to machinery, facility, chemicals, and other such factors in order to reduce and eliminate them.

We rolled out the IHI Group Basic Safety Principles 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.

● **FY2023 IHI Group Health & Safety Management Priority Policy**

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

**(1) Work on communication regarding health and safety management (instructions, messages, confirmations, etc.)**
Strengthen mutual understanding through thorough direct communication and two-way communication

**(2) Eliminate accidents that fall under the Group's Basic Safety Principles**
Fully enforce the Group's Basic Safety Principles to eliminate accidents that fall under them
(In particular, eliminate accidents that involve getting stuck when handling machinery, equipment, or heavy objects)

**(3) Improve risk perception**
- Increase risk awareness and prediction level through the promotion of risk prediction meetings that are set up on the initiative of workers
- Increase risk perception by enhancing education (risk experience education, utilization of VR, etc.)

**(4) Enhance safety management systems in the construction sector in particular**
(1) Carry out thorough discussions in advance, such as pre-construction meetings, (2) enhance on-site guidance and support by supervisors from the main office or branch offices, (3) strengthen relations with partner companies, and (4) identify, visualize, and intensively manage unskilled workers

- Actively use ICT for implementing the policies above to increase the effectiveness and efficiency of measures
- Conduct and utilize risk awareness and fact-finding surveys as well as safety audits to gain insight into how far the policies have spread and disseminated, and improve them

● **IHI Group Basic Safety Principles**

1. Falls from high places
2. Falls from medium and low places
3. Pinching or entanglement in machinery or devices
4. Pinching when handling heavy objects
5. Accidents when using hand tools
6. Accidents when using grinders

#### Due Diligence to Occupational Health and Safety during Projects

Concerning 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 we carry out safety measures, which include IHI Group Basic Safety Principles, with our business partners.

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### 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 disaster 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.

### Health Management

The IHI Group believes greater employee well-being* helps improve individual productivity and invigorate their workplaces. That is why we strive for both physical and mental health management.

Our 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.

We also provide additional health measures to improve lifestyle habits and prevent metabolic syndrome, smoking, and other such lifestyle illnesses and issues in addition to the spread of COVID-19.

\* 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

### ● FY2023 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: Improve the energy of individuals and the organization**

➢Hold workshops and events for health, which forms the basis for participation and activity. Theme: The effect that sleep, nutrition, exercise, etc., have on energy

➢Well-being activities held at each workplace (creating a workplace utilizing health surveys, etc.)

➢Hold programs that increase the engagement of management

**(2) Defense measures: Establish a system that can promptly address physical and mental illness stemming from a change of environment**

➢Expand a revised program that further increases coverage inside the Group and supports early response, early recovery, and second chances.

### Activities to Promote Health Management

The IHI Group is working on activities that improve the well-being of our Group employees and the organization in order for outlined in Project Change toward overcoming operating environment changes to drive value creation.

In fiscal 2022, we selected workplaces for well-being improvement and promoting 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.

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**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, we regulate the exposure of all IHI Group employees and partner company employees engaged in radiation work at nuclear power sites to evaluate radiation damage caused by exposure (exposure dose control).

These standards are stricter than the radiation protection regulations and guidelines issued by the Japan Ministry of Health, Labour and Welfare, which we use to manage exposure doses in order to promote good mental and physical health. Furthermore, IHI's industrial physicians provide health checkups along with health advice.

**Management Resilience Program**

The IHI Group started a Resilience Program for its management beginning in fiscal 2021. Our 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 our organization, we will continue making efforts to improve the health of the organization as a whole by striving for the happiness of our employees and improving the organization's corporate value.

**Preventing the Spread of COVID-19**

**Crisis Management**