

CSR Management

CSR Policy

Since its founding, the IDEC Group has engaged in Corporate Social Responsibility (CSR) activities guided by the corporate mission that each and every IDEC member contributes to society through business growth while respecting human rights and leading a meaningful life. With an emphasis on promoting safety and helping improve the global environment through its businesses, IDEC aims to realize sustainable growth through its business activities based on the Ten Principles of the United Nations Global Compact, as well as the IDEC Group Corporate Ethics and Code of Conduct. In April 2017, IDEC established the CSR Department and created IDEC Group CSR Charter to further strengthen these activities.



IDEC Group CSR Charter

To Employees	IDEC Group is committed to creating safe, friendly and motivating workplaces for employees while building Group companies where they feel proud to work.
To Customers	IDEC Group assures that customers receive safe and reliable products of high quality and high performance backed by its development, production and sales capabilities. IDEC Group continues to increase public trust by providing excellent services and appropriate information disclosures.
To Shareholders and Investors	IDEC Group fulfills its global obligations by enforcing corporate accountability and having its records available regularly to shareholders through extensive investor relations (IR) activities. The Group also strives to maintain profits that meet shareholder expectation and to increase the value of the Group.
To Business Associates	IDEC Group is committed to building strong partnerships for mutual success, growth and trust with its business associates by establishing fair and rational trade standards.
To Global and Local Communities	IDEC Group aims to contribute to global and local communities by forging partnerships with deep understanding and respect for the culture and history of each local communities. We also aim to develop a green society and a green economy through environmental activities.

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."



Safety

Safety and compatibility with productivity



Policy

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.

Safety DNA

Believing that working to eliminate industrial accidents is a core aspect of its social responsibility, the IDEC Group provides a variety of safety and explosion-proof products to a broad range of industries. IDEC has a long history of prioritizing safety, deploying an interlocking mechanism to SB metallic switch box developed in 1950, shortly after it was founded, in order to keep workers safe. Since then, safety has been a part of the IDEC Group's DNA.



SB metallic switch box developed in 1950 as pioneering safety equipment



SE2L safety laser scanner released in 2016, ensures safe environments for people working with robots



Certifying **388** people

* 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 TUV Rhineland Japan.

Promotion of qualification

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, IDEC employees in overseas manufacturing locations, such as Thailand and China, are being certified. As of March 31, 2017, a total of 388 IDEC Group employees were certified.

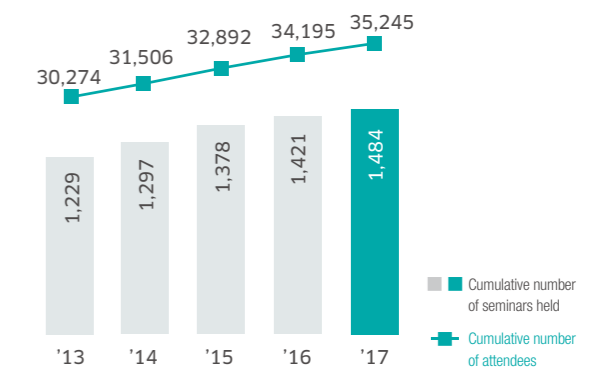
Holding safety seminars

We held 63 seminars throughout Japan and a total of 1,050 people attended in the fiscal year 2017, achieving the cumulative total of 35,245 attendees.



Cumulative number of attendees

35,245 people



Environment

Through business, contribute to environmental impact reduction



Policy

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.

Global environmental protection

Aiming for a sustainable society, the IDEC Group is actively involved in the promotion of renewable energy through the supply and management of industrial-scale, solar power systems. Moreover, we contribute to energy conservation through the development and sale of industrial LED lighting with long service lives and high luminous efficiency.



Sayo IDEC Solar Power Station



LED illumination units for machine tools LF1D/ LF2D-EN

Save All

Since setting our principles for product development 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.



Save space and man-hours switching power supplies PS5R-V

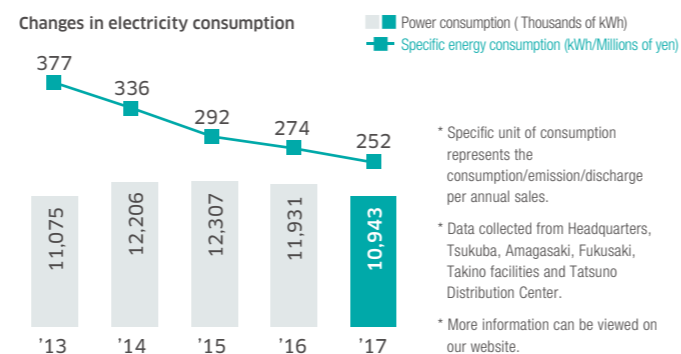
Design evaluation standard for environmentally-conscious products

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

Environment Management System

ISO14001

Guided by the 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.



Quality

Quality is the basis of all corporate activities



Policy

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.

Quality assurance system

We have a comprehensive quality assurance system in place.

IDEC Quality Assurance Center

Production QA Group

Production reform support

QA Implementation Group

Maintaining and improving IDEC Group-wide QA systems; providing quality training

Standards Management Group

Product standard certification management and standard compliance support

Reliability Evaluation Group

Product performance evaluation through validity and reliability testing

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

QA Principles (Corporate philosophy on QA)

QA Guidelines (Quality by design)

QA Policies (QA structure)

QA Procedures (Step-by-step work manual)

Quality education

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 through QC circle activities and present results within each business unit and at company-wide conferences.



Number of participants in fiscal year 2017

387 people

(Participants from IDEC and IDEC LOGISTICS SERVICE)

Employees

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



Policy

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.

Human resource development

Seeking three important traits, "take on challenges" "team player" and "engage in self-improvement activities" in each employee, the IDEC Group offers training and opportunities to employees who take ownership of their jobs with an eye on the present and the future.

For human resources development, we have put in place structured internal and external training systems as well as a career advancement support system, while expanding foreign language education with the aim of nurturing personnel able to act globally. Every single Group employee in Japan takes the TOEIC® exam, and their scores are used to guide their English education.



Life-work balance

So that all IDEC employees can work without worry, the company is enhancing support for employees caring for young children or family members suffering from illnesses. For fiscal year 2017, 100% of female employees who took childcare leave returned to work.

To promote reforms in work styles, IDEC plans to introduce a one-fourth paid vacation system and a work-from-home system. Also, we continue our efforts to make it easier for employees to maintain a good balance between work and personal life.

Female employees who took childcare leave and returned to work
100%

Childcare-Related Programs

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

End of sixth grade in elementary school

Diversity

We recruit top-quality personnel regardless of nationality, sexual orientation or disability. The IDEC Group promotes diversity in its workforce, and welcomes foreign workers on training programs. IDEC LOGISTICS SERVICE CORPORATION, a Group company, actively recruits and employs people with disabilities. As of March 31, 2017, the company hired 18 employees with disabilities, consisting of 10.5% of the entire workforce. We also make concerted efforts to help local hires improve their skills and abilities. At IDEC IZUMI TAIWAN CORPORATION, a locally-hired person has been appointed General Manager.



The General Manager at IDEC IZUMI TAIWAN CORPORATION is a local hire (third from the left in the front row).

Governance

More transparency, more efficiency to remain a trusted company



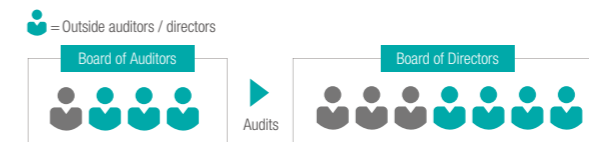
Policy

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.

Governance system

Since a corporate officer system was installed to



manage the corporation efficiently, we have maintained two separate bodies of "operation performing" and of "auditing." IDEC has proactively appointed outsiders, with four of the seven members of the Board of Directors being outside directors, and three outside auditors on the Board of Corporate Auditors. This constitutes a highly-effective supervisory and auditing system for business execution. The Global Advisory Board, composed of experts was established to bring in diverse opinions and advice related to corporate management.

Dr. Romano Volta and Mr. Peter Tarantino, IDEC Global Advisory Board members



Compliance / Risk management

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 employees in Japan and overseas. Training programs are offered on a regular basis to management and employees in accordance with their areas of responsibilities, rank and the number of years worked for IDEC. Moreover, IDEC has formulated and implemented Risk Management Rules with the objective of avoiding risks and minimizing damage in the event one were to materialize. The Risk Management Committee, chaired by the President, has been established to manage risk during normal operations at IDEC and Group companies, as well as to take action when risks emerge.



Audit 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.

