

Materialize an Affluent Society

Diversity, Equity, and Inclusion	042
Work-style and Operational Process Reforms	062
Labor Practice (Occupational Health and Safety)	064
Human Rights	073
Supply Chain Management	080
Corporate Citizenship	084
Customer Relationships	087

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

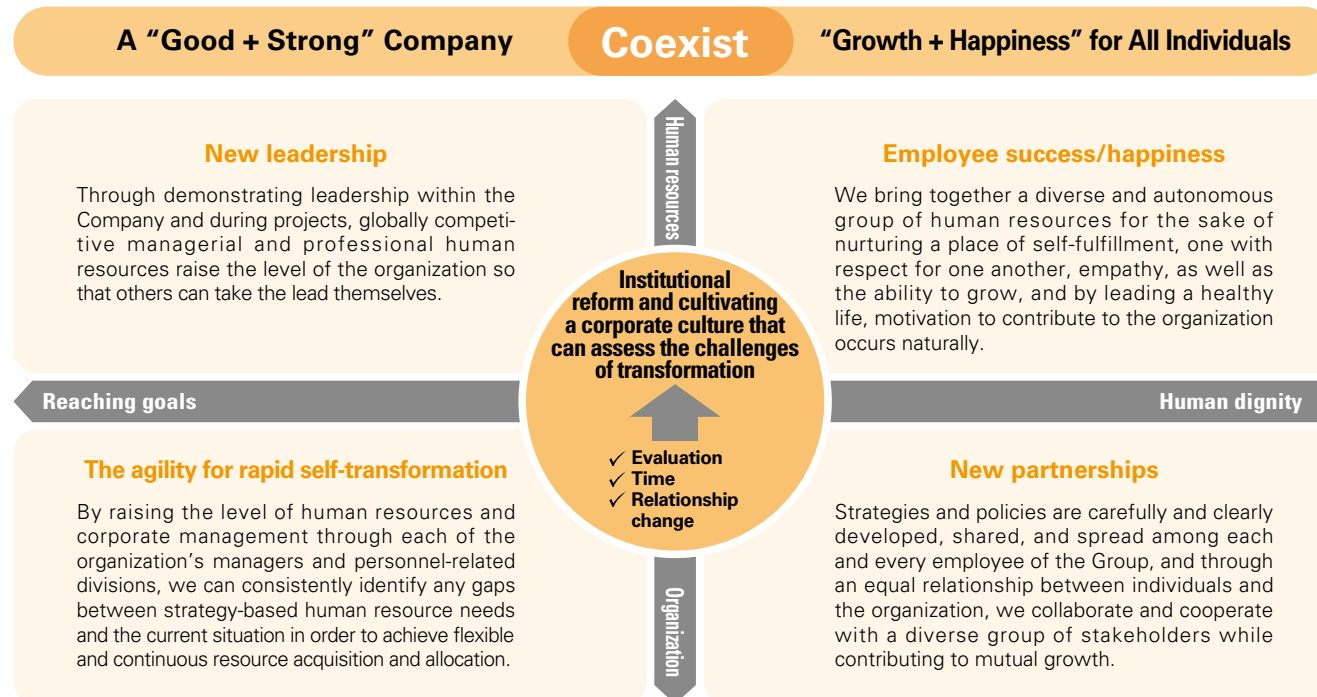
Group Human Talent Strategy 2023

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.

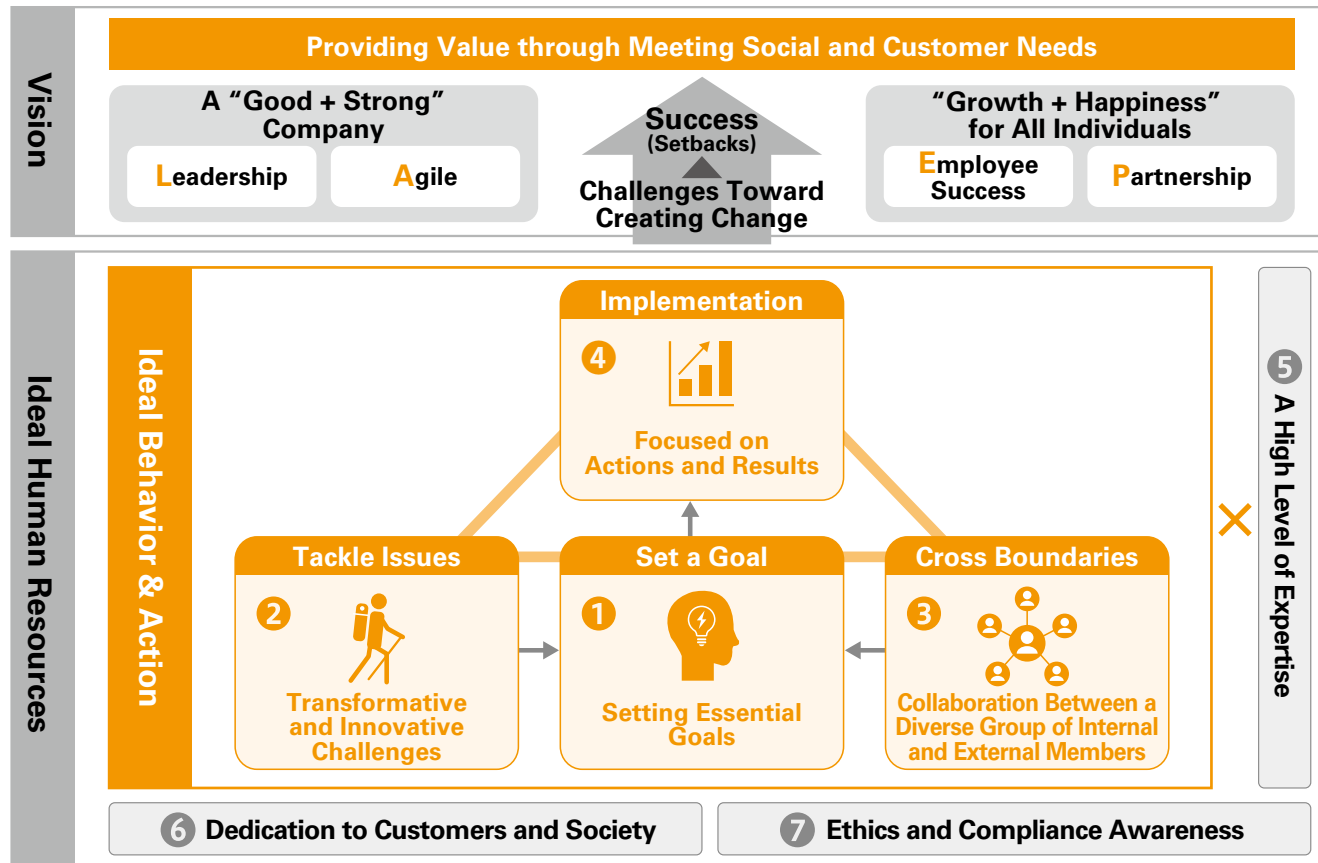
Risks

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

P.56 Diversity, Equity, and Inclusion – Metrics and Targets

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.

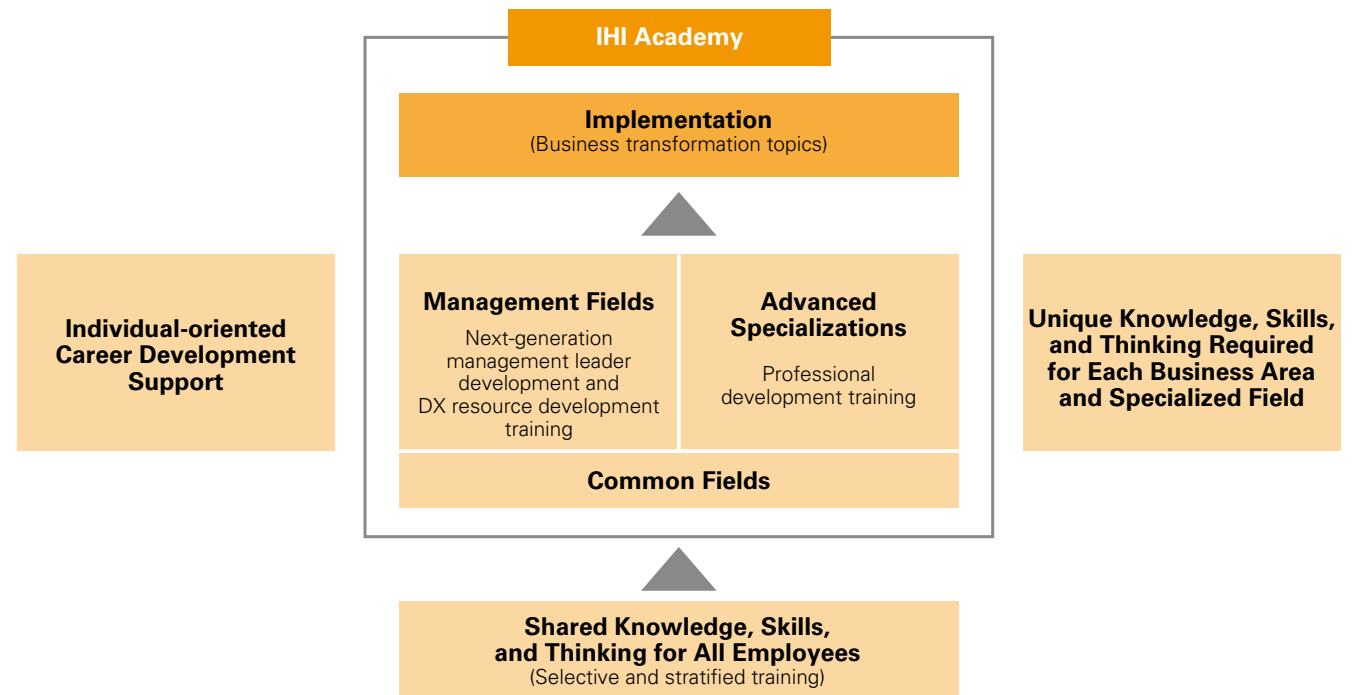
The IHI Academy provides training and skills enhancement for Senior Managers and specialist human resources that are active globally and lead transformation. Stratified training includes training for new employees as well as newly appointed managers and assistant foremen. In the global human resource 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							
Junior Employees			Approx. 450 Courses Designated and Recommended by Corporate Divisions				
		Shared Areas					

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.

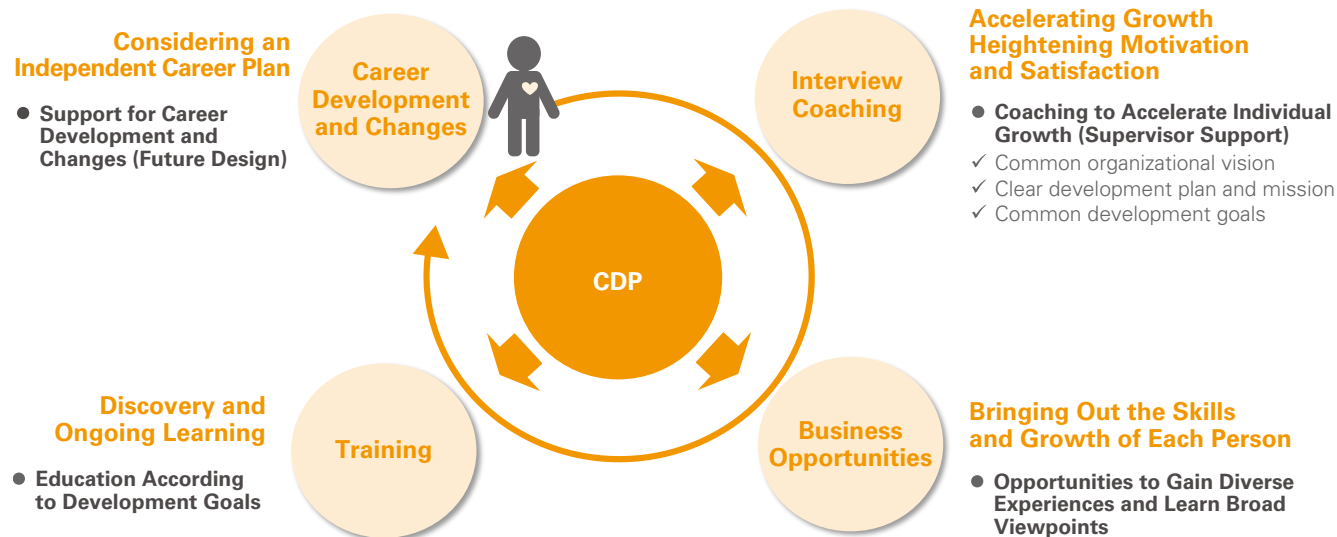
Diversity, Equity, and Inclusion

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

P.74 Human Rights—Governance

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	
DE&I	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.

Work-style and Operational Process Reforms

Approach

As outlined in the Management Philosophy and the Basic Code of Conduct, the IHI Group considers one of its most important corporate responsibilities to be the ability to ensure safe and comfortable working environment for all people who work in the Group. Additionally, in order to achieve the implementation of Active Participation from Diverse Human Resources under the IHI Group ESG Management as well as a “Good + Strong” company and individual “Growth + Happiness” under the Group Human Talent Strategy 2023, the Group believes that it is essential to provide a workplace that responds to diversification of work values as well as improve productivity within the entire organization.

Moreover, as work is a part of each employee’s life, the Group believes that while the workplace is a place for self-fulfillment through respect, empathy, and ability to grow, it is also a place where each person can do their job while leading a healthy life that is necessary for human resources to engage in career autonomy and play an active role.

Governance

In order to realize the Group Human Talent Strategy 2023, the IHI Group has established a system allowing it to promote the comprehensive initiatives such as reforming its business practices through working style, human capital/resource management, implementing employee surveys, company-wide projects and so on.

P.45 Human Resource Management—Governance

Strategy

Risks

If the IHI Group is unable to move quickly enough to realize the work style it strives for, or unable to keep up with technological advancements and changing employee needs, it may become difficult for the Group to secure talented human resources or lead to a decline in employee productivity. Furthermore, in situations that call for work style reform, if the organization is judged as being inflexible, its brand image and social reputation may also suffer.

Opportunities

The IHI Group believes that management direction toward each individual’s desire to build a career for themselves and contribute to the organization provides a valuable opportunity for sustainable growth as a company.

Specifically, from fiscal 2023, the Group has been supporting each of its employee’s growth, encouraging changes in behavior and habits by holding workshops that raise awareness about shared individual and organizational goals, and by providing senior management training.

Risk Management

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

Metrics and Targets

**P.46 Human Resource Management—Metrics
and Targets**

Work-style and Operational Process Reforms

Initiatives

Education/Awareness Building

The IHI Group has established a mechanism for systematic exchange of opinions and dialogue throughout the whole Group. Senior management, managers, and personal affairs divisions work together to promote everything from the mutual exchange of management intentions and employee awareness to maintaining a work environment that unifies individual career development motivation, willingness to contribute to the organization, and management direction.

During fiscal 2024 the Group started workshops targeting all employees to help them further understand and take on Priority Measures 2024 as well as new evaluation system based on Ideal Behavior & Action.

Promotion of Diverse Work Styles

The IHI Group strives to realize work-life balance to achieve a work-friendly environment where every employee can find balance between their personal and professional lives.

The Group offers programs and systems for each employee to take actions proactively. Some employees have side jobs and businesses while others enter into career challenge and selective training programs. This corporate climate is motivating and offers each person a way to find a work style matching their unique values.

Various initiatives endeavor to enhance internal communications through engagement efforts, shift to online work formats and remote communications, and to inspire ideas by improving productivity.

Creating New Working Styles (Smart Work)

The IHI Group is focused on improving productivity as well as employee engagement through various activities so that each organization and individual can concentrate on high-value work.

Moreover, to enable continued improvement the Group is making efforts to utilize DX and inter-department collaboration throughout the Group.

Going forward, based on the above ideas, the Group will consider and take measures to naturally boost willingness to contribute to the Group, allowing each employee to come together as a place for self-actualization where diverse and autonomous human resources can respect each other, empathize, grow, and live a healthy life.

Labor Practice (Occupational Health and Safety)

Approach

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

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

Policies

● IHI Group 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 “Safety 5 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.

[Safety 5 Principles]

- Safety is the highest priority
- Don’t do or ask others to do dangerous work
- Eliminate things that could lead to an accident
- Follow the rules
- Take the initiative

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.

Labor Practice (Occupational Health and Safety)

● IHI Group Health Management Declaration

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

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

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

July 1, 2020

Hiroshi Ide

President and Chief Operating Officer

IHI Corporation

Specific Initiatives

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

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

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

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

Labor Practice (Occupational Health and Safety)

Governance

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

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

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

Occupational Health and Safety Structure



IHI Group Health and Safety Committee

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

Strategy

Risks

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

Opportunities

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

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

Labor Practice (Occupational Health and Safety)

Risk Management

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

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

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

Health and Safety Management

The IHI Group is committed to eradicating occupational accidents through "Safety 5 Principles" that act as a Group-wide code of conduct.

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

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

Occupational Accident Risk Management

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

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

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

● FY2024 IHI Group Health & Safety Management Priority Policy

Management Targets

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

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

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

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

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

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

(3) Elimination of accidents caused by unskilled workers

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

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

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

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

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

Labor Practice (Occupational Health and Safety)

● IHI Group's Safety General Principle

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

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

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

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

Investigation Procedures and Observations in the Event of an Occupational Accident

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

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

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

● Occupational Accident Breakdown

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

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

Labor Practice (Occupational Health and Safety)

Health Management

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

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

● FY2024 IHI Group Health Care Priority Policy

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

(1) Offense measures:

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

(2) Defense measures:

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

[KGI/KPI]

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

Promoting Workplace Improvement Activities

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

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

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

Initiatives to Reduce Long Working Hours

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

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

Health Management of Employees Involved in the Nuclear Power Business

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

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

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

Labor Practice (Occupational Health and Safety)

Metrics and Targets

Occupational Accidents

Occupational Accidents*1

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

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

*1 Fatalities caused by occupational accidents.

Total Injuries Frequency Rate*2

(Scope: IHI and 31 affiliated companies)

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

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

Lost Time Injuries Frequency Rate*3

(Scope: IHI and 31 affiliated companies)

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

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

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

Occupational Health and Safety

Occupational Health and Safety Rate

(Scope: IHI and 31 affiliated companies)

Item	FY2020	FY2021	FY2022	FY2023	
Works Divisions	Target	Under 0.7	Under 0.6	Under 0.6	Under 0.6
	Results	0.62	0.95	0.89	0.95
Construction Divisions	Target	Under 1.2	Under 1.2	Under 1.2	Under 1.2
	Results	1.31	1.75	2.30	2.10

Severity Rate of Occupational Health and Safety

(Scope: IHI and 31 affiliated companies)

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

Number of Administrative Penalties Due to Labor Standards Act Violations

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

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

Health Management

Medical Checkup Related Items

(Scope: IHI and 35 affiliated companies)

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

Rate of Occupational Diseases*5

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

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

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

Labor Practice (Occupational Health and Safety)

Initiatives

Education/Awareness Building

Employee Training and Education

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

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

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

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

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

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

● IHI Group Health and Safety Training System

Construction Divisions

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

Works Divisions

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

● Training Participants

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

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

Labor Practice (Occupational Health and Safety)

Health Management

Management Resilience Program

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

Initiatives Related to Various Health Issues

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

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

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.

Human Rights

Risk Management

Human Rights Due Diligence

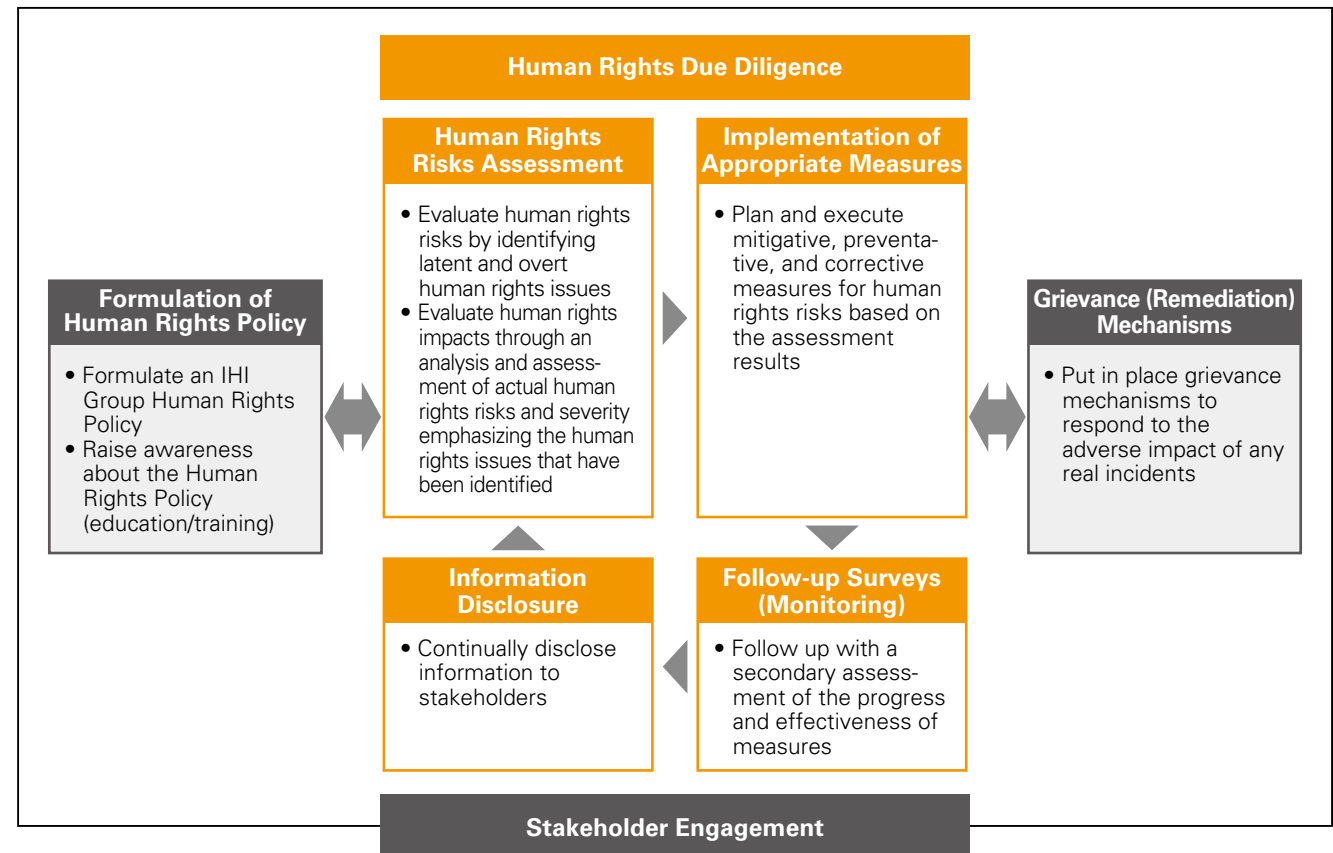
In order to fulfill the responsibility when it comes to respecting the human rights of those affected by its business activities, the Group promotes the process of human rights due diligence and taking measures to respect human dignity in line with the United Nations' Guiding Principles on Business and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



Human Rights

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.

Supply Chain Management

Approach

The IHI group's procurement activities are based upon the IHI Group Procurement Policy, which consists of three pillars: "Fair and Impartial Procurement," "Mutually Beneficial Partnership with our Business Partners," and "Approach to Compliance and Social Responsibility."

In fiscal 2022, the IHI Group formulated the IHI Group Code of Conduct for Business Partners, which sets out specific requests and expectations for its business partners. The IHI Group asks its business partners and their supply chains for considering human rights and labor, health and safety, environment, fair business and ethics, information security, and procurement responsibilities over mineral resources, on top of basic requirements such as compliance, quality, price, and delivery.

Each procurement department in the IHI Group conducts its procurement activities in accordance with the Basic Rules of Procurement for the IHI Group which reflects the procurement policy described in the IHI Group Procurement Policy, and takes its social responsibility by building sustainable supply chains.

Policies

● IHI Group Procurement Policy

The IHI Group conducts procurement activities in accordance with the "Basic Code of Conduct for the IHI Group" as set forth below.

Article 1. Fair and Impartial Procurement

We provide business opportunities in an open manner to business partners from around the world, and welcome working with creative and competitive business partners. We also evaluate and select business partners in a comprehensive and fair manner based on factors such as quality, price, delivery schedule, technology development capabilities, and financial conditions.

Article 2. Mutually Beneficial Partnership with Our Business Partners

We regard our business partners as value creators, and through seeking to realize optimal levels for quality, price and delivery, together with procurement reliability, we aim to establish relationships of trust with our business partners and bring about the mutual enhancement of competitiveness and prosperity with them.

Article 3. Approach to Compliance and Social Responsibility

We comply with the related laws that govern our local and global businesses. To fulfill our social responsibility, we shall conduct CSR procurement with due consideration not only of basic requirements such as quality, price and delivery, but also of human rights, labor conditions, health and safety, the environment, and information management.

Supply Chain Management

● IHI Group Code of Conduct for Business Partners

1. Compliance with Laws and Regulations and Respect for International Norms

- 1.1. Compliance with Laws and Regulations and Respect for International Norms

2. Human Rights and Labor

- 2.1. Prohibition of Forced Labor
- 2.2. Prohibition of Child Labor
- 2.3. Prohibition of Inhumane Treatment
- 2.4. Prohibition of Discriminatory Practices
- 2.5. Appropriate Management of Working Hours
- 2.6. Appropriate Wages and Allowances
- 2.7. Freedom of Association and Right to Collective Bargaining

3. Health and Safety

- 3.1. Safe Workplaces
- 3.2. Emergency Preparedness
- 3.3. Occupational Injury and Illnesses
- 3.4. Industrial Hygiene
- 3.5. Consideration for Physically Demanding Work
- 3.6. Safety Measures for Plant Equipment
- 3.7. Health and Safety at Facilities
- 3.8. Health and Safety Communication
- 3.9. Worker Health Management

4. Environment

- 4.1. Climate Change Countermeasures
- 4.2. Proper Management of Water Resources
- 4.3. Proper Management of Chemical Substances
- 4.4. Proper Management of Waste
- 4.5. Biodiversity Conservation

5. Fair Business and Ethics

- 5.1. Prevention of Corruption and Accepting Improper Benefit
- 5.2. Information Disclosure
- 5.3. Respecting Intellectual Property
- 5.4. Conducting of Fair Business
- 5.5. Whistleblower Protection

6. Quality, Safety, and Stable Supply of Products

- 6.1. Product Safety
- 6.2. Quality Control
- 6.3. Stable Supply
- 6.4. Liability over Product Accidents and Nonconformities

7. Information Security

- 7.1. Defense against Cyber Attacks
- 7.2. Protection of Personal Information
- 7.3. Protection of Confidential Information

8. Competitive Edge

- 8.1. Enhancement of Competitiveness

9. Proactive Approach for Social Issues

- 9.1. Contributing to Local Communities
- 9.2. Reasonable Effort for Global Social Issues

10. Establishment of Management System

- 10.1. Establishment of Management System
- 10.2. Communication with Your Supply Chain
- 10.3. Procurement Responsibility over Mineral Resources
- 10.4. Proper Import and Export Controls
- 10.5. Grievance Mechanism
- 10.6. Progress Report

Governance

The IHI Group shares and deliberates activity policies and measures related to human rights issues in the supply chain, as well as their results, at the IHI Group Human Rights Committee.

P.74 IHI Group Human Rights Committee

Strategy

Risks

While the IHI Group manufactures key components within the Group, it also procures raw materials, parts, and services from suppliers outside the Group. Cost increase and/or delivery delay may be brought about by dramatic fluctuations in material and equipment prices, imbalance between supply and demand for special steel, sudden changes in the international situation, and supply chain disruption due to severe disasters or large-scale spread of infectious diseases.

Additionally, in the process of promoting CSR procurement, procurement costs may rise, consequently causing negative impact on the Group's business performance and financial condition.

Opportunities

The IHI Group's firm conviction is that risk mitigation efforts in the supply chain brings edge over strengthening production capabilities, establishing a business structure that is less susceptible to external factors, and ultimately stabilizing business performance and financial conditions, as well as increasing corporate value.

Supply Chain Management

Risk Management

Strengthen Supply Chains

The IHI Group is globally promoting activities to strengthen its supply chain to prevent stagnation of corporate activities possibly caused by natural disasters, infectious diseases, conflicts, and emerged risks from the CSR procurement perspective, and so on.

The IHI Group strives for stable procurement by collecting market trends about raw materials and parts, thoroughly manages quality and delivery of its suppliers to avoid excessive concentration and dependence, and proceeds with multiple source selection. In particular, the IHI Group, identifying important suppliers essential to business continuity, establishes its supply chain that is less susceptible to various risks.

Utilization of Sustainability Assessment Service "EcoVadis"

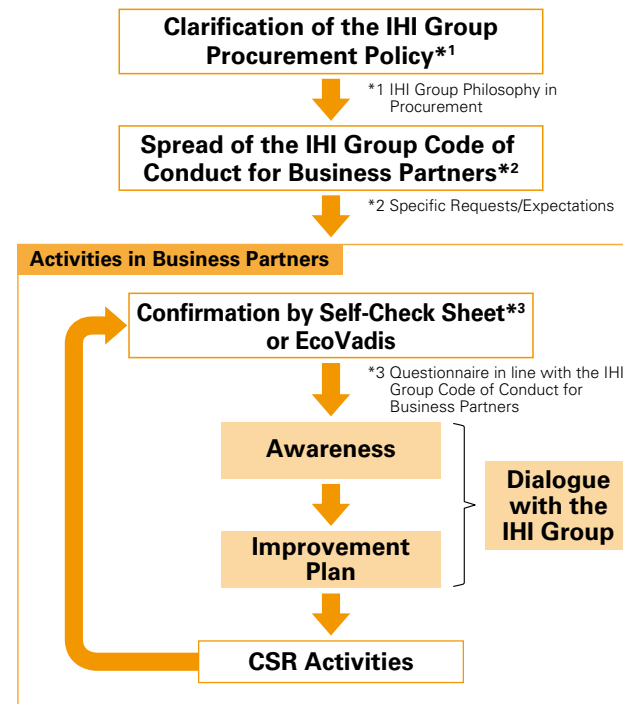
The IHI Group entered into an agreement with EcoVadis, a third-party ESG assessment firm, in June 2024, to establish a system to evaluate supply chain risk properly and fairly.

The IHI Group establishes a risk management system where it encourages its business partners to undergo sustainability assessments conducted by EcoVadis: if there are no issues found, it manages them as excellent suppliers, and if there are concerns picked up, it makes special interviews for clarification and improvement purpose. EcoVadis system also enables it to promptly pick up publicly opened news such as compliance violations, and to respond to the relevant supplier(s) in little time.

Supplier Management Using Self-check Sheets

The IHI Group develops a self-check sheet for its business partners that corresponds one-on-one with each item on the IHI Group Code of Conduct for Business Partners. Through this self-check, the Group asks its business partners to recognize issues to be addressed and to drive CSR activities.

CSR Activity Promotion Process



Operation of Grievance (Remediation) Mechanisms

P.77 Grievance (Remediation) Mechanism Maintenance

Responding to Anti-social Forces and Anticorruption

The IHI Group contractually requires its business partners to prohibit all relationships with anti-social forces, and commits no acts of bribery toward foreign government officials as prohibited by the "Penal Code and the Unfair Competition Prevention Act" or against the laws enacted in the particular country. If any acts as said above are found, the IHI Group requests the relevant company(s) investigate and report it to the IHI Group.

Metrics and Targets

Participants in Procurement Training

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

Item	FY2021	FY2022	FY2023
Lecture on Subcontract Act*1	143	379	431
Lecture on Construction Business Act*1	98	354	313
Lecture on Overseas Procurement*1	82	112	152
Professional Procurement Training*2	642	1,367	1,534

*1 These three lectures are part of "Professional Procurement Training" and each participant number adds up to the numbers of "Professional Procurement Training."

*2 Lectures on security trade control has been added since FY2022.

Supply Chain Management

Initiatives

Education/Awareness Building

The IHI Group enhances compliance consciousness prioritizing education and internal audits about laws and regulations in the procurement field including security trade control.

The IHI Group conducts a variety of professional procurement and other training programs aimed at not only its procurement departments but also all other departments with a need to understand procurement-related laws. In fiscal 2023, educational lectures on “security trade control for procurement departments” and “supply chain management for senior employees” were newly added.

E-learning is made for all employees and all procurement personnel, with content that enables them to thoroughly comply with laws and rules, understand the latest social demands, and acquire knowledge of laws and systems.

Each IHI Group procurement department conducts regular self-audit against the record of the “Subcontract Act” on a monthly basis, and of import declarations on an annual basis to ensure proper practices. Rectification and countermeasures are mandatory in case improvement points are found by self-audit and/or internal audit by other divisions.

Permeation of the IHI Group Code of Conduct for Business Partners

The IHI Group not only publishes the IHI Group Code of Conduct for Business Partners on its website, but also distributes it to existing business partners through notification letter and information session for its business partners. For newcomers, each IHI group procurement department asks them to respect the IHI Group Code of Conduct for Business Partners on the contract. Additionally, the IHI Group has opened joint seminars led by Procurement Strategy Planning since fiscal 2024, starting with “Human Rights and Labor” (completed in June), followed by “Fair Business and Ethics” (planned in October) and then “Carbon Neutrality” (planned in February 2025).

Human Rights Risk Mitigation Activities

Starting in fiscal 2023, the IHI Group, in cooperation with the Global Alliance for Sustainable Supply Chains (ASSC), engages in proactive dialogue or direct dialogue for risk mitigation purpose regarding non-Japanese technical intern trainees working under its contractors and on the premises of IHI itself and Group affiliated companies. The IHI Group gets a handle on the interviewees’ grievance and/or complaints about work conditions and/or environment when they are small.

Procurement Responsibility over Mineral Resources including Conflict Minerals

The IHI Group endorses the aims of the Responsible Minerals Initiative (RMI), an international organization leading procurement responsibility regarding mineral resources. The IHI Group, for the time being, conducts activities regarding tin, tantalum, tungsten, and cobalt which have a considerable number of RMI-approved suppliers. The final target is to confirm that all purchases are manufactured through RMI-certified refiners and smelters.

The IHI Group specifies product groups such as jet engine parts that surely contain the targeted mineral resources, and conducts surveys by sending questionnaires designated by RMI to manufacturers which produce the targeted parts. The IHI Group plans to expand the scope of the survey as needed. Respecting the “5-step Frame Work guidance” set out by the Organization for Economic Co-operation and Development (OECD), Procurement Planning Strategy in the IHI Group takes a lead over activities by designated procurement departments.

In addition, the IHI Group has notified its business partners of the policy and recommendation about “Procurement Responsibility over Mineral Resources” in Section 10.3 in the IHI Group Code of Conduct for Business Partners.

Mutually Beneficial Partnership with Our Business Partners

In September 2020, the IHI Group publicized the registration of “Declaration for Building Partnerships.” Based on this declaration, the IHI Group aims for mutually beneficial partnership with its business partners.

In response to the “Guidelines on Price Negotiation for Appropriate Pass-through of Labor Costs,” which were jointly developed by the Cabinet Secretariat and the Japan Fair Trade Council in November 2023, the IHI Group modified the Declaration for Building Partnerships incorporating price pass-through initiatives approved by its top management. The IHI Group, taking a careful look at circumstances its business partners are placed in, regularly reports to its top management about price pass-through status.

The IHI Group considers its suppliers as valued partners to proceed with business in collaboration, and hones its competitive edge aiming for mutual prosperity through open dialogue and cooperation.

Corporate Citizenship

Approach

The IHI Group uses its technological capabilities and human resources to help create a rich and livable earth, and engages in social contribution activities that increase the Group's value.

In line with the medium-term management plan Group Management Policies 2023, which started in fiscal 2023, the Group has established a three-year policy for social contribution activities (from fiscal 2023 to fiscal 2025). Under this policy, based on the actual state of its business operations and past social contribution activities, the Group will focus on two priority areas of social contribution activities: coexistence with local communities and development of next-generation professionals.

● Priority Areas of Social Contribution Activities

Priority Areas	Relevance to Business	SDGs
Coexistence with Local Communities	Establishing and maintaining good relationships with local communities is essential for smooth business expansion.	   
Development of Next-generation Professionals	Conducting activities that support STEAM education, etc., and supporting future research in science and technology fields will enrich the foundations of future industry and is essential for improving understanding of the products handled by the IHI Group, and expanding our business.	  

Strategy

Risks

If there is insufficient dialogue with local communities, the IHI Group's business activities may have a negative impact on the local natural environment and livelihoods. As a result, relationships with local communities may deteriorate, which may impede the continuation of existing businesses or the launch of new businesses. Additionally, if good relationships with local communities are impaired, the Group's public reputation may decline, potentially affecting its corporate value.

Opportunities

Establishing and maintaining good relationships with local communities is essential for smooth business expansion. In particular, collaboration between industry, academia, and government to address regional issues such as the development of next-generation professionals will enrich the future industrial base and improve the efficiency of internal and external networks. The IHI Group feels that this will also help with business continuity and growth.

Corporate Citizenship

Metrics and Targets

In fiscal 2023, the IHI Group invested a total of ¥532 million into activities concerning social contribution.

As the infection classification of COVID-19 was lowered to category 5 in Japan, activities such as “coexistence with local communities” and “developing next-generation professionals,” which are priority areas of social contribution activities, have resumed. The Group was able to carry out a variety of unique activities at its offices. As a result, social contribution activity expenses increased by ¥43 million compared to fiscal 2022.

● Breakdown of Social Contribution Activity Expenses

(Unit: Millions of yen, Scope: IHI and consolidated subsidiaries)

Item	FY2021	FY2022	FY2023	
Breakdown by activity content	Coexistence with local communities	103	335	312
	Development of next-generation professionals	111	121	185
	Conservation of the global environment*	21	31	—
	Others	25	2	35
Breakdown by expenditure	Cash investment	120	251	244
	Time investment	87	94	184
	Goods donations and site costs	53	144	104
Reference	Membership fees for local organization	13	15	23
	Operating costs	110	106	97

*Since FY2023, our focus has been changed to two areas: “Coexistence with local communities” and “Development of next-generation professionals,” so figures for “Conservation of the global environment” will no longer aggregated from FY2023 onwards.

● Activity Results

(Scope: IHI and consolidated subsidiaries)

Priority Area	Index	FY2021	FY2022	FY2023	
Coexistence with local communities	Business interests* ²	Visitors to events	645	1,535	18,803
	Social/environmental interests* ²	Investments to local communities	103 million JPY	335 million JPY	312 million JPY
Development of next-generation professionals	Business interests* ²	Number of participants in school visits, manufacturing classes, etc.	5,297	7,468* ³	7,593
	Social/environmental interests* ²				
Conservation of the global environment* ¹	Business interests* ²	Participants in hosted events	254	156	—
	Social/environmental interests* ²	Environment protection area	12,652m ²	112m ²	—

*1 Since FY2023, our focus has been changed to two areas: “Coexistence with local communities” and “Development of next-generation professionals,” so figures for “Conservation of the global environment” will no longer aggregated from FY2023 onwards.

*2 The indicators above for business and social/environmental interests defined by RobecoSAM are as follows.

Business interests: Factors directly related to product development, brand improvement, human resource development, and other such business interests.

Social/environmental interests: Factors linked to SDGs and other social/environmental interests.

*3 The number of participants in school visits, manufacturing classes, etc. in FY2022 has been revised.

Corporate Citizenship

Initiatives

● Main Social Contribution Activities (FY2023)

(Scope: IHI and consolidated subsidiaries)

Priority Area	Event	Overview	Involvement	Host/Participating Company	Main Venue	Number of Events Held, Number of Sites, etc.	Visitors/Frequency/Scale, etc.	Reference	
Coexistence with local communities	Wheelchair basketball event	Holding a hands-on event to gain a better understanding of wheelchair basketball	Host	Meisei Electric	Isesaki City, Gunma Prefecture	1 time	About 100	IHI Group employees and their families	web
	Soma Nomaai (a horse festival)	Sponsorship and employee participation in traditional festivals in the Soma region of Fukushima Prefecture	Sponsor/Cooperation	IHI Soma Office	Soma City, Fukushima Prefecture	1 time	216	IHI Group employee	web
	Aioi Peron Festival	Sponsoring and participating in a festival held at Aioi Bay, Aioi City, Hyogo Prefecture	Sponsor/Cooperation	IHI Aioi Office	Aioi City, Hyogo Prefecture	1 time	136	IHI Group employee	—
	Tomioka Rocket Festival	Holding events to deepen exchanges with employees, their families, and local residents	Host	IHI Aerospace	Tomioka City, Gunma Prefecture	1 time	About 3,200	Local residents, business partners, IHI Group employees and their families	web
	IHI piano concert	Piano concert sponsored by the Piano Teachers' National Association of Japan (PTNA)	Host	IHI Head Office	Koto Ward, Tokyo	1 time	150	IHI Group employees and their families	web
	History walk	Sponsoring the history walk event of the Miyahara Residents Association of Kure City, Hiroshima Prefecture	Sponsor/Cooperation	IHI Kure Office	Kure City, Hiroshima Prefecture	1 time	36	Local residents	web
	Tour of Akishima and Mizuho Works	Work experience and workplace tour for junior high school students in Akishima City, Tokyo	Cooperation	IHI Akishima Office, IHI Mizuho Works	Akishima City, Tokyo; Mizuho Town, Nishitama County, Tokyo	20 times	637	Neighborhood junior high school students	—
	Tour of Tsurugashima Works	Plant tour for children attending Yumenosono Miraizu Amanuma Shinden, a support facility for children in Kawagoe City, Saitama Prefecture	Host	IHI Tsurugashima Works	Tsurugashima City, Saitama Prefecture	1 time	12	Children at child support facilities	web
	Cleanup activities near offices	Regular cleaning activities	Host	IHI Group	Group business location	42 locations	2168	IHI Group employee	web
	Blood donation	Cooperating with blood donations hosted by the Japanese Red Cross Society	Cooperation	IHI Group	Group business location	About 30 locations	2,211	IHI Group employee	web
	Conservation activities for Japan's ancient Sugita Plum trees	Cooperating with activities to revive and popularize the Sugita Plum, an ancient native species of Japan.	Cooperation	IHI Yokohama Office	Yokohama City, Kanagawa Prefecture	—	8	IHI Group employees plant 30 saplings	web
	Negishi Bay eelgrass field restoration activities	Participation in eelgrass field restoration activities sponsored by the Amamo Revival Collaboration in Kanazawa-Hakkei, Tokyo Bay Area together with neighboring companies located in Negishi Bay.	Cooperation	IHI Yokohama Office	Yokohama City, Kanagawa Prefecture	—	4	IHI Group employee	web
Restoration of irrigation canal ecosystems in the Echi River basin	Cleaning and restoring of the ecosystems of irrigation canals connected to the Echi river basin	Cooperation	IHI, IHI Construction Service	Higashiomi City, Shiga Prefecture	—	18	IHI Group employee	web	
Development of Next-generation Professionals	Let's explore the secrets of jet engines	Learn how jet engines work through classroom lectures and experiments, and gain a better understanding of the IHI Group's aircraft business.	Host	IHI Soma Office, IHI Kure Office, IHI Head Office	Soma City, Fukushima Prefecture; Kure City, Hiroshima Prefecture; Kawasaki City, Kanagawa Prefecture; Koto Ward, Tokyo	5 schools, 1 facility	540	Neighborhood elementary/junior high school students	web
	Ammonia	Learn about the characteristics of ammonia through experiments and gain a better understanding of the ammonia business that IHI is working on.	Host	Meisei Electric, IHI Kagoshima Office, IHI Kure Office, IHI Head Office	Isesaki City, Gunma Prefecture; Hioki City, Kagoshima Prefecture; Kure City, Hiroshima Prefecture; Koto Ward, Tokyo	3 schools, 2 facilities	382	Neighborhood elementary/junior high school students	web
	Carbon dioxide capture technology	Learn about the mechanism of global warming, carbon dioxide capture methods, etc., and gain a better understanding of IHI's carbon capture technology.	Host	Central Conveyor, Meisei Electric, IHI Kagoshima Office, IHI Yokohama Office, IHI Head Office	Koda Town, Aichi Prefecture; Isesaki City, Gunma Prefecture; Hioki City, Kagoshima Prefecture; Yokohama City, Kanagawa Prefecture; Koto Ward, Tokyo	4 schools, 1 facility	267	Neighborhood elementary/junior high school students	web
	Let's explore the secrets of bridges	Learn about the structure and role of bridges through classroom lectures and experience building bridge models, and gain a better understanding of the IHI Group's bridge business.	Host	IHI Infrastructure Systems, IHI Tohoku Branch	Sakai City, Osaka Prefecture; Sendai City, Miyagi Prefecture	2 locations	172	Neighborhood junior high school students	web
	Let's explore the function of forests and soil	Learn the importance of protecting the rich nature and maintaining the ecosystem by observing soil organisms that live in the areas around us.	Host	IHI Rotating Machinery Engineering, Meisei Electric, Central Conveyor, IHI Soma Office, Yokohama Office, IHI Kagoshima Office	Tatsuno City, Nagano Prefecture; Isesaki City, Gunma Prefecture; Koda Town, Aichi Prefecture; Soma City, Fukushima Prefecture; Yokohama City, Kanagawa Prefecture; Hioki City, Kagoshima Prefecture	7 schools, 2 facilities	396	Neighborhood elementary/junior high school students	web
	IHI manufacturing class	Experience the joy of manufacturing through things such as building a space station with cardboard, and building and programming a radio-controlled car powered by a smartphone.	Host	IHI Yokohama Office	Yokohama City, Kanagawa Prefecture	1 time	70	Local residents 45 IHI Group employee participants (staff)	web
	Toyosu Mirai Project	Developing young people who will support future science and technology through playing with vacuum mechanisms and making original candles.	Co-host	IHI	Koto Ward, Tokyo	1 time	48	Neighborhood junior high school students	—
Internship and workplace experience	Opportunity to deepen understanding of the IHI Group's business, manufacturing sites, research and development, etc.	Host	IHI Group	Group business locations	25 locations	262	Junior high school students, high school students, technical college students, and university students in nearby areas	web	
Others	Disaster recovery support	Donations made for natural disasters in Japan and overseas	—	—	—	5	¥25,033,827	<ul style="list-style-type: none"> Donations to help victims of cyclone damage in southeastern Bangladesh that occurred in March 2023 Donations to help victims of heavy rains and floods in Emilia-Romagna, Italy, that occurred in May 2023 Donations to help victims of the earthquake in central Morocco that occurred in September 2023 Donations to help victims of the fire in Maui that occurred in August 2023 Donations to help victims of the Noto Peninsula Earthquake that occurred in January 2024, and donation of teaching materials such as measuring instruments to support the recovery of schools affected by the disaster 	—

Customer Relationships

Quality and Product Safety

Approach

As stated in the IHI Group Basic Code of Conduct, the IHI Group pays sufficient attention to the safety of the products and services it develops and provides, confirms that customers and users are satisfied, and constantly improves its products and services. The Group is developing its business based on the principle of make every possible effort to raise the standards. The quality of the products and services is the bond of trust that connects the IHI Group with its customers and society, and the Group believes that ensuring quality is fundamental to its social mission and existence as a company.

Additionally, in response to an incident of inappropriate conduct in a Civil Aero Engine Maintenance Business in 2019, the Group established the IHI Group Quality Declaration, which states that it prioritizes quality as well as safety. This reiterates the Group's basic approach to manufacturing and its actions and awareness of quality.

Policy

● IHI Group Quality Declaration

We, the IHI Group, shall:

1. Always put quality first.
2. Continue improving quality via Sengen-Shugi and communication.
3. Listen sincerely to issues, swiftly take action and share accurate information.
4. Provide quality assurance through compliance with rules and working appropriately.
5. All strive for the satisfaction of our customers.

Governance

Quality Assurance Framework

The IHI Group established the IHI Group Quality Committee as a Group-wide committee on quality. The Committee confirms that important policies related to quality are being developed as specific initiatives. The Officer in charge of Overall Group Quality Assurance acts as the Committee chairperson. Committee members consist of Presidents of business areas, Executives in charge of quality for business areas, and Executives of corporate divisions. The Committee also deliberates on the quality policy for the next year with implementation results and quality issues that occurred during the year in consideration.

● Quality Improvement Promotion System



● IHI Group Quality Committee

Chairperson	Officer in charge of Overall Group Quality Assurance
Members	Presidents of business areas, Executives in charge of quality for business areas, and Executives of corporate divisions
Secretariat	Monozukuri System Transformation Division
Number of meetings convened in FY2023	2

Customer Relationships

Strategy

Risks

The IHI Group has built a Quality Assurance Framework and has a quality management system (QMS) in place to ensure quality in order to provide products and services that achieve customer satisfaction, safety, and peace of mind. The Group strives to maintain the QMS in an appropriate state at all times by reviewing it in a timely and appropriate manner in response to changes in customer expectations for products and services and changes in the external environment, including legal requirements. However, if an unexpected situation were to occur, it could lead to a decline in customer safety and public reputation, as well as compensation for damages, which could have a negative impact on the IHI Group's business performance and financial condition.

Opportunities

Ensuring quality and product safety provides the IHI Group with great opportunities to improve customer satisfaction, strengthen its brand image, and improve market competitiveness.

Also, rigorous approach to the quality management system will enhance the quality assurance ability of the entire organization, and timely and appropriate responses to environmental changes will promote product innovation.

Risk Management

Quality Assurance Activities

The IHI Group carries out its business activities after obtaining Quality Management System (QMS) certification such as ISO 9001 at its Offices and Works. QMSs that have been certified may be required to obtain certification other than ISO 9001 due to customer requests, and due to the nature of their business, there may be cases in which they intentionally do not obtain outside certification. As a result, the QMS certification acquisition rate for domestic business sites and works is 90.6% for ISO 9001, and 96.2% when other standards are included. In addition, in order to make Quality Assurance Activities using QMS more effective, the Group has been continuing activities since 2019 to create a comfortable workplace by solving problems that arise in the workplace. The Group aims to disseminate fantastic activities throughout the entire company by announcing them at Group-wide results reporting meetings.

Ensuring Product Safety

The IHI Group conducts life-cycle risk assessments during product development and implements design measures to reduce risk as much as possible. The Group then provides residual risk information to its customers. On the contrary, if an incident (nonconformity) occurs in which a product provided to a customer does not meet the requirements of the customer or society, including issues related to product safety, the product will be reviewed as determined by each organization's Quality Management System (QMS). The Group will take measures to deal with any non-conformities that have occurred, following the procedures specified.

In addition, in order to prevent the recurrence of previous nonconformities, the Group will conduct a thorough investigation of the problem to determine the root cause, which may include issues with systems and procedures, their management and operation, ability management, education, quality awareness, and so on. By improving the QMS that addresses these concerns and implementing the necessary education and training, the Group will achieve more reliable recurrence prevention.

Customer Satisfaction Surveys

The IHI Group conducts customer satisfaction surveys through questionnaires and interviews. Survey items are decided according to the characteristics of the business. The results are analyzed and shared with related divisions, leading to developing activities to further improve customer satisfaction.

Customer Relationships

Metrics and Targets

● Number of Law Violations (Unit: Incidents, Scope: IHI and consolidated subsidiaries)

Item	FY2020	FY2021	FY2022	FY2023
Laws/regulations relating to PR activities	0	0	0	0

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

Item	FY2020	FY2021	FY2022	FY2023
IHI Group Quality Declaration	519	288	262	384
Internal auditor programs	31	29	44	43
Basic quality management How to proceed with product safety risk assessment	211	81	50	12
Training seminars for manufacturing divisions focused on problem-solving and addressing issues in quality management	136	123	117	94
Professional Quality Training	7	6	6	6
Quality Assurance Division Manager Training	—	182	40	0
Quality & Compliance Training Training based on case studies	2,577	2,487	436	318
Quality & Compliance Training Based on Case Studies Discussion Leaders Training	339	398	77	62

Initiatives

Employee Education and Awareness Building

The IHI Group provides education and training, etc. tailored to each employee's career and job position, with the aim of raising employee awareness of the importance of product and service quality and safety.

Training is provided for new employees to help them understand the IHI Group Quality Declaration. At the same time, the Group is also expanding educational programs to develop leaders who will play a central role in promoting quality assurance in each organization. In addition, as part of a quality improvement campaign for all employees, the Group holds an event to reconsider the contents of the IHI Group Quality Declaration, and distributes a questionnaire to determine employee agreement with the declaration and awareness of the issues. The results are used in various quality assurance activities, including key measures for the next year.

Disclosure of Information about Products and Services

The IHI Group discloses information about its products and services through various mediums, such as television and newspaper advertisements and the Group website. This information helps familiarize the stakeholders at large about the Group's business operations. The Group cooperates with all relevant internal departments to provide accurate information in accordance with copyrights, trademarks, and all other relevant laws and industry regulations. The effectiveness of these advertisements is evaluated to examine opportunities on areas of improvement.