

Diversity, Equity, and Inclusion

Human Resource Management

Approach

The IHI Group has established its Management Philosophy “Contribute to the development of society through technology” and “Human resources are our single most valuable asset,” as well as its Group Human Talent Strategy, which aims to realize the medium-term management plan. To achieve the aforementioned, the Group has established the IHI Group Human Resource Management Policy to enable employees of IHI Group companies to make full use of their abilities based on a set of values they all share.

In fiscal 2024 the IHI Group has revised the contents of this policy and further clarifying the human resource management ideologies that should be shared amongst the Group and along with redefining these values shared amongst its employees, the Group is working on specific measures toward developing human resource management structures, improving work environment, and transforming its corporate culture.

Policy

● IHI Group Human Resource Management Policy

To realize our management philosophies (“Contribute to the development of society through technology” and “Human resources are our single most valuable asset”) and the IHI Group’s medium-term management plan, we have established a “Group Human Talent Strategy” and are implementing various HR management measures.

We are committed to creating systems and environments, and promoting cultural reform, that allow all employees of IHI Group companies to maximize their abilities under a common set of values.

As part of our overall policy, we outline the future vision for our organization and human capital in our “Group Human Talent Strategy”. To achieve this, we have defined the “Ideal Behavior & Action and Ideal Human Resources” as shared values that all employees should embody, and we are working to promote their adoption across the organization.

P.43 Group Human Talent Strategy 2023

P.44 Ideal Behavior & Action and Ideal Human Resources

Diversity, Equity, and Inclusion

Strategy

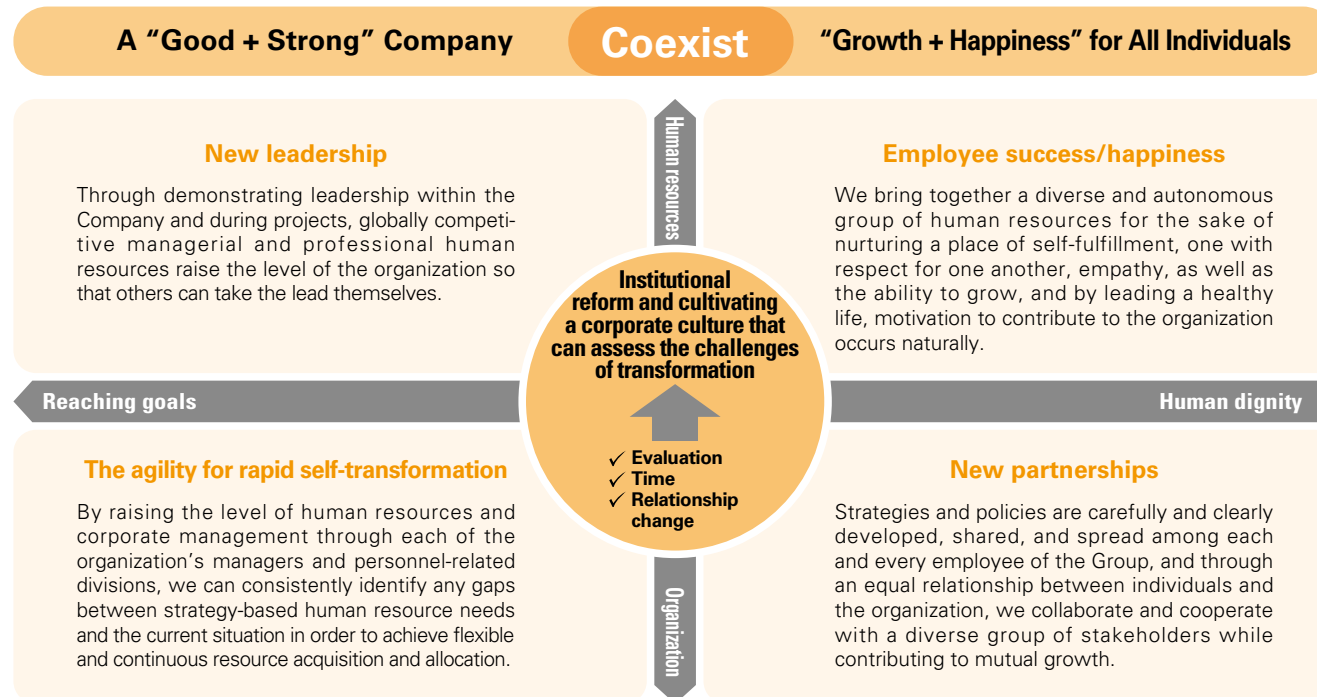
Group Human Talent Strategy 2023

In May 2023, the IHI Group announced the Group Human Talent Strategy 2023 in connection with the Group Management Policies 2023.

To accomplish this management policy, the Group Human Talent Strategy 2023 has outlined the Group's future vision to become a "Good + Strong" company as well as one realizing "Growth + Happiness" for all individuals. Moreover, the Group is reforming its evaluation system and accordingly cultivating a corporate culture that can assess the challenges of creating change, drawing on four ideals of "new leadership," "the agility for rapid self-transformation," "employee success/happiness," and "new partnerships" to embody the specific vision of the organization and human resources capable of realizing it.

During the second year of the Group Management Policies in fiscal 2024, the Group will hold workshops to facilitate understanding and familiarization with the actions necessary to utilize these measures, which will be implemented for all of its employees, including those overseas.

Group Human Talent Strategy 2023: Looking Toward the Future



Diversity, Equity, and Inclusion

Ideal Behavior & Action and Ideal Human Resources

In order to realize their vision set forth in the Group Management Policies 2023 and Group Human Talent Strategy 2023, in fiscal 2024, the IHI Group defined the "Ideal Behavior & Action" and "Ideal Human Resources" for all of its Group employees. "Ideal Behavior & Action" expresses the following four standards of behavior necessary to foster an organizational culture that embraces the challenges of change: 1) Set a Goal, 2) Tackle Issues, 3) Cross Boundaries, and 4) Implementation. In addition to the above, the Group has added three other crucial skills and mindsets for both present and future employees: 5) a High Level of Expertise, 6) Dedication to Customers and Society, and 7) Ethics and Compliance Awareness. These combine to create a total of seven items that define "Ideal Human Resources."

Among them, the four standards of "Ideal Behavior & Action" outline what is necessary for realizing change and, through workshops aimed to spread understanding at each worksite, the Group promotes the adoption and application of said values. By linking these initiatives with evaluations, training, and compensation systems, as well as through daily management, the Group encourages each employee to take action toward creating change.

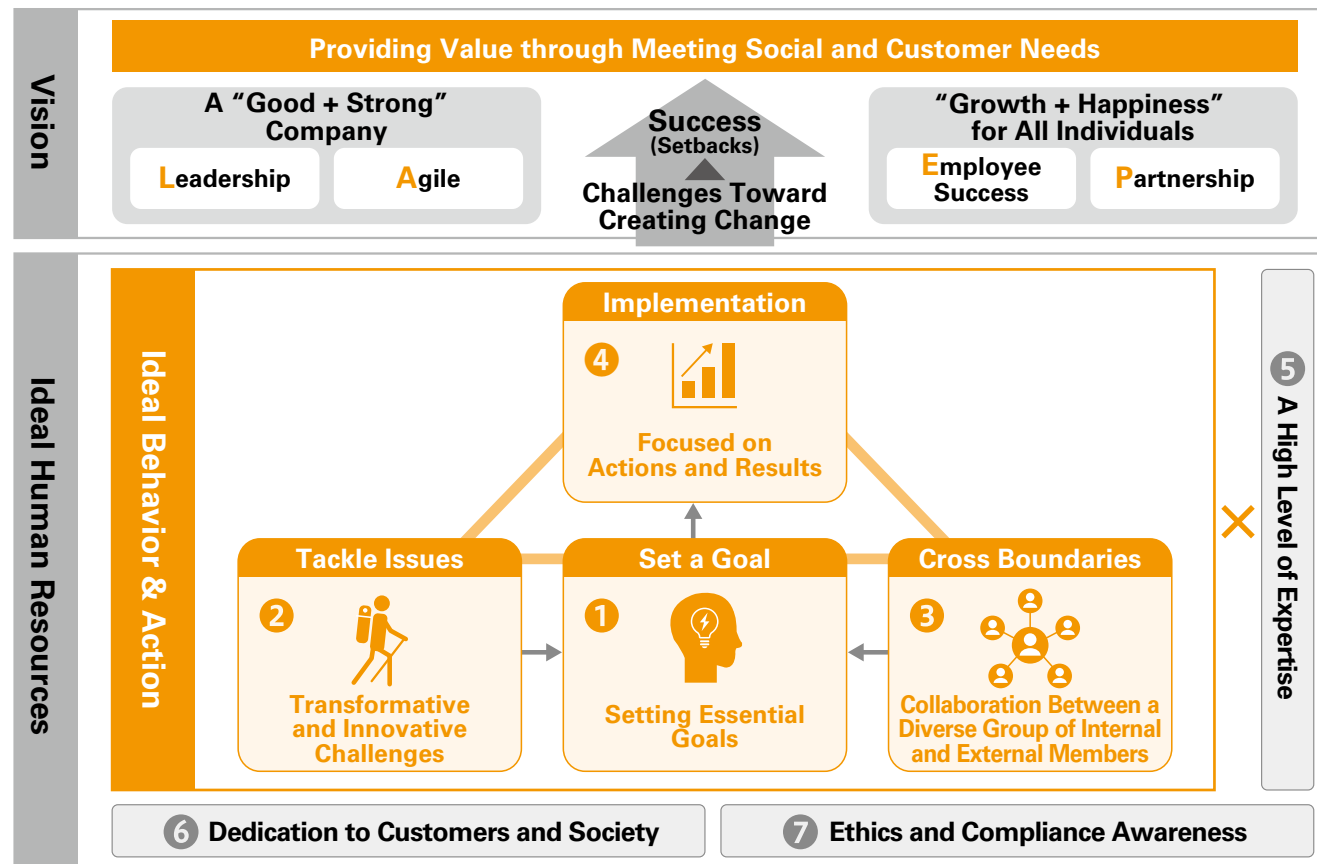
Risks

In order to maintain the IHI Group's business foundation and lead it to future growth, it is imperative for us to acquire, retain, and develop the human resources necessary for conducting its business.

Should the Group finds itself unable to acquire external human resources or secure human resources capable of becoming key personnel or secure proper placement for them, the Group's future growth, business results, and financial condition could face an adverse impact.

Opportunities

Through the management philosophy "Contribute to the development of society through technology" and the sustainability goal "Create a world where nature and technology work in unity," each of IHI Group's employees become more aware of the Group's mission and the importance of their own role in society, creating behavior that makes external networks function effectively and leads to improvement in the Group's social and corporate value.



Diversity, Equity, and Inclusion

Governance

In order to achieve the goal of “business transformation to realize sustained high growth,” outlined in the Group Management Policies 2023, the IHI Group reported on human resource issues that must be addressed and the direction of initiatives under Group Human Talent Strategy 2023 at the Board of Directors meeting held July 24, 2023.

In addition to this, the Group also holds a Human Resource Committee where management can discuss human resource management from a business perspective as well as HRBP meetings where human resource managers exchange views on management measures developed by the Human Resources Division.

● Human Resource Management Council Bodies

Names	Human Resource Committee	HRBP Council
Aims	Discussing human resource management from a business perspective	Communicating and exchanging views on human resource management measures developed by the head office's Human Resources Division
Officers	Officer in charge of Group Human Resources	General Manager of Human Resources Division
Members	Representative Director, General Manager of Human Resources Division	General Manager of Human Resources Division, Human Resources Division Group Manager, IHI Academy Manager, and human resource manager of each business area
Frequency of meetings convened in FY2023	As needed	Monthly

Risk Management

Employee-awareness Surveys

The IHI Group conducts employee-awareness surveys targeting employees in Japan and overseas once a year to grasp the status of the employee engagement.

During fiscal 2023 employee engagement rose to 54 points, an increase of 1 point from the previous year for the first time since surveying began in 2019. (Improved “strategy comprehension” and “management trust”) Additionally, at each business unit and affiliated company, the Group is implementing actions to improve engagement in line with the needs at each of its divisions. By linking this with the existing business management systems (through linking the timing of the business planning with engagement survey feedback/action under consideration), the Group is in the process of developing of follow up actions for highly effective engagement.

Diversity, Equity, and Inclusion

Metrics and Targets

Employee-awareness Surveys

(Scope: IHI and affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023
Employee engagement	56	54	53	54
Ratio of answered employee-awareness surveys	88%	88%	84%	83%

Number of Employees

Number of Group Employees

(Unit: People, Scope: IHI and consolidated subsidiaries)

Item	FY2020	FY2021	FY2022	FY2023
Consolidated number of employees	29,149	28,801	28,486	28,237
Number of IHI employees	7,796	7,779	7,768	7,840
Male	6,766	6,727	6,695	6,753
Female	1,030	1,052	1,073	1,087
Ratio of female employees	13.2%	13.5%	13.8%	13.9%

Number of Employees by Region

(Unit: People, Scope: IHI and consolidated subsidiaries)

Item	FY2020	FY2021	FY2022	FY2023
Japan	21,778	21,390	21,266	21,187
Asia Pacific	4,132	4,053	3,902	3,912
Americas	1,122	1,291	1,406	1,443
Europe, Middle East, and Africa	2,117	2,067	1,912	1,695

Number of Employees by Business Area

(Unit: People, Scope: IHI and consolidated subsidiaries)

Item	FY2020	FY2021	FY2022	FY2023
Resources, Energy & Environment	6,595	6,514	6,626	6,434
Social Infrastructure	2,469	2,443	2,344	2,396
Industrial Systems & General-Purpose Machinery	10,028	9,797	9,645	9,574
Aero Engine, Space & Defense	6,765	7,062	7,010	7,111
Others	2,320	1,945	1,802	1,624
Entire company (common)	972	1,040	1,059	1,098

Number of Employees by Age (Male/Female)

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Under 30	1,520	1,401	1,452	1,137
Male	—	—	1,261	978
Female	—	—	191	159
30 to 39	2,313	2,327	2,341	2,405
Male	—	—	2,035	2,101
Female	—	—	306	304
40 to 49	2,078	2,086	2,090	2,014
Male	—	—	1,745	1,720
Female	—	—	345	294
50 to 59	1,575	1,687	1,664	1,912
Male	—	—	1,445	1,610
Female	—	—	219	302
60 and over	310	278	221	372
Male	—	—	209	344
Female	—	—	12	28

Number and Ratio of Employees from Abroad*

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Number of employees	82	74	66	59
Ratio of employees from abroad	0.9%	0.9%	0.8%	0.8%

* As of April 1 each year.

Diversity, Equity, and Inclusion

Number of Employees by Employment Status

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023	
Regular employment	Regular employees	7,447	7,400	7,358	7,416
	Male	6,456	6,397	6,339	6,381
	Female	991	1,003	1,019	1,035
	Ratio of female employees	13.3%	13.6%	13.8%	14.0%
	Second by other companies	256	270	283	286
	Male	218	222	232	238
	Female	38	48	51	48
	Ratio of female employees	14.8%	17.8%	18.0%	16.8%
	Re-hires	93	109	127	138
	Male	92	108	124	134
	Female	1	1	3	4
	Ratio of female employees	1.1%	0.9%	2.4%	2.9%
Non-regular employment	Advisors and contract employees	107	102	117	129
	Male	102	97	109	120
	Female	5	5	8	9
	Ratio of female employees	4.7%	4.9%	6.8%	7.0%
	Part-time employees	476	453	436	453
	Male	85	81	77	73
	Female	391	372	359	380
	Ratio of female employees	82.1%	82.1%	82.3%	83.9%
	Fixed-term employees	81	35	15	31
	Male	64	24	9	18
	Female	17	11	6	13
	Ratio of female employees	21.0%	31.4%	40.0%	41.9%

Number of Temporary Employees

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Temporary employees	956	986	998	823

*With consideration toward handling gender information regarding temporary employees, the IHI Group decided to refrain from disclosing employee numbers by gender from FY2023.

Average Years of Service*

(Unit: Year, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
All employees	15.1	16.1	16.5	16.6
Male	15.3	16.2	16.6	16.7
Female	14.2	15.4	15.8	16.0

*Due to a revision in the scope of calculation, the average years of service for FY2021 and FY2022 have been revised.

Turnover

Turnover Rate

(Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023	
Total turnover rate	2.9%	3.1%	2.7%	2.8%	
Rate of resignation due to personal reasons	1.1%	1.6%	1.5%	1.5%	
Rate of resignation due to personal reasons by age	Under 30	3.1%	3.9%	3.7%	3.0%
	30 to 39	1.2%	2.5%	1.9%	0.6%
	40 to 49	0.3%	0.5%	0.5%	1.0%
	50 to 59	2.2%	2.4%	0.1%	0.2%
	60 and over	34.8%	37.6%	26.4%	14.5%
Turnover rate within 3 years of joining the Company	4.3%	3.4%	5.5%	5.3%	

Turnover During 1 Year (Total Persons, Male/Female)

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Total turnover	224	248	203	208
Male	207	232	175	182
Female	17	16	28	26

Diversity, Equity, and Inclusion

● Employees Union Membership Rate

(Scope: IHI and affiliated companies in Japan)

Item	FY2020	FY2021	FY2022	FY2023
Employees union membership rate	58%	59%	60%	62%

| Engagement

● Number of Labor Complaints Received

(Unit: Reports, Owner: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Number of labor complaints received	0	0	0	0

Initiatives

| Education/Awareness Building

In order to achieve the Group Human Talent Strategy 2023, the IHI Group is focusing on reforming its evaluation and treatment of human resources and corporate culture, which form the basis of its human resource strategies and measures.

| Standardization of the Human Resource Management Policy for All Employees

The IHI Group is using its education program for new employees and various other education and training opportunities to build awareness for the Human Resource Management Policy among all Group employees in Japan and overseas.

Specifically, the Group has been holding workshops and other events that ensure each and every Group employee, including those overseas, understands and takes personal action to be an Ideal Human Resource and engage in Ideal Behavior & Action.

| Fair and Equal Treatment

In order to establish fair and appropriate treatment, the IHI Group is working to raise wages through sincere dialogues between labor and management.

Furthermore, under a principle of equal pay for equal work based on the Part-time/Fixed-term Employment Act, the Group appropriately handles personnel according to the range of their duties and responsibilities and has established a personnel system to avoid unreasonable disparities. Additionally, the Group has made it a principle to, at minimum, set wages in accordance with the minimum age in each country.

| Conversion of Fixed-term Employees into Regular Employees

IHI has put in place a system to convert fixed-term workers into regular employees. This program lays a path for fixed-term employees who satisfy certain criteria to request a regular position.

| Employee Benefits Programs

The IHI Group's employee benefits programs provide a variety of options that employees can choose from as a way of supporting their needs, including support for balancing work and childcare, nursing care, and medical care, as well as education, recreation, and other options.

Diversity, Equity, and Inclusion

Human Resources Development

Approach

Based on the management philosophy of “Human resources are our single most valuable asset,” the IHI Group endeavors to bring the full potential of its employees and has put human resource development programs into place to further improve their abilities. In addition, based on the Group Human Talent Strategy 2023, the Group has created a system for education and reeducation and is taking steps to provide independent learning opportunities to accommodate the diverse work styles and career perspectives of its employees for the purpose of developing human resources capable of change in response to business environment and technological innovation, achieving both a “Good + Strong” company and “Growth + Happiness” for individuals.

Policy

P.42 **IHI Group Human Resource Management Policy**

Governance

P.45 **Human Resource Management—Governance**

Strategy

Risks

It is the IHI Group’s belief that improving corporate structure is necessary in order to respond to modern social environments where instability is a given. If the Group is unable to make progress toward developing and acquiring human resources capable of creating change, the most important asset for achieving global business and corporate structure transformation, the Group’s ability and corporate culture for sustainable and flexible personal change cannot be realized, and the survival and growth of the Group may be at risk.

Opportunities

The IHI Group strives to acquire global-level expertise and management skills by providing reskilling opportunities and supporting independent career development, transforming global business and corporate structure.

Risk Management

In order to develop and acquire human resources capable of creating change and measure the progress of independent career development, the IHI Group monitors the following items.

- ① Results regarding recruiting plan
- ② Employee engagement survey score improvement
- ③ Number of hand-up career challenge program transferees
- ④ Voluntary/independent selective training attendance

Diversity, Equity, and Inclusion

Metrics and Targets

Recruitment Results

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Employee-awareness Surveys

P.45 Human Resource Management – Risk Management

Number of Career Challenge Program Transferees

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

Item	FY2020	FY2021	FY2022	FY2023
Total	55	67	112	89

Participants in Main Training Courses and Number of Training Hours, Training Hours per Employee

(Scope: IHI and affiliated companies in Japan)

Item	FY2020*1	FY2021*2	FY2022*3, *4	FY2023
Stratified Training				
Participants	1,882	672	795	871
Training hours	34,672	24,028	25,960	29,616
Voluntary/Independent Selective Training				
Participants (total)	1,948	17,430	37,057	27,920
Training hours	16,358	49,648	88,822	71,348
Mandatory Courses				
Participants (total)	—	253,716	282,415	412,942
Training hours	—	188,927	170,164	362,415
Senior Management Candidate Training				
Participants	134	132	118	359
Training hours	11,550	13,992	10,525	47,444
Professional Development Training				
Participants	227	275	249	186
Training hours	6,988	8,443	7,615	5,725
Division-specific/Affiliated company-specific training				
Participants	—	—	—	70,147
Training hours	—	—	—	216,303
Average Annual Training Hours per Employee				
	13.3	12.1	14.3	34.9

*1 Due to the COVID-19 pandemic we refrained from conducting any programs during the first half of FY2020, and as a result of only making them available during the latter half, the number of participants declined compared to the previous fiscal years.

*2 Due to reforms to the Group Human Resource Development Program in FY2021, the number of participants and hours of each training course fluctuated compared to past years.

*3 Stratified training in FY2022 includes training conducted for new employee supporters.

*4 New management development and professional development programs were added in FY2022. These programs are not included in the average annual training hours per employee for FY2020 to FY2021.

Number of Employees Undergoing Regular Career Development Reviews (By Male/Female)

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

Item	FY2020	FY2021	FY2022	FY2023
Total	—	—	15,327	14,939
Male	—	—	13,024	12,605
Female	—	—	2,303	2,334

Training Expense per Employee

(Scope: IHI and affiliated companies in Japan)

Item	FY2020	FY2021	FY2022	FY2023
Total	—	—	23,512 JPY	40,380 JPY

Employees Certified as Master Artisans

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Number of employees certified	39	41	41	37
Soma	8	12	12	15
Mizuho	13	13	10	7
Tsurugashima	—	—	—	1
Tomioka	3	2	1	1
Yokohama	6	4	9	5
Aioi	3	3	3	3
Kure	6	7	6	5

Diversity, Equity, and Inclusion

Initiatives

Human Resource Development Program

The IHI Group is building educational programs to support each employee to develop their career, accelerate their growth, and foster ongoing learning.

At the core of the Group's educational programs are the Career Development Support Program and Voluntary/Independent Selective Training. Through these programs, the Group will create conditions that foster ongoing independent learning and support employees to expand the possibilities for playing an active role at work.

Initiatives to Develop Diverse Human Resources

To support each employee's challenge and learning to achieve their career plans, the IHI Group has established various training systems, centered on selective training, and has developed shared educational programs that allows diverse human resources to grow and play an active role.

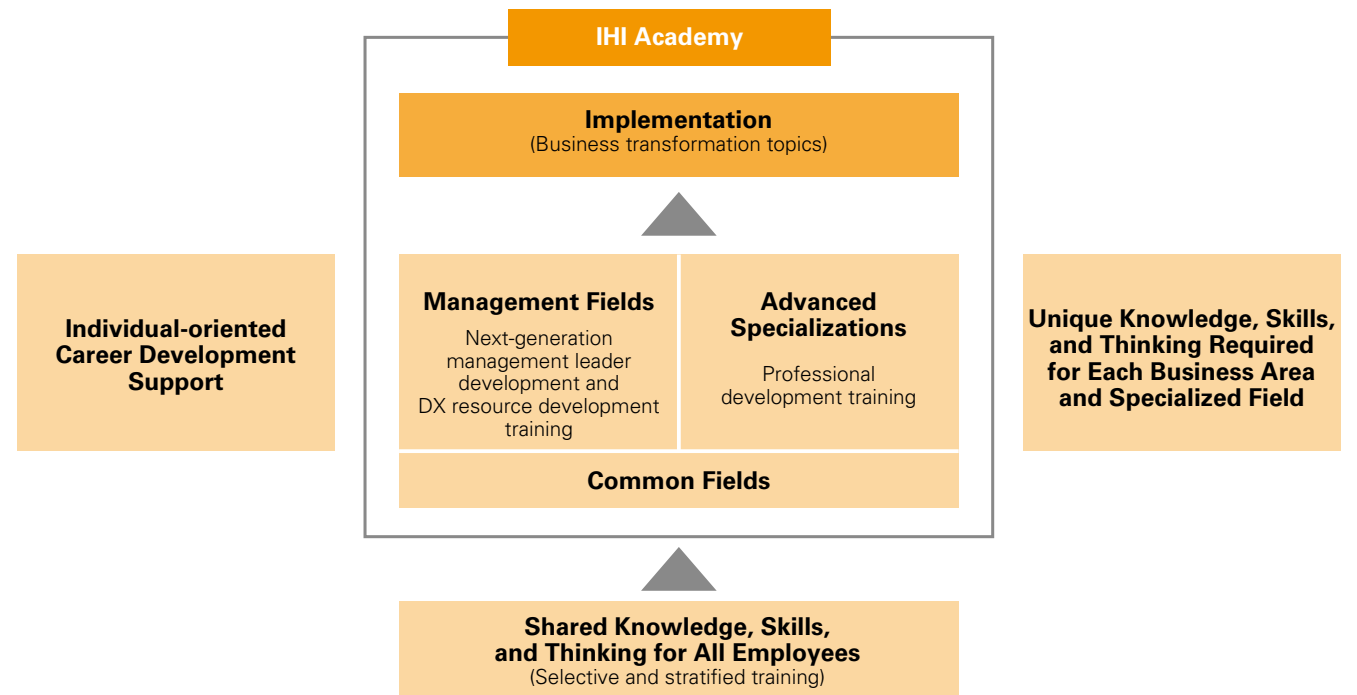
The IHI Academy provides training and skills enhancement for Senior Managers and specialist human resources that are active globally and lead transformation. Stratified training includes training for new employees as well as newly appointed managers and assistant foremen. In the global human resource development training, employees strategically build up experience at overseas production plants and in major projects as well as take courses to acquire global communication skills and gain cross-cultural competency before taking a post overseas. Furthermore, in addition to this the Group also conducts training emphasizing diversity, equity, and inclusion (DE&I).

Providing Training and Skills Enhancement for Senior Managers and Specialist Human Resources That Are Applicable Globally

Launched in April 2023, the IHI Academy provides training and skills enhancement for Senior Managers and specialist human resources that are active globally and lead IHI Group transformation.

In addition to standard recommendations coming from divisions, the IHI Academy also accepts applications from ambitious human resources to expand opportunities for participation. The Group is also augmenting the training program with a focus on real-world implementation.

Overall Image of Human Resource Development



Diversity, Equity, and Inclusion

Human Resource Development Program

		IHI Group Education and Training Programs			Elective Training	Selective Training	Stratified Training
	IHI Academy		Selective and Career-based Training	Stratified Training	Global Human Resource Development Training	Diversity, Equity, and Inclusion	
	Management/DX Field	Professional Field					
Managers	Cross-Industry Exchanges, MBA Dispatch, Study Abroad Programs, etc.	Practical Implementation (Business Transformation Issues)	Technical Skills (Specialist Courses) Business Skills Communication Skills Mental Fitness and Liberal Arts	Career Management Training Career Design Seminar (By Stage of Career)	New Manager Training	Global Communication Skills and Cultural Competency	DE&I Training (Human Rights Awareness, DE&I Understanding, Harassment Prevention, Work-Life Balance Support)
Workplace Leaders		DX Human Resource Development Training Next-Generation Management Leader Training					
Senior Employees					New Employee Training Supporter Training		
Junior Employees			Approx. 450 Courses Designated and Recommended by Corporate Divisions				

Diversity, Equity, and Inclusion

Voluntary/Independent Selective Training

Based on the Group Human Talent Strategy 2023, the IHI Group supports employees to independently shape their career and helps provide opportunities for skills development. The Group has been building Voluntary/Independent Selective Training programs since fiscal 2021 as a framework for employees to choose and learn various subjects anytime, anywhere according to their career plan. Specifically, this training system provides a wide variety of different inhouse technical, business, communication skill, and mental fitness courses.

During fiscal 2023 the Group further increased the number of these courses to approximately 450, and strengthened tool (IHI Group learning platform) functionality for accessing each of them online.

Voluntary/Independent Selective Training

Selective Training

Technical skills (approx. 250 courses)	Business skills (approx. 160 courses)	Communication skills (approx. 5 courses)
Physics/Chemistry Materials/Structures Heat/Fluids/Combustion Turbo Systems/ Mechanical Elements/Vibrations Production Processes Control/Sensing Project Management Intellectual Property Sales Procurement	Management Policy Sustainability/ESG Quality/Compliance DX Design Thinking Business Models Marketing Problem Solving/PDCA Finance/Accounting Engineering and Manufacturing Company Basics Management	Business Communication Team Building Coaching
		Mental fitness (approx. 40 courses)
		Philosophy Leadership Motivation Diversity

Relearning

The IHI Group is expanding training programs for reskilling to proactively have employees acquire the knowledge and skills necessary to adapt to changes in the business environment and technological innovation.

As human resources are increasingly being shifted and optimally assigned to positions, the Group offers support programs to enable employees whose work duties have changed to quickly play an active role.

Passing Down Skills to Others

IHI strives to pass down welding, machining, and other core skills at each plant, which are the foundation of our manufacturing expertise.

Many of its employees are experts in each of these fields. The Group has introduced a master artisan program to encourage employees certified as master artisans to pass on their skills to new up-and-comers.

IHI Human Resources Development & Communication Center

The I-STEP Shonan IHI Human Resources Development & Communication Center (Yokosuka City, Kanagawa) holds training and various meetings for Group employees from around the world. The Center is a base that promotes active communication and learning and where IHI Group colleagues can come together to share the Group's corporate philosophy and values while they engage in active communication.

Moreover, the Group is also taking steps to enhance well-being of its employees by improving recreational activities.

Career Challenge Program

As part of the IHI Group's efforts to promote individual career development and provide skill opportunities for employees, the Group has introduced a voluntary transferable career challenge system (with open Group recruitment). Between fiscal 2019 to 2023, a total of 349 employees have taken advantage of this program and been matched with positions.

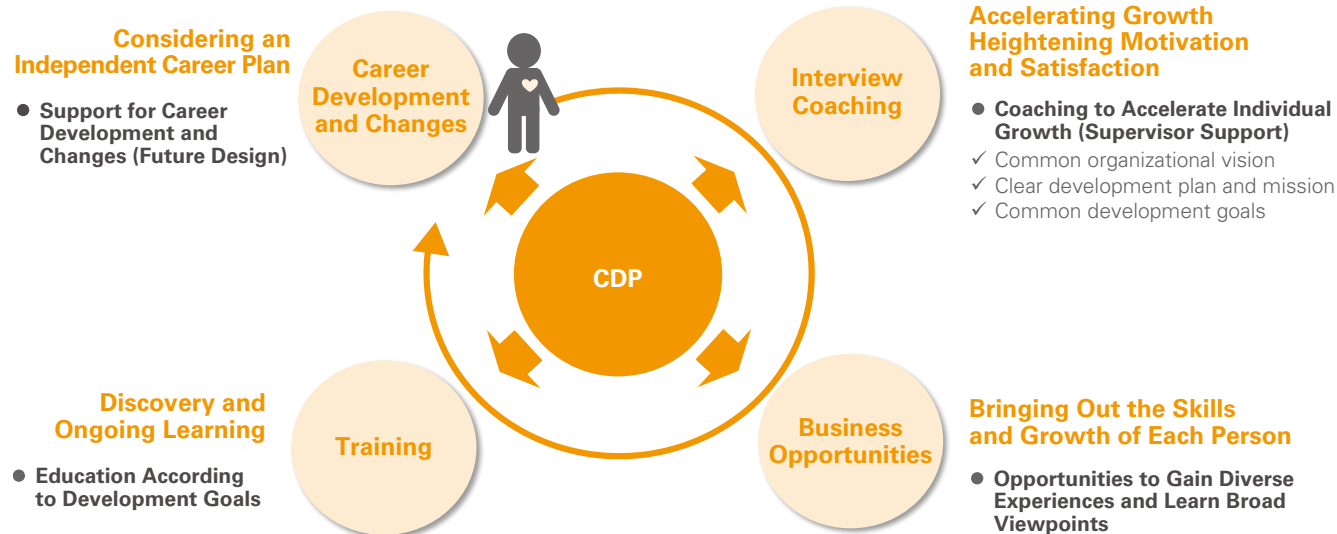
Diversity, Equity, and Inclusion

Career Development Program

Since fiscal 2019 the IHI Group has been implementing a Group-wide individually-tailored career development program (CDP) as a tool for encouraging individual career development. Meetings with a supervisor based on the individual employee's career plan (future design) are held to discuss what challenges and training the employee needs to undertake to achieve their career plan.

Through this initiative, the Group is supporting each employee to independently think about their career plan as well as supporting their growth through work and educational opportunities and ongoing learning.

CDP



Career Development Support Program

In order to spread independent career design amongst employees and enrich both their work and life careers, the IHI Group has established the Career Development Support Program as an initiative to support career design and create workplaces where everyone can actively participate. Based on this program, the Group holds Career Design Seminars tailored to each career stage. They are intended to enable employees to independently consider and carry out plans for developing their skills and abilities to better advance their careers in the future.

As part of the support for career plan creation the Group manages a support desk where employees can consider their own career plan in one-on-one sessions with an in-house career advisor. To date, a total of 200 employees have used the support desk. The Group has also launched an intra-Group portal site, Build My Career, where it regularly releases general information about career development.

Career Shift Program

The IHI Group has a Career Shift Program targeting managers currently employed at IHI. Employees who take advantage of this program before the age of 50 are able to choose from multiple career courses for a future style of work. Among these courses, the Group has also prepared a Career Shift Support Program to assist those who are looking to move on from the company and carve out a second life. Those who make use of the system receive a career shift retirement allowance based on their age.

At the career planning support desk that serves the entire IHI Group, it has been making improvements to allow employees to select an external career advisor since fiscal 2023 to accommodate a diverse variety of career choices.

Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion

Approach

Based on the IHI Group ESG Management (announced in November 2021), Group Management Policies 2023, and Group Human Talent Strategy 2023, the IHI Group is striving to establish a corporate culture that emphasizes diversity, equity, and inclusion (DE&I) initiatives with respect for human rights as part of its corporate responsibility.

To solve social issues through the business activities, it is necessary to incorporate perspectives from the Group's diverse human resources into its practices to realize the issues and needs of consumers that make up society so that we can achieve a society offering safety, security, and prosperity. Additionally, the backgrounds, experiences, and individuality present in this diverse group bring fresh perspectives to the Group, and they will become the driving source for promoting change.

The IHI Group considers the differences in each person's position, living environment, gender, and so on to create fair opportunities, and to cultivate an environment in which each person's strengths are utilized, with the power of diversity that results from this leading to value creation.

Governance

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Strategy

Risks

In order for IHI's human resources from diverse backgrounds to maximize their full potential, it is necessary to recognize everyone's values and individuality.

If DE&I is not ingrained into the corporate culture it may result in a lack of diversity within the organization, making it difficult to coordinate and collaborate with various stakeholders and inhibiting the creation of new ideas and innovation. Moreover, when management and workplace environments are based on homogeneity, it becomes difficult for each employee to perform to the best of his or her abilities, which may lead to a decline in their engagement.

Opportunities

In order to realize the kind of sustainable society the IHI Group is aiming for, it is necessary for the Group to incorporate DE&I into its corporate culture and foster a flexible organizational culture when it comes to accepting diverse views.

Raising awareness and educating each employee to put DE&I into practice and creating a workplace environment where diverse human resources can thrive helps to foster an organizational culture that, in the midst of dramatic environmental change, is able to transform the corporate structure to one not bound by conventional practices and frameworks. Furthermore, a well-functioning network both within and outside the Group helps corporate activity proceed smoothly.

Risk Management

The IHI Group has its Group Human Rights Committee monitor the progress of various measures (such as responses to instances of harassment, e-learning participation and response results, and so on), measuring the degree of understanding and integration of DE&I through the implementation of its Diversity Index.

In addition, the Group provides information for empowering women, employing people with disabilities, and male employees taking childcare leave, topics of particular social interest that governments and organizations are working to establish specific indicators for, setting them as a diversity goal for the Group that it monitors the performance of.

Diversity, Equity, and Inclusion

Metrics and Targets

DE&I Targets and Results

(Scope: IHI)

KPI	Target	Target Year	FY2020	FY2021	FY2022	FY2023
Female recruitment rate	University graduates: About 20%	2026	16.5%	20.2%	14.3%	19.8%
Ratio of female Managers	7%	2026	3.4%	3.9%	4.7%	5.3%
	15%	2030				
Ratio of female Officers	Increasing the proportion of female Officers to exceed 30% by 2030 (Support for the Keidanren's 30% by 2030 Challenge)	2030	18%	18%	18%	18%
Ratio of employees with disabilities	2.6%	2024	2.35%	2.39%	2.55%	2.62%
Promote male employees to take paternity leave or paid time off for childcare	Promote all applicable male employees to take childcare leave of at least a week, and promote 2 or more weeks	2025	26.5%	70.8%	90.1%	124.9%

DE&I Training Participants

(Unit: People)

Training Topics	FY2020	FY2021	FY2022	FY2023	Targets	
Officer unconscious bias training	—	—	—	23	IHI Officers	
Diversity index	—	—	—	5,461	Management and key positions at IHI and Group companies within Japan	
Monthly seminars for promoting DE&I	—	—	—	600	IHI and Japanese Group company employees	
DE&I e-learning	—	—	—	25,991	IHI and consolidated subsidiaries (including overseas)	
Female empowerment and work-life balance support	External dispatch training	3	16	13	14	IHI and Japanese Group company employees
	Coexistence Support Seminar	343	388	281	483	IHI and Japanese Group company employees
Active participation by diverse human resources	LGBTQ+ Ally conference	—	35	—	99	IHI and Japanese Group company employees
	Training and exchange of employees from abroad	—	—	—	12	IHI and Japanese Group company employees

Recruitment Results

New Graduate and Mid-career Recruitment Results

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023	
New graduate recruitment	Total	194	109	98	126
	Male (engineers)	133	75	72	81
	Female (engineers)	6	14	9	16
	Male (administrative)	29	12	12	20
	Female (administrative)	26	8	5	9
Ratio of female employees	16.5%	20.2%	14.3%	19.8%	
Mid-career recruitment	Total	55	85	98* ¹	165
	Male	44	66	72	141
	Female	11	19	26	24
	Ratio of female employees	20.0%	22.4%	26.5%	14.5%
Total number of employees	249	194	196	291	

*1 Number of mid-career recruitment for FY2022 has been revised.

Diversity, Equity, and Inclusion

Board Diversity

Number of Officers*²

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Total	17	17	17	17
Male Officers	14	14	14	14
Female Officers (outside)	3	3	3	3
	(3)	(3)	(3)	(3)

*² As of July 1 each year, members of the Board of Directors and Audit & Supervisory Board.

Ratio of Female Officers*³

(Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Ratio of female Officers	18%	18%	18%	18%

*³ As of July 1 each year, members of the Board of Directors and Audit & Supervisory Board.

Management Diversity

Number of Managers (by position, gender)*⁴

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Total* ⁵	2,715	2,763	2,643	2,707
Male Managers	2,623	2,656	2,519	2,563
General Managers	1,067	1,065	1,004	1,026
Section Managers	1,556	1,591	1,515	1,537
Female Managers	92	107	124	144
General Managers	23	31	38	39
Section Managers	69	76	86	105

*⁴ As of April 1 each year.*⁵ Due to a change in the calculation method, the total numbers of managers for FY2020 and FY2021 have been revised.

Ratio of Female Managers*⁶

(Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Ratio of male Managers	96.6%	96.1%	95.3%	94.7%
Ratio of General Managers* ⁷	97.9%	97.2%	96.4%	96.3%
Ratio of Section Managers* ⁷	95.8%	95.4%	94.6%	93.6%
Ratio of female Managers	3.4%	3.9%	4.7%	5.3%
Ratio of General Managers* ⁷	2.1%	2.8%	3.6%	3.7%
Ratio of Section Managers* ⁷	4.2%	4.6%	5.4%	6.4%

*⁶ As of April 1 each year.*⁷ Due to a change in the calculation method, the ratios of female general managers and female section managers for FY2020–FY2022 have been revised.

Number of Managers That Joined IHI Mid-career*⁸

(Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Number of Managers	234	230	253	307

*⁸ As of April 1 each year.

Diversity, Equity, and Inclusion

● Number of Managers Among Employees from Abroad*⁹ (Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Number of Managers	13	14	16	22
Of which, General Managers	3	3	3	7
Of which, Section Managers	—	—	—	15

*9 As of April 1 each year.

● Local Managers at Overseas Regional Head Office Sites*¹⁰ (Unit: People, Scope: China, Singapore, and the United States)

Item	FY2020	FY2021	FY2022	FY2023
Total	22	25	26	30
IHI (Shanghai) Management Co. Ltd. (China)	5	6	6	6
IHI ASIA PACIFIC PTE.LTD. (Singapore)	6	5	11	11
IHI Americas Inc. (United States)	11	14	9	13

*10 As of April 1 each year.

Ratio of Employees

● Ratio of Employees with Disabilities*¹¹ (Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Ratio of Employees	2.35%	2.39%	2.55%	2.62%
Target	2.3%	2.3%	2.4%	2.6%

*11 As of June 1 each year.

● Re-employment Rate of Employees at Retirement Age (Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Re-employment rate of employees at retirement age	81%	78%	100%	81%

Work-life Balance

● Work Hours (Unit: Hours, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Monthly average overtime	13.00	18.90	21.60	21.90
Annual work hours	1,797.9	1,948.3	1,984.5	1,972.7

● Average Annual Paid Vacation Days Taken (Unit: Days, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Average annual paid vacation days taken	18.73	17.37	18.65	19.78

● Leave Acquisition Rate (Unit: People, Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Employees who have used the reduced work hour program	139	158	140	141
Employees who have taken childcare leave	768	935	1,010	995
Employees who have taken parental leave	137	128	198	185
Male	31	60	78	89
Female	106	68	120	96
Percentage of employees who return to work after parental leave	100%	100%	99.6%	98.3%
Employees who have taken nursing care leave	2	6	3	10

● Ratio of Male Employees Who Took Paternity Leave or Paid Time Off for Childcare (1 Week or More)*¹² (Scope: IHI)

Item	FY2020	FY2021	FY2022	FY2023
Ratio that took leave	26.5%	70.8%	90.1%	124.9%

*12 Male employees who took applicable leave or paid time off during the respective fiscal year divided by male employees who had a child born during the respective fiscal year.

Diversity, Equity, and Inclusion

Initiatives

Fostering an Organizational Culture that Promotes DE&I

The IHI Group rolled out its DE&I training program, “Diversity Index,” during fiscal 2023 and conducted management skills training for executives and managers at IHI and affiliated companies within Japan.

With the aim of promoting understanding and raising awareness among each of our employees, the Group conducted e-learning programs to deepening their knowledge of DE&I and unconscious bias. Additionally, every year the Group designates December as DE&I Promotion month, delivering a message from the President regarding DE&I, providing executive training, and holding training sessions and seminars.

Supporting the Active Participation of Diverse Human Resources

Mid-career Recruitment

In order to achieve the business and corporate structure transformation outlined in Group Human Talent Strategy 2023, the IHI Group regularly—rather than sporadically—takes steps to acquire human resources externally in business and technical fields where the Group finds its knowledge lacking, promoting their active participation and internalizing the knowledge they bring.

In particular the Group has welcomed over 100 hires in the Aero Engine, Space & Defense Business Area, positioned as a developing business, and actively utilize their past experience, technical skills, specializations, and perspectives and values that differ from those of IHI.

Empowering Female Employees

These initiatives include recruiting and developing female hires in key human resource roles to promote to middle and top management while also defining various goals to build a workplace environment where they can actively participate.

As part of its training, the IHI Group sets up career development opportunities for female Managers by dispatching them to training outside of the Group and giving networking support, in addition to supervisor instruction and coaching.

Moreover, concerning the wages men and women make, there is currently a discrepancy due to the difference in personnel make-up between genders. In particular the main reason for this discrepancy is the lower ratio of women in management positions than of men, with fewer women in upper management positions and men working longer hours, including overtime. Taking these factors into account, going forward the Group will continue to promote the creation of a workplace environment where women can thrive.

Empowering Employees from Abroad

The IHI Group promotes the creation of a workplace environment where talented employees can work comfortably and fully realize their potential regardless of nationality.

As part of this within Japan the Group provides pre-hire Japanese language training for employees from abroad, and upon recruitment to the Group, conducts cross-cultural training sessions which include new recruit superiors in addition to social events for the purpose of networking. Employees from abroad also encounter problems unique to foreign nationals. That is why the Group has put in place consultation services for employees from abroad.

Empowering Local Employees Overseas

The IHI Group is working to accelerate global expansion, recruiting and nurturing human resources with roots in the community while considering the unique labor market and practices of each country.

Furthermore, in terms of human resource development, the head office works together to support the implemen-

tation of measures established at each site according to current conditions and needs. In the future, it will promote even more active participation by cultivating diverse human resources throughout the Group worldwide.

Empowering Employees with Disabilities

The IHI Group promotes the empowerment of employees with disabilities. As part of its recruitment activities, the Group builds relationships with local employment support organizations for people with disabilities, schools for the deaf, and others, linking them to its recruitment activity efforts.

In 1992, IHI established an organization at its head office specializing in the promotion and success of its employees with disabilities. From 2018, IHI has been providing support tailored uniquely to each employee through specialized support staff, with assistance programs in place, covering work and general aspects of company life. IHI also supports career advancement of each employee by providing an environment conducive to further growth and success. Currently this same organization has been established at each of its sites in Yokohama, Akishima, and Soma.

In order to resolve problems faced by employees with disabilities while helping to implement better measures regarding personnel and support corporate affiliates, IHI has been a member of the Accessibility Consortium of Enterprises (ACE) since fiscal 2013, sharing its recruitment guidelines and examples of employment with other ACE member companies.

Diversity, Equity, and Inclusion

Building an Inclusive Workplace Regardless of Sexual Orientation or Gender Identity

The IHI Group is creating a working environment where LGBTQ+ employees can reach their full potential regardless of sexual orientation or gender identity.

The IHI Group actively engages in LGBTQ+ ally*¹ activities. The Group believes that expanding the ally mindset of not denying, judging, or spreading creates a workplace environment where everyone can work comfortably. Striving to promote understanding among all of its employees in Japan, the Group established an e-learning program and has made information available through the company intranet. Currently, there are over 3,000 people who have declared themselves allies.

In fiscal 2023 the Group sponsored Tokyo Rainbow Pride 2023, and held an ally conference inviting LGBTQ+ community members and experts.

In addition, IHI has also set up various different personnel programs. With the exception of congratulatory and/or condolence money, special paid leave, and other welfare and work benefits excluded due to legal requirements, same-sex partners are treated no differently than spouses. IHI has also developed a system for managing labor based on business name and self-identified gender. Moreover, IHI has a system in place for accepting consultations regarding SOGI harassment*² at its harassment consultation desk, as well as a counter where people can anonymously seek consultation regarding LGBTQ+ support.

*1 Ally: Allies refer to people who understand and support LGBTQ+. Anyone can be an ally, even if they do not identify as LGBTQ+.

*2 SOGI Harassment: Harassment related to sexual orientation or gender identity.

Work-life Balance Programs and Consultation Services

The IHI Group has put in place various support programs to help employees balance work while raising children, taking care of sick family, or undergoing treatment for an illness of their own. The Group publishes and distributes handbooks and leaflets to raise awareness and promote use of these support programs, holding seminars by external lecturers, and setting up a consultation desk with outside experts who can provide support based on the circumstances and needs of each individual.

Additionally, the IHI Group encourages men to take childcare leave and has created a handbook for male employees to support balancing work and childcare. Furthermore, in support of employees wishing to have children the Group is distributing leaflets to raise awareness about a program that supports fertility treatment.

Along with annual leave, IHI provides childcare leave that can be used to raise or care for a child in addition to 15 days of family care leave per year for each family member requiring care, establishing a system that exceeds legal requirements.

Empowering People Over 60

The IHI Group promotes the active participation of employees at retirement age in many different ways. The Group has adopted a program for each employee to decide when to retire between the ages of 60 to 65. Many senior employees are also taking advantage of a program that enables promotion of employees over the age of 60 to encourage people to persevere regardless of age. Programs to capitalize on the high level of expertise and skill also create a framework to better encourage employees at retirement age to play a greater role.

Providing Opportunities to Gain Diverse Experience

Transfer

The IHI Group rotates staff between departments, and dispatches employees to external training programs as well as to partner companies, government agencies, and startups. The staff members also participate in joint development projects with other companies, universities, and research institutes, which are just some of the many ways in which the Group provides access to a variety of experiences and differing viewpoints that increase the opportunity to Cross Boundaries, Tackle Issues, and Implementation.

To help facilitate the career development plans defined by each employee, the Group also recruits constantly from its career challenge program (within the Group).

External Training

The IHI Group provides opportunities to gain broader experiences and an open mind through active human resource exchanges outside the organization, such as external training and events as well as participation in various academic societies. In external training, participants deepen their professional skills and learn about the latest industry trends and better practices from other companies.

These external activities allow employees to interact with people from a variety of diverse backgrounds, expanding their possibility of incorporating different perspectives and ideas into the Group.

Not only does participation in academic conferences deepen understanding of cutting-edge research and technology, but also provides an opportunity to expand networking with other experts.

Diversity, Equity, and Inclusion

Concurrent In-house Positions and Side Businesses Outside IHI

The IHI Group provides opportunities for employees to think individually and proactively, taking on new challenges to achieve individual self-actualization and growth. The Group encourages everyone to gain broad experience both inside and outside the organization. The Group supports employees to have concurrent positions inside the company and side businesses (second jobs) outside of it in the hope of leveraging diverse viewpoints and ideas in management.

For example, some of these activities have included those related to participation in universities and research institutes or administrative agencies and start-ups for side businesses outside of the company, and for concurrent inhouse positions, developing and sharing applications that contend with internal and external problem-solving as well as coming up with a concept design for Toyosu Brewery.

As of fiscal 2023, employees have registered approximately 110 different side businesses, 50 concurrent positions, and a total of 140 activities.