

Human Rights

Approach/Policies

The IHI Group formulated the IHI Group Human Rights Policy in December 2020 based on its management philosophy and its approach to human rights outlined in the Basic Code of Conduct for the IHI Group under the approval of the Board of Directors.

In IHI Group ESG Management, the Group has identified respecting human rights as one of its most material issues. Through human rights awareness activities based on international standards, the Group will fulfill its responsibility to respect human rights of all by fostering a respectful corporate culture and promoting human rights throughout its business activities.

● IHI Group Human Rights Policy

The IHI Group recognizes and contributes to solving global issues based on group management philosophies of “Contribute to the development of society through technology” and “Human resources are our single most valuable asset.” As the basis of this activity, we have established the “IHI Group Human Rights Policy” in line with the Basic Code of Conduct for the IHI Group. Through human rights awareness activities based on international standards, we will fulfill our responsibility to respect the human rights of all by fostering a respectful corporate culture and promoting human rights throughout our business activities.

(Scope)

1. This policy applies to all officers and employees engaged in IHI Group business (hereinafter “Officers and Employees”).
2. We will account for the Human Rights of all people in the course of our business activities.
3. We will request our suppliers and business partners to understand this policy and respect human rights.

(Compliance with international standards, laws and regulations, Basic Code, etc.)

1. We support and respect international standards for human rights (e.g. the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights) and will act progressively in line with these standards.
2. In the countries and regions where we conduct our business, we will strive to respect international standards while upholding the laws and regulations of those countries or regions.
3. We always act in accordance with the Basic Code of Conduct for the IHI Group.

(Human rights awareness promotion structure and human rights due diligence)

1. We will establish a system to systematically and continuously promote human rights awareness and will work proactively to resolve human rights issues.
2. We will develop a structure to understand and assess human rights risks and to evaluate and improve the effectiveness of our commitment (human rights due diligence) and implement continuously.

3. When a potential or actual human rights risk is assessed or confirmed, we will promptly take corrective and preventive measures through appropriate procedures.

(Training)

We will provide our Officers and Employees with appropriate training continuously so that actions based on this policy will be implemented throughout our business activities.

(Dialogue and consultation, information disclosure)

1. We will maintain continuous dialogue and consultations with relevant stakeholders on the set of actions set forth in this policy.
2. We will periodically disclose information about our efforts and results on respect for human rights.

December 10, 2020

Hiroshi Ide

President and Chief Operating Officer
IHI Corporation

Human Rights

Structure

We established the IHI Group Human Rights Committee as a Group-wide committee responsible for the “S” part of the ESG Management Promotion Committee. The Committee plans and deliberates important policies and promotes initiatives related to human rights. The Committee is chaired by the Officer in charge of Human Resources and comprised of members from corporate divisions and business areas. Details of important initiatives are deliberated in the ESG Management Promotion Committee and reported to the Board of Directors as necessary.

We established a Task Team* under the IHI Group Human Rights Committee as the body to promote human rights initiatives in cooperation with related divisions and staff in charge of human rights at Group companies.

* Task Team: Comprised of members from the Human Resources Div., Procurement Strategy Planning Div., Corporate Communication Div., Project Risk Management Div., Corporate Planning Div., Legal Div., and Marketing & Sales Headquarters

● Human Rights Awareness Promotion Framework



● IHI Group Human Rights Committee

Chairperson	Officer in charge of Group Human Resources
Members	President of each business area, General Manager of Procurement Strategy Planning, General Manager of Technology & Intelligence Integration, General Manager of Business Development Headquarters, General Manager of Intelligent Information Management Headquarters, General Manager of Marketing & Sales Headquarters, General Manager of Secretariat Div., General Manager of Economic Security Div., General Manager of Corporate Planning Div., General Manager of Corporate Communication Div., General Manager of Legal Div., General Manager of Administration Div., General Manager of Finance & Accounting Div., General Manager of Project Risk Management Div., and General Manager of Human Resources Div.
Number of meetings convened in FY2022	3

Education/Awareness Building

Human rights is one of the four material issues of ESG management, and we are working to educate and spread awareness at each level.

(1) Grade-based education

In December 2022, we held an executive-level study session for Officers led by an outside specialist with the participation of Directors, Executive Officers, and Standing Audit & Supervisory Board Members. The study session was designed to create understanding of how companies are connected to stakeholders, especially civic society, and how this can benefit management.

Each year, e-learning training on the topics of respect for human rights and harassment prevention are also conducted for new employees and newly appointed Managers.

(2) E-learning conducted at Group companies inside and outside Japan

In fiscal 2022, we conducted the Business and Human Rights e-learning program (translated into 20 languages) for all IHI Group Officers and employees inside and outside Japan to have everyone who works at the IHI Group learn how to frame business and human rights and deepen their understanding.

(3) Messages from the President issued on international days

In fiscal 2022, the President issued messages to promote the importance of respect for human rights and gender equality to IHI Group employees inside and outside Japan on Human Rights Day (December 10, 2022) and on International Women’s Day (March 8, 2023).

● Number of Human Rights Training Participants

(Unit: People)

Item	FY2022	
	Participants	Targets
e-learning: Business and Human Rights	28,021	IHI and affiliated companies in and outside Japan
e-learning: Harassment	24,883	IHI and affiliated companies in Japan
Training for new employees and mid-career recruits	98	IHI
Selective human rights training	576	IHI
(Staff version)	108	
(Management version)	468	

Human Rights

Initiatives

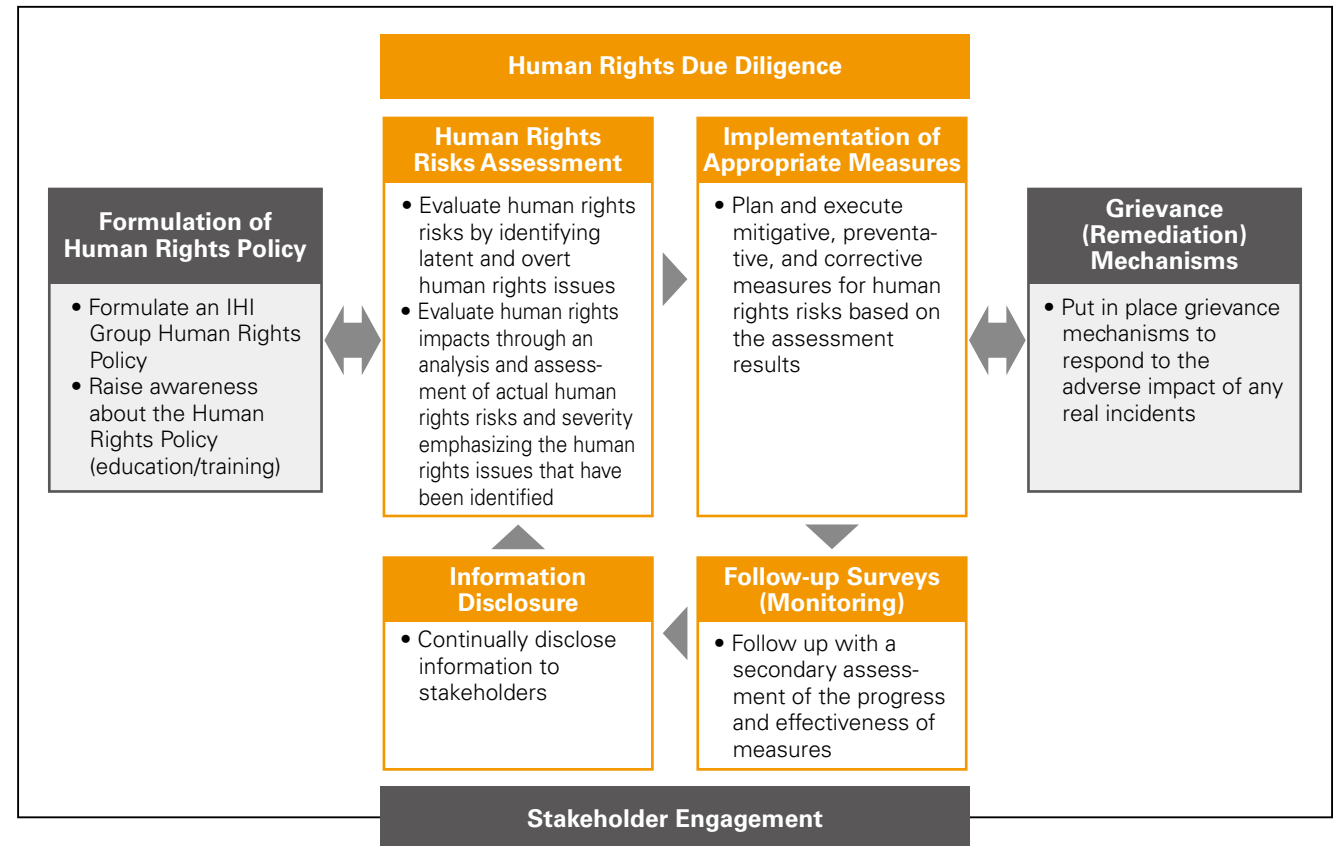
Human Rights Due Diligence

In order to fulfill our responsibility when it comes to respecting the human rights of those affected by our business activities, we promote the process of human rights due diligence and taking measures to respect human dignity in line with the United Nations' Guiding Principles on Business and Human Rights.

Human rights due diligence is an ongoing process of 1) conducting human rights impact assessments to analyze and evaluate the degree of impact of material human rights issues identified in human rights risk assessments, 2) incorporating appropriate risk mitigation measures into work policies and operational processes based on the results of these human rights risk assessments, 3) monitoring the status and results of implementing risk mitigation measures, and 4) publicly releasing their progress and results.

As we undertake the process of human rights due diligence, we emphasize continual stakeholder engagement during the entire process in order to understand the impact of our business activities on people's rights.

● Overall Human Rights Due Diligence



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Human Rights Risk Assessments

In fiscal 2021, the IHI Group underwent a human rights risk assessment to identify potential and obvious human rights issues.

Based on the results of this assessment, over the three years from fiscal 2022 until fiscal 2024, the Group conducts human rights impact assessments that focus on any identified issues, analyzing and evaluating them to understand the current situation and their degree of impact.

● Approach to the 2021 Human Rights Risk Assessment

Step 1

The IHI Group carried out human rights risk assessments to identify any latent and overt risks in its business fields and expansion by domain, nation, and region. Extracted a broad range of risks using social, occupational health and safety, and environmental risk data provided by outside experts.

Step 2

The Group also conducted interview surveys with each business area, the Procurement Strategy Planning Division, Human Resources Division, Corporate Communication Division, and Project Risk Management Division on the progress of management in addressing extracted risks and confirmed actual status of business activities, employment status, supply chain, and other status and evaluated them.

Step 3

Based on the results of Step 1 and 2, the Group identified human rights issues to prioritize prevention and response as the IHI Group in cooperation with human rights experts.

● Material Human Rights Issues

Prohibition of forced labor

All labor that is forced under threat of punishment or for which the individual has not offered herself or himself voluntarily is prohibited.

Prohibition of child labor

Work by and employment of workers under the minimum age of statutory employment in the country or region in which the business operates is prohibited, and this labor is not used.

Guarantee of equal opportunity

Diversity and individuality are respected, and fairness and equal opportunity in job openings and employment, including in recruiting, promotions, remuneration, and training, is ensured.

Prohibition of discrimination and harassment

Unjust discrimination and harassment based on race, skin color, sex, religion, birthplace, beliefs, age, disability, sexual orientation, and sexual identity, and other attributes are not permitted.

Guarantee of safe workplaces ensuring the health of working people

The IHI Group strives to create and maintain safe and healthful workplaces so that people working in each workplace are able to demonstrate their abilities to the fullest extent.

Respect of the basic rights of working people

The IHI Group respects basic labor rights, including freedom of association and workers' right to organize and engage in collective bargaining. Payment of wages and management of labor hours are conducted appropriately.

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Progress of Human Rights Impact Assessments

We began carrying out human rights impact assessments at IHI Group sites worldwide to understand the actual state of material human rights issues. An overview of the human rights impact assessment conducted in fiscal 2022 is as follows.

Target: 59 IHI Group affiliated companies outside Japan (Group companies thought to have relatively high risk in human rights risk assessments)

Assessment details: Survey (including interview surveys conducted remotely for some companies) using the IHI Group Human Rights Due Diligence Self-Assessment Questionnaire created while referencing the IHI Group Human Rights Policy structure and the UNGP as well as the UNGP reporting framework and items verified by ESG assessment organizations in human rights and labor sections

Identified issues: In companies' survey results, no serious human rights violations that would contravene standards required by international norms were found. However, the following three issues were observed and measures for each are being implemented.

- (1) General trends observed included insufficient development of grievance (remediation) mechanisms available to external stakeholders, a lack of dialogue with internal and external stakeholders, and a delay in initiatives concerning diversity, equity, and inclusion (DE&I) initiatives to ensure equal opportunity and treatment of employees. We are currently promoting Group-wide measures for these points.
- (2) At eight companies, we found that regulations regarding compliance with prohibitions on child labor, as well as occupational health and safety policies, were insufficient. The internal regulations and rules for this matter have been adjusted accordingly at each company.
- (3) Awareness of material human rights issues in the IHI Group among the employees in charge of human rights in each Group company was insufficient. To prompt

this understanding by staff at IHI Group companies inside and outside Japan, we are creating guidelines for material human rights issues (in Japanese, English, and Chinese) in fiscal 2023 and will conduct education at affiliated companies.

Equal Opportunity for All

Employee Human Rights

We are promoting diversity, equity, and inclusion (DE&I) based on the IHI Group Human Rights Policy, by respecting diversity and individuality and striving to ensure fair employment, fair labor practices, and equal opportunity as well as creating workplaces free of harassment.

We recognize the freedom of employees to unionize and work together as a labor union and union members. Our Group will never treat anyone involved in the union unfairly. We also engage in collective bargaining efforts in good faith, founded in mutual trust with the labor union.

P.62 Diversity, Equity, and Inclusion

No Tolerance for Discrimination and Harassment

Enhancement of Systems for Preventing Harassment

We have conducted awareness-building and educational activities to prevent harassment and have taken steps to create conditions that facilitate employees consulting the Company when there is a problem. Based on the groundwork we have created to allow the Company to learn of incidents of harassment, we have announced an IHI Group policy to IHI Group employees on strict measures to address incidents of power harassment.

Environmental and Human Rights Evaluations in New Business Investment

When participating in new business projects, as of fiscal 2023 we conduct environmental and human rights impact evaluations, encompassing climate change

countermeasures, waste, soil contamination, and biodiversity, using the ESG Checklist (Environment, Human Rights)*. For human rights violation risks, we conduct an internal review from the standpoints of ethnic minority and indigenous people's rights, prohibition of involuntary relocation of residents, and ensuring occupational health and safety at project sites. In investment and lending projects, we also verify the human rights promotion structure and human rights issues at the investee prior to any acquisition.

* ESG Checklist: The ESG Checklist was created while referencing the International Finance Corporation Performance Standards and the Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations.

Participation in Third-party Initiatives for Human Rights

We have endorsed the Ten Principles of the United Nations Global Compact. As part of this, we have been participating as a member of the Global Compact Network Japan since 2022. We have deepened our understanding of respect for human rights, human rights due diligence, and various types of human rights education in related workshops.

In fiscal 2022, we participated in the B+HR Academy organized by the United Nations Development Programme. Members of the Human Rights Task Team were able to systematically learn about human rights due diligence through lectures by Japanese and international experts on human rights and group work with participating companies.

Human Rights

Survey on Foreign Technical Intern Trainees

In fiscal 2022, we conducted surveys for three affiliated companies that had a record of directly employing foreign technical intern trainees in the fiscal 2021 survey. We confirmed that one company had received foreign technical intern trainees. We will maintain appropriate working conditions through continuing to conduct regular surveys.