



CSR Report

IDEC works hard to realize a safe and sustainable society.

Dr. Toshihiro Fujita
Senior Executive Officer and
IDEC Group Chief Technology Officer

[To Ensure Industrial Safety]

Maximizing and balancing safety and productivity

【 Safety Principle 】

IDEC, based on its principles of management with respect for fellow humans and its contribution to society through business activities, is constantly seeking to provide safer and more pleasant environments not only within the IDEC Group but in the global society.

Customer services backed by knowledgeable experts with safety lead assessor certification

Hirofumi Fukui
Tech & Support Center
Japan Sales Division
Safety Lead Assessor



CSR Policy of IDEC Group



Please visit our web site for more information on IDEC Group's CSR activities:
<http://jp.idec.com/ja/about/IDEC/csr>

The Ten Principles of the United Nations Global Compact

- Human Rights**
- 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and
 - 2 : make sure that they are not complicit in human rights abuses.
- Labour**
- 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 - 4 : the elimination of all forms of forced and compulsory labour;
 - 5 : the effective abolition of child labour; and
 - 6 : the elimination of discrimination in respect of employment and occupation.
- Environment**
- 7 : Businesses should support a precautionary approach to environmental challenges;
 - 8 : undertake initiatives to promote greater environmental responsibility; and
 - 9 : encourage the development and diffusion of environmentally friendly technologies
- Anti-Corruption**
- 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

* The United Nations Global Compact is an initiative for "enterprises voluntarily acting as good members of society by demonstrating responsible, creative leadership, and participating in a global framework to achieve sustainable growth."

■ Representative example of safety explosion-proof products

X6 series emergency-stop pushbutton switches

The world's smallest class E-stop pushbutton switches with a 3rd-generation safety design, which uses reverse-energy structure to ensure that the NC contacts will open if the emergency switch is damaged.

Intrinsically-safe, pressure-tight EX4R display units with touch switches

Display units with touch switches suitable for Hazardous Zones 1 and 2, including locations where hydrogen gas is present.



X6 series EX4R

■ Training safety professionals

Training and certifying safety assessors

IDEC is a strong promoter of accredited safety assessors* who can make decisions in designing safety products and recommending safety measures. Not limited to Japan, but IDEC employees in overseas manufacturing locations, such as Thailand and China, are being certified. As of March 31, 2016, a total of 367 IDEC group employees were certified.

- The number of assessors in each level within IDEC:**
- Safety lead assessors – 14 people**
[provide assessment to third parties as an assessor leader]
 - Safety assessors – 36 people**
[exercise knowledge and skills as an assessor]
 - Safety sub-assessors – 157 people**
[have basic assessor knowledge]
 - Safety basic assessors – 160 people**
[have basic knowledge of safety for machine operation or electric equipment for explosion-proof]

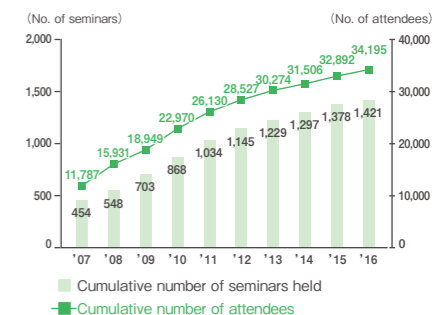
*A safety assessor certification is offered jointly by Japan Certification Corp, Nippon Electric Control Equipment Industries Assoc. (NECA), the Society of Safety Technology and Application, Japan (SOSTAP), and TÜV Rheinland Japan.

■ Educational campaign for safety

Conducting seminars and lectures

We held 43 seminars throughout Japan and a total of 1,303 people attended in the fiscal year 2016, achieving the cumulative total of 34,195 attendees.

[Cumulative number of seminars held and attendees]



[Earth Preservation]

Reducing environmental impact through business

【 Environmental Principle 】

Recognizing the goal of a harmonious existence with the earth that we all share, we make environmental safety and quality a top priority in all aspects of our business while pursuing sustainable business growth.

Reducing environmental impact through residential energy management systems

Takashi Oi
Smart Energy Department
Environment and Energy Business Division
IDEC SYSTEMS & CONTROLS CORPORATION



[Approach to Product Quality]

All of us think and accept challenges together Product Quality is a foundation for all of our corporate activities

【 Quality Assurance Principles 】

With “ease of use” as a primary goal of our products, all of us participate in planning and building a quality assurance system that creates excellent products customers will purchase and use with confidence in the most economical ways.

Strengthening the QA system that ensures safety and reliability

Takeshi Inoue
Quality Assurance Center



■ IDEC business protecting the global environment

Promoting renewable energy

Aiming for a sustainable society, the IDEC Group is actively involved in the promotion of renewable energy. Not only are we supplying industrial-scale, solar power general systems, but we also are a solar power producer. We allow residential clients to monitor the performance of their solar systems. We also provide comprehensive energy management systems including HEMS controllers and power conditioners to help our clients cut energy waste.



Mega-solar power business



HEMS controller(Left)
Power conditioner(Right)

■ IDEC Group’s development policy and evaluation standard

Product development based on the “saving” principle.

Since developing our product principles in 1978, the IDEC Group has focused on ways to save energy, space, maintenance and materials during the product planning and development process. This principle remains today. We continue to develop environmentally-friendly products, meeting our own set of strict design criteria.

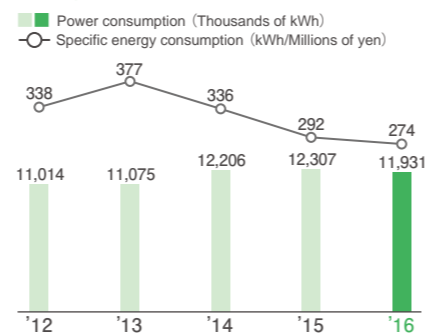
Design evaluation standard for environmentally-conscious products

Factors to be Considered	Product design outcome
Reusability Recyclability	Ease of recycling
	Ease of disassembly
	Ease of disposal
Resource saving Energy saving	Reduction in volume and weight
	Reduction in consumption of electricity
	Prolonged product life
Environmental safety	No use of regulated hazardous materials and chemicals

■ Environmental-burden reduction drive

Guided by ISO14001 Environmental Management System, everyone at IDEC is making his or her best effort to reduce electricity, water, paper, waste and CO₂ emissions to meet the set company-wide yearly goals.

[Changes in electricity consumption]



1. Specific unit of consumption represents the consumption/emission/discharge per annual sales.
2. Data collected from Headquarters, Tsukuba, Amagasaki, Hamamatsu, Fukusaki, Takino facilities and Tatsuno Distribution Center.
3. More information can be viewed on our website.

■ Quality assurance system

We have a comprehensive quality assurance system in place.

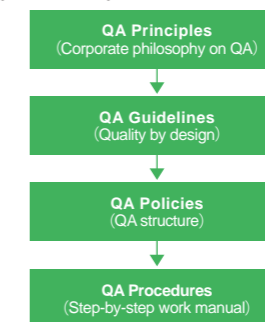
IDEC Quality Assurance Center

- QA Implementation Group**
Maintaining and improving IDEC Group-wide QA systems; providing quality training
- Production QA Group**
Production reform support
- Reliability Evaluation Group**
Product performance evaluation through validity and reliability testing
- Standards Management Group**
Product standard certification management and standard compliance support
- Technology Standards Group**
Technology standards maintenance and upgrade

■ Quality assurance guidelines

We adopted early on and have been adhering to the fundamental principle that product quality is the core of product value. To provide products that can be used for a required time to the complete satisfaction of users, we establish QA action guidelines for each stage.

Quality assurance system



■ Quality assurance training

Quality assurance training is conducted continuously and systematically in accordance with established curriculums in order to elevate the level of quality throughout the company, including in manufacturing and development. IDEC employees are encouraged to take and pass certification examinations (QC certification examinations) offered by a public standards institution. Furthermore, they are encouraged to improve product and operational quality by implementing learned concepts and techniques at QC circle activities and present the results within each business unit and at company-wide conferences.



QC circle presentations

[Approach to Human Rights and Employees]

To make IDEC a rewarding place to work and fulfill one's life

【 HRM Principle 】

HR policies are developed with the spirit of respect for humanity as the underlying principle and for the purpose of creating work environments in which people thrive. The development of human resources is to allow employees to fulfill their own missions and responsibilities by understanding the intent and the meaning of IDEC's corporate missions and principles, realizing them and embodying them.



Create a pleasant working environment for everyone where individual diversity is respected

Yasuko Yano
Administration Team
IDEC LOGISTICS SERVICE CORPORATION

[Corporate Governance/Compliance]

More transparency, more efficiency to maintain trustworthiness

【 Corporate Governance Policy 】

We believe that transparency and management efficiency are fundamental elements of corporate governance. We will keep improving corporate governance in order to increase corporate value.



We strictly adhere to the codes of corporate governance to maintain the trust of those who are associated with the IDEC Group

Seiki Minami
Legal Team
Corporate Business Planning & Administration Department



■ Human resource development

IDEC supports employees' self-guided career development by offering systematic employee training, including position-based training courses and product/technology training, and cross training through job rotations. Seeking three important traits, "take on challenges" "team player" and "engage in self-improvement activities" in each IDEC employee, the company offers career development opportunities and expects employees to take steps toward self-improvement.



■ Life-work balance support

So that all IDEC employees can work without worry, the company is enhancing support for employees caring for young children or family members with illness. For fiscal year 2016, 100% of female employees who took childcare leave returned to work. Also starting fiscal year 2017, the company will make it possible for employees to take a family care leave in increments of a half-day and to divide a leave into up to 3 parts. We continue our efforts to make it easier for employees to maintain a good balance between work and personal life.

Childcare-Related Programs

Pregnancy	Childbirth	12months	
Time for antenatal hospital checkup	Maternity leave	Childcare time (Until the child ages 3)	End of sixth grade in elementary school
Less commuting to work	Childcare leave	Short working hours for childcare (Until child completes their grade in elementary school)	
		Flexitime for childcare	
		Leave to look after sick child and family	
		Exempt from non-scheduled work hours	
		Restriction on overtime and night shift working	

■ Encouraging diversity in workplace

We recruit top-quality personnel regardless of nationality or gender. The IDEC Group promotes diversity in its workforce. IDEC LOGISTICS SERVICE CORPORATION, one of the Group companies, actively recruits and employs people with disabilities. As of March 31, 2016, the company included 16 employees with disabilities, consisting of 9% of the entire workforce.



Vietnamese interns working with Japanese employees

■ Corporate governance

Since a corporate officer system was installed in 1998 to manage the corporation efficiently, we have maintained two separate bodies of "operation performing" and of "auditing." Also, outside directors and outside auditors have been appointed to serve the board of directors and the board of auditors, respectively, to further strengthen the auditing and guiding functions. To share our philosophy and corporate governance practices, we published IDEC's corporate governance policies in February, 2016.

■ Global advisory board

The Global Advisory Board was established to receive a wide range of opinions and advice from influential individuals and experts in corporate management, academia and other fields in Japan and overseas.

Dr. Romano Volta, IDEC global advisory board member, is a founder of DATALOGIC, a world-leading company of automatic-identification devices and systems for factory automation headquartered in Italy.



■ Compliance

A booklet titled "IDEC Group Corporate Ethics and Code of Conduct," describing our fundamental principles and action guidelines in conducting business activities, has been distributed to all IDEC Group employees in Japan and overseas. With a company-wide training system in place, numerous training programs are designed and offered on a regular basis to management and employees in accordance with their areas of responsibilities and the number of years worked for IDEC. In fiscal year 2015, the "Ethics and Code of Conduct" was updated and distributed with revisions in contacts for internal reporting and the workplace harassment policy.



■ Auditing system

Our auditors independently and fairly evaluate the process and performance of various business activities for legality and effectiveness while helping the company achieve its goals. Main auditing activities include risk management and control evaluating the validity of the corporate governance process and recommending improvements. Completely independent from business operations, auditors also monitor and evaluate the effectiveness of each IDEC Group company's internal control processes that affect the reliability of financial reports.

