

Human Rights

Approach

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.

Participation in Third-party Initiatives for Human Rights

The IHI Group has endorsed the Ten Principles of the United Nations Global Compact. As part of this, the Group has been participating as a member of the Global Compact Network Japan since 2022. Employees participate in various GCNJ subcommittees and continue in various activities related to deepening their comprehension of environmental management, human rights due diligence, human rights training, and so on.

In fiscal 2022, the Group participated in the Business and Human Rights 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.

During fiscal 2023, with the aim of further expediting the implementation of human rights due diligence, Officer in charge of Group ESG participated in a Business and Human Rights Roundtable for Senior Management hosted by the UNDP, where they engaged in deeper discussions of human rights in Japan and around the world with executives from other companies that have demonstrated a strong commitment to human rights due diligence.

Policy

● 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

Governance

The IHI Group established the Human Rights Committee as a Group-wide committee responsible for the “S” part of the ESG Management Promotion Committee.

With the goal of fostering a corporate culture that respects human rights and promotes human rights initiatives, the Group plans and deliberates on the details of important policies and activities related to the promotion of DE&I focusing on “respect for human rights” and the “active participation of diverse human resources.”

The Committee is chaired by the Officer in charge of Group Human Resources and comprised of members from corporate divisions and business areas.

Important matters such as activity policies, priority measures, and performance evaluations are discussed within the ESG Management Promotion Committee and then reported to the Board of Directors as deemed appropriate.

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

Concerning the promotion of DE&I, the Group is working in tandem with related divisions and 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 Corporate Research and Development Division, General Manager of Business Development Division, General Manager of Intelligent Information Management Division, General Manager of Corporate Marketing & Sales Division, 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.
Secretariat	Human Resources Division
Number of meetings convened in FY2023	3

Strategy

Risks

If a human rights violation or disregard for human rights were to occur under the IHI Group’s business activities, it could lead to a decline in public reputation along with customer business loss, in addition to compensation for damages which could have a negative impact on the Group’s business performance and financial condition.

Opportunities

The IHI Group views respect for human rights as an opportunity to enhance business sustainability and increase corporate value.

Preventing and reducing any negative business activity impact on stakeholders and rights holders* throughout the value chain leads to realizing a richer lifestyle for everyone involved with the Group.

* Rights holder: Someone who holds human rights. Refers to persons and groups whose human rights may be affected by corporate activity.

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Risk Management

Human Rights Due Diligence

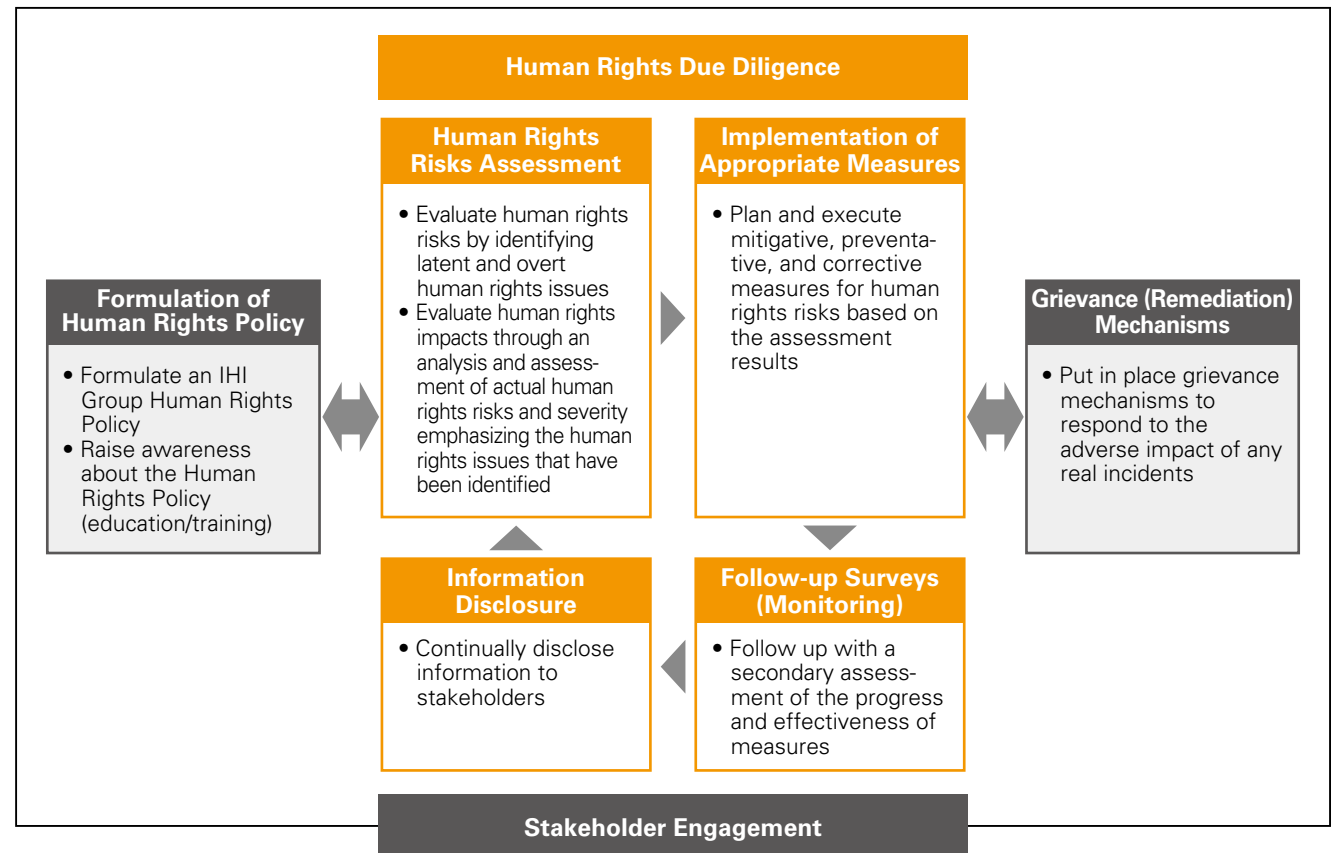
In order to fulfill the responsibility when it comes to respecting the human rights of those affected by its business activities, the Group promotes the process of human rights due diligence and taking measures to respect human dignity in line with the United Nations' Guiding Principles on Business and 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 the Group undertakes the process of human rights due diligence, it emphasizes continual stakeholder engagement during the entire process in order to understand the impact of its business activities on people's rights.

P.106 **Compliance Hotline**

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 among IHI Group companies within Japan and overseas, with advice from outside experts.

Based on analysis and the results of this evaluation, important human rights issues in the manufacturing industry, internal monitoring, and international social trends, the Group was able to identify key human rights issues.

Thus, the Group has chosen its employees and business partners as its highest priority rights holders.

● 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.

No Tolerance for 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.

Human Rights

Progress of Human Rights Impact Assessments

The IHI Group began carrying out human rights impact assessments at Group sites worldwide over three years between fiscal 2022 and 2024 to understand the actual state of material human rights issues.

When conducting human rights risk assessments, the Group prioritizes overseas affiliated companies thought to be relatively high risk, targeting 59 companies in fiscal 2022 and 37 in fiscal 2023. Survey results for fiscal 2022 and 2023 and issues identified to be addressed are shown in the diagram below.

Human Rights Impact Assessment

FY2022–FY2023 Survey Results, Issues Identified, and Countermeasure Status

Item	Issues	Countermeasure Status
Total Trends	Grievance mechanism maintenance shortfalls	Establishment of our reporting desk was completed in April 2024 and began operation.
	Shortfalls in dialogue with stakeholders	In parallel with dialogue held at our corporate divisions, each company is made aware of the importance of labor management dialogue, etc.
	Delays in diversity, equity, and inclusion (DE&I) efforts to ensure equal opportunities and treatment for employees	We are implementing initiatives to help foster an organizational culture emphasizing diversity. P.55 Diversity, Equity, and Inclusion
Red Flags*	Child labor <ul style="list-style-type: none"> Internal regulations regarding minimum working age Age verification using verifiable means 	We have established internal regulations and rules that comply with the minimum working age in each country.
	Discrimination and harassment Providing equal employment opportunities and promotions and making a statement of no discrimination during recruitment	We are working to formulate policies that ensure equal employment opportunities and treatment.
	Guarantee of safe workplaces ensuring the health of working people <ul style="list-style-type: none"> Clarification of the health and safety system and system roles Communication regarding our Occupational Health and Safety Policy to all employees 	We are establishing our occupational health and safety policy and communicating it to all employees.

* Five established core labor standards (prohibition of forced labor, prohibition of child labor, eliminating discrimination, recognition of freedom of association and the right to collective bargaining, and a safe and healthy workplace environment) set by the International Labor Organization (ILO) of particular importance in relation to IHI Group's material human rights issues

Additionally, since awareness was lacking among IHI Group companies regarding the Group's material human rights issues, in fiscal 2023 the IHI Group Co., Ltd. Human Rights Policy Implementation Guidelines was developed and distributed in three languages: Japanese, English, and Chinese, and spread within the Group.

Grievance (Remediation) Mechanism Maintenance

In April 2024, the IHI Group established a grievance mechanism on its corporate website for Human Rights Grievance Desk that can be utilized by all stakeholders in the Group's value chain. Cases reported through this point of contact will be handled fairly and appropriately through the Engagement and Remedy Platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), of which the IHI Group is a regular member.

web Human Rights Grievance Desk

Environmental and Human Rights Evaluations in New Business Investment

When participating in new business projects, the IHI Group conducts environmental and human rights impact evaluations, encompassing climate change countermeasures, waste, soil contamination, biodiversity, and so on using the ESG Checklist (Environment, Human Rights)*. For human rights violation risks, the Group conducts 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, the Group also verifies 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.

Survey on Foreign Technical Intern Trainees

In fiscal 2023, the IHI Group conducted surveys for affiliated companies that had a record of directly employing foreign technical intern trainees etc. and confirmed that one company had received foreign technical intern trainees. The Group will maintain appropriate working conditions through continuing to conduct regular surveys.

Human Rights

Metrics and Targets

● Human Rights Impact Assessments Implemented

(Unit: Assessments)

Item	Target	Year 1 (Second half of FY2021–FY2022)		Year 2 (FY2023)		Year 3 (FY2024 Plan)	
		Total Implemented	Targets	Total Implemented	Targets	Total Planned	Targets
Human rights impact assessments	Implemented at approximately 160 IHI Group Companies over 3 years*1 *2	59	Affiliated companies overseas	37	Affiliated companies overseas and SBU	48	Affiliated companies in Japan (including some affiliated companies overseas)

*1 Figures compiled in FY2021, which exclude companies that have been liquidated or are no longer part of the Group

*2 At companies and branches where one-time implementation is desired, implementation is done all at once

● Number of Human Rights Training Participants

(Unit: People)

Item	FY2023	
	Participants	Targets
e-learning: DE&I (Diversity, equity, and inclusion)	25,991	IHI and affiliated companies in and outside Japan
e-learning: Harassment Prevention	24,545	IHI and affiliated companies in Japan
e-learning: IHI Group Human Rights Policy (basic)*3	384	New employees and others who wish to participate
e-learning: Business and Human Rights*3	86	Those who wish to participate
Human Rights Personnel Training	118	Those who need to be especially sensitive about business and human rights*4

*3 An elective course that employees of IHI and affiliated companies within Japan can take on a voluntary basis

*4 Those at the management level, personnel in charge of risk management and compliance, or personnel involved in order acceptance and project reviews

Human Rights

Initiatives

Education/Awareness Building

In order to foster a corporate culture with respect for human rights, the IHI Group strives to raise awareness at all levels so that initiatives based on the IHI Group Human Rights Policy can be implemented into practice.

(1) Grade-based education

Every year the Group conducts e-learning training aimed at respecting human rights and harassment prevention for all of its employees. In the e-learning training on harassment prevention, it introduces cases that may fall under harassment and contact points for seeking consultation. Additionally training for new managers includes examples of harassment that can occur during teambuilding and countermeasures toward them. The Group provides various types of training to Directors and Executive Officers so that they understand how companies are connected to stakeholders and utilize that knowledge as part of their management.

(2) Training for all employees

In fiscal 2023, the IHI Group held e-learning programs with topics such as Harassment Prevention and DE&I (Diversity, Equity & Inclusion) to have everyone who works at the Group learn how to frame human rights and DE&I and deepen their understanding.

(3) Personnel training

In fiscal 2023 the IHI Group conducted training aimed at those who need to be especially sensitive about business and human rights (those at the management level, personnel in charge of risk management and compliance, or personnel involved in order acceptance and project reviews, etc.). Through this training, participants were able to learn about changes in the global environment surrounding business and human rights and in addition to

developing systems and frameworks, as they promoted understanding and communicated the need for substantive initiatives worldwide.

(4) Messages from the President issued on international days

Every year on Human Rights Day (December 10) and on International Women's Day (March 8) the President issues a message to promote the importance of respect for human rights and gender equality to IHI Group employees inside and outside Japan.

Initiatives Regarding Material Human Rights Issues

Prohibition of forced labor

The IHI Group prohibits forced labor of any kind. During recruitment, IHI always accept applications directly from the applicant, and when joining the company, it presents working conditions, including wages and so on, and obtains the applicant's consent before employment begins.

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 the IHI Group does not use this labor. IHI's employment regulations stipulate that those hired must be at least 15 years of age, and are required to submit a resume including information regarding age.

Equal opportunity for all

The IHI Group is promoting diversity, equity, and inclusion (DE&I) by respecting diversity and individuality and striving to ensure fair employment, fair labor practices, and equal opportunity.

P.55 Diversity, Equity, and Inclusion

No tolerance for discrimination and harassment

The IHI Group has 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 company's efforts to create an environment where harassment cases are easier to perceive, the IHI Group has stated to its employees that it will strictly deal with incidents of power harassment.

Guarantee of safe workplaces ensuring the health of working people

The IHI Group believes in ensuring safety and health to be at the foundation of its business activities and one of its most important management concerns. The 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.

P.64 Labor Practice (Occupational Health and Safety)

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

IHI has an established labor agreement with the labor union based on this relationship of trust rooted in mutual understanding, and regularly holds meetings amongst the Health and Safety Committee, Management Councils, and Production Councils between Management and representative employees to improve workplace environment through a mutual candid exchange of opinion.