

Corporate Social Responsibility (CSR) Activities Integrated with Management

We have established the IDEC Group CSR Charter that places our founding principle of “Management with respect for humanity” as its most important basis, so that we can better maximize the happiness of everyone who is engaged with the IDEC Group—including our employees, our customers, our shareholders and investors, business associates, and even global and local communities. Our CSR activity is focused on endeavors that promote this principle, and we have constructed a CSR management system that allows us to prioritize important management topics. As we turn our eyes towards global-scale social issues, we are faced with many problems including climate change and

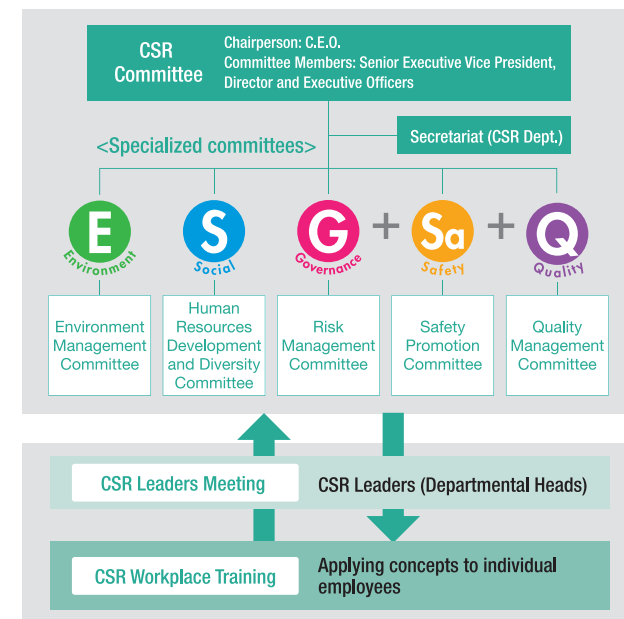
natural disasters. The IDEC Group has a strong foundation in the field of safety, and we are using that to proactively utilize business enterprises to resolve social issues. We have a social responsibility to fulfill in our pursuit and realization of world-class concepts in safety.



CSR Promotion System

CSR Committee

We have established our own CSR Committee as an entity that will help us formulate the CSR action plan for the IDEC Group. The Chairperson of the Board is the C.E.O. of the company, with the senior executive vice president, the director and executive officers also present as committee members. We have established “ESG+Sa+Q” specialized committees under the umbrella of the CSR Committee, which incorporates the issues of “Environment”, “Social”, and “Governance” with the IDEC Group’s strengths of “Safety” and “Quality”. The chairs for these various specialized committees are selected from our corporate executive officers, with members also made up of individuals with specialized knowledge and experience. Each of these committees takes on policy-making for their respective specialized themes. Our CSR Committee convenes twice yearly (in May and October in FY 2019), and has reviewed and approved overall CSR activity as well as the initiatives of the various specialized committees.



Lively discussion during our 2nd CSR Committee meeting (25 October 2018)

CSR Leaders Meeting

We nominate responsible individuals in our various departments for CSR Leaders roles. We hold our CSR Leaders Meeting twice yearly, during which we share and promote information that has been discussed by the CSR Committee. In addition, those in CSR Leaders positions are also responsible for gathering CSR-related issues and proposals from each of their respective departments.

CSR Workplace Training

Those in CSR Leaders roles will bring the information they learned at the conference back to their departments and disseminate the information to all employees via training. In FY2019, IDEC held CSR Workplace Training 213 times in 45 different departments.



The sharing of CSR Leaders Meeting information and idea exchanges related to CSR activities

IDEC Group CSR Guidebook

This guidebook summarizes the IDEC Group’s initiatives and ways of thinking about CSR in an easy-to-digest format. This is a helpful guide that furthers the understanding of individual employees about CSR and actions they can take to engage with social issues.



Provided in multiple languages

Contribution to SDGs

The IDEC Group believes that SDGs* are an important aspect of CSR, and through our business activities, we are proactively working to help achieve the SDGs. We are also working to raise awareness among each and every employee so as to put in place the kind of corporate climate that enables social issues to be confronted head on.

| | |
|---|--|
| Awareness | Introduction to SDGs during internal seminars |
| Deepening of understanding and realization that it is not just someone else’s problem | Holding of SDGs workshops by department, as well as training for new employees/different group levels |
| Declaration of SDGs initiatives internally and externally | Explanation/introduction of our group message, SDGs relating to various aspects of our business activities, internal awareness-raising activities, etc., through our website, IDEC Report, and other means |
| Spreading of awareness to every employee | Deepen understanding among all employees by screening CSR awareness-raising DVDs and handing out copies of the IDEC Group CSR Guidebook |

FY2020 onward:
Expand/spread initiatives throughout the IDEC Group

*SDGs = Sustainable Development Goals set out in “Transforming our world: the 2030 Agenda for Sustainable Development,” by the UN General Assembly in September 2015.

United Nations Global Compact

We joined the United Nations Global Compact (UNGC) in February 2009, and have declared our resolve to contribute to the international community in addition to upholding the Ten Principles of UNGC.



SDGs Workshops

We have held SDGs workshops for all departments since October 2017, providing participants with the opportunity to deepen their understanding of SDGs and find ways to help solve social issues through their business activities. A total of 373 people have participated in these workshops, from new employees to executives, and the ideas resulting from these sessions have been incorporated into a proposal for use as a reference during CSR Committee meetings.



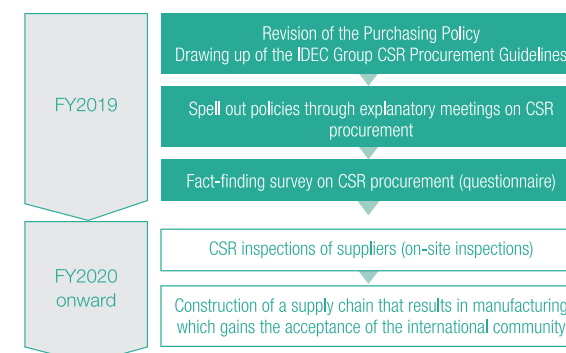
SDGs workshops, a chance to come up with ideas for solving social issues

17 goals to transform our world



CSR throughout the supply chain

The IDEC Group aims to build a firm supply chain based on international norms amid the global spread of supply chains stemming from the globalization of manufacturing. In order to achieve this, we are promoting CSR procurement together with suppliers in a bid to create relationships of trust which result in mutual growth in a fair and healthy business environment. In order to enjoy mutual prosperity as a good partner, we have set out our Purchasing Policy as the base of CSR procurement. It consists of four areas: “Global”, “Fair and Impartial”, “Green Procurement”, and “CSR Procurement”, a newly added area.



CSR Procurement Guidelines

In August 2018, we drew up the IDEC Group CSR Procurement Guidelines so as to provide specific details on our vision for CSR procurement. These guidelines contain items covering labor, health and safety, the environment, ethics, product safety, and management systems.



Provided in multiple languages

CSR Procurement Briefing

On August 7, 2018, we invited 50 major suppliers to our head office to attend a CSR Procurement Briefing. Our C.E.O. began by discussing the importance of CSR procurement, appealing for the understanding and cooperation of suppliers. Next, the executive officer in charge of strategic human resources and CSR talked about the IDEC Group’s CSR initiatives, followed by the executive officer in charge of manufacturing and SCM, who discussed our global supply chain. Finally, those in charge of purchasing explained our Purchasing Policy and revised IDEC Group CSR Procurement Guidelines.

CSR Topics

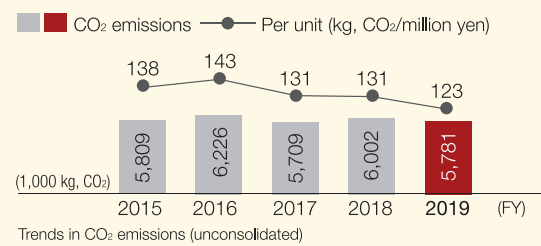
Disclosure of information online
<http://www.idec.com/csr/index.html>

For more detailed CSR information from the IDEC Group, please visit our website.



E Environment Reducing CO₂ emissions

We actively promote activities to reduce power use and switch to energy-saving devices in our offices. We also strive to reduce our carbon footprint by using electricity that we have generated from natural energy sources for our own consumption, with the goal of preventing global warming. For instance, in the Kansai area, we have established solar power plants, while in March 2019, we installed solar panels to the roofs of our new facility in Hyogo Prefecture. In addition, at IDEC CORPORATION (U.S.), solar panels have been installed on our office roofs since 2008, and in 2018 we introduced LED lighting throughout our offices. Other steps we have taken to reduce our carbon footprint through energy-saving measures include switching to more efficient air conditioners that standardize the room temperature in our offices by regulating the effects of air flow and sunlight.



S Social Disaster relief

In recent years, many major natural disasters have occurred throughout the world, causing grave damage. The IDEC Group calls on its employees to become involved in fundraising activities to encourage everyone to be more aware of disasters and to think about what they would do in the event of a major disaster. In addition to donations from the company, we have introduced a matching-gift system whereby we match the amount donated by employees as an additional donation. In order to ensure that donations from the company and employees reach the disaster-hit areas promptly and are used to help support relief efforts, we drew up a set of rules for making donations in 2017, which we use as the basis for our ongoing fundraising activities.

| Disaster | Recipient | Amount |
|--|----------------------------|------------|
| Flooding in western Japan caused by heavy rain (July 2018) | Japanese Red Cross Society | ¥2,340,000 |
| Hokkaido Eastern Iburi earthquake (October 2018) | | ¥2,000,000 |
| Sulawesi earthquake and tsunami, Indonesia (November 2018) | | ¥1,504,000 |

Donations in FY2019

G Governance Expanding measures to strengthen governance

We create opportunities to actively exchange opinions and information on corporate governance with an external lawyer, a public accountant and outside directors. In order for management level employees to recognize the importance of corporate governance, outside director Michiko Kanai, who is also a lawyer, gave a lecture which was attended by 56 people, including executive officers, department heads and representatives from group companies.



Lecture on corporate governance and compliance held at IDEC's head office (October 31, 2018)

Q Quality Reinforcement of global quality assurance systems

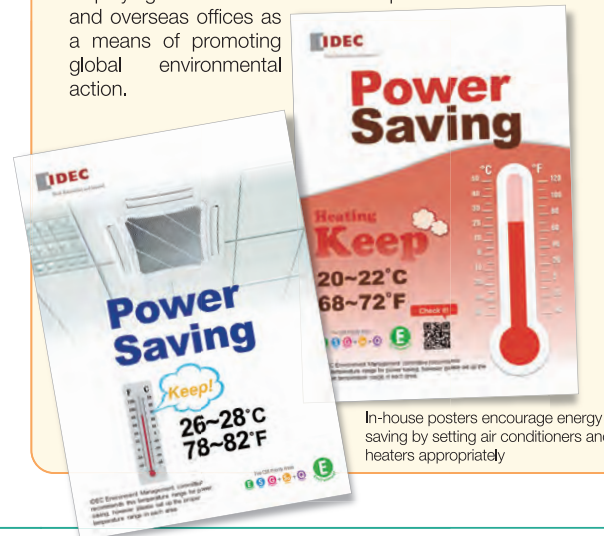
In the IDEC Group, departments connected with manufacturing work together globally in monthly quality meetings to ensure effective quality control, based on our policy of quality first. Since FY2018, representatives from our manufacturing bases in Japan, Taiwan, Thailand, China and elsewhere were gathered in one place to attend our Global Quality Conference, a venue for debate and exchanges of opinions with a view to improving our global quality assurance systems. At these meetings, we share and discuss issues and know-how to help achieve the group's goal of improving our quality management capabilities in the ever-expanding global market.



2nd IDEC Global Quality Conference, held in Taiwan (December 6-7, 2018)

E Environment Promotion of environmental education and awareness activities for employees

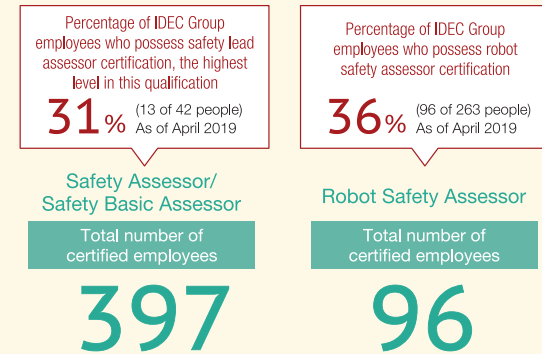
Our Environmental Management Committee conducts cross-departmental environmental activities, consisting of members from over 10 departments irrespective of management or business department. The members of this committee, who possess a diverse range of perspectives and strengths, debate issues concerning areas such as internal awareness-raising, the communication of information outside the company, green procurement, and the development of eco-friendly products, and create and implement plans based on their findings. The committee has also started displaying environmental awareness posters at our domestic and overseas offices as a means of promoting global environmental action.



In-house posters encourage energy saving by setting air conditioners and heaters appropriately

Sa Safety Development of certified safety assessors

To achieve manufacturing environments that ensure both safety and productivity at a high level, e.g., by way of collaborative safety "Safety2.0," the IDEC Group strongly encourages employees to acquire safety assessor certification, as well as robot safety assessor certification (newly established in 2018) in order to attain the knowledge of international safety standards, to develop safe products, and also to provide safety advice and consultation to our customers.



* The Safety Assessor Certification System was developed by the Nippon Electric Control Equipment Industries Association (NECA) and implemented by the Japan Certification Corporation, under the standards and accreditation program of the Ministry of Economy, Trade and Industry (METI). The certification aims to develop globally competent safety engineers and managers for machinery, and control and explosion protection equipment.

S Social Health initiatives

We established the IDEC Healthcare Center (IHC) in April 2018 with the goal of creating workplaces where all employees can enjoy their work in good health, both physically and mentally. Staffed by a part-time industrial health physician and a full-time public health nurse, the center is easily accessible to employees as a place to come for health consultations, including mental health, and also holds seminars on health and dietary education. In recognition of these activities, the Ministry of Economy, Trade and Industry selected us as a Health & Productivity Management Outstanding Organization (White 500). In June 2019, the construction of the Well-being Center, equipped with a gym, was completed on the premises of our head office. This provides employees with an environment where they can come and exercise at their leisure, featuring a range of training machines, as well as a bouldering wall. We use this building as a key component in promoting good health among employees.



IDEC Corporation acquired White 500 Certification (February 2019)

E S G Q Environment Social Governance Quality CSR Month

We designated October as "CSR Month", during which we conducted a range of CSR activities to deepen employees' understanding of the IDEC Group's fundamental idea that "CSR is a challenge for each and every employee", and to encourage them to take real action. During this month, we conducted various CSR activities, enabling employees to get a better sense of CSR. For instance, we published our CSR Guidebook and distributed copies to all employees, providing them with comprehensive material for use during CSR workplace training from which to learn about the latest trends in CSR along with the steps the IDEC Group has been taking in this regard.

- Provision of TABLE FOR TWO menus at our head office cafeteria
- Submission of slogans to Fun to Share, a climate change campaign run by the Ministry of the Environment
- Screening of CSR movies



Provision of TABLE FOR TWO menu at our head office cafeteria commences (October 2018 onward)