

CSR Report

Since its founding, the IDEC Group has engaged in Corporate Social Responsibility (CSR) activities guided by a corporate philosophy that each and every IDEC member contributes to society through the growth of business while respecting human rights and leading a meaningful life. Two of its most prominent contributions to society are: promoting safety based on many years of experience designing and developing safety products, and contributing to improvement of the global environment through its environmental business operation. IDEC continues to make social contributions through its business and adhere to the Ten Principles of the United Nations Global Compact, as well as the IDEC Group Corporate Ethics and Code of Conduct.

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



The Ten Principles of the United Nations Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally-friendly technologies.

Anti-Corruption

Principle 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."



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.



Developing safety devices that fit the needs of a wide range of customer segments.

Takeo Yasui
Product Marketing Department
Industrial & Safety Products Division

Safety and explosion products developed in fiscal year 2015

HS5L interlock switches

Conforming to the newest international safety standards, the HS5L is an ideal safety switch for small to medium-size machine applications. It adds value to machines where the implementation of safety measures had not been a priority.

EF1A hazardous location LED illumination units

Certified by IECEx, European standards ATEX, and North American standards UL-cUL, the EF1A hazardous location LED illumination units can be used anywhere in the world.



HS5L



EF1A

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. As of March 31, 2015, a total of 352 IDEC group employees were certified safety assessors.

The number of assessors in each level within IDEC:



Safety lead assessors – 15 people
(provide assessment to third parties as an assessor leader)



Safety assessors – 35 people
(exercise knowledge and skills as an assessor)



Safety sub-assessors – 155 people
(have basic assessor knowledge)



Safety basic assessors – 147 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 TUV Rhineland Japan.



Pursuing the improvement of industrial safety, we continue to promote safety awareness and practices within and outside IDEC.

Kazuya Okada
Standardization & Safety Solution Team
International Standardization & Intellectual Property Strategy Department

Promoting safe manufacturing

Safety consulting

We offer safety consulting to maximize both safety and productivity: identifying hazardous sources, assessing risks, proposing and implementing safety measures.

Publication of a book on explosion-proof and safety

We made our explosion-proof engineering knowledge available to the public through the publication of an explosion-proof safety book, covering a wide range of subjects including designing explosion-proof electrical devices in compliance with current international standards, construction, installation, inspection and maintenance.



Educational campaign for safety

Conducting seminars and lectures

We held 81 seminars throughout Japan and a total of 1,386 people attended in the fiscal year 2015, achieving the cumulative total of 32,892 attendees.



Lectures on “explosion-proof safety”

Earth Preservation

Improve individual and world environments through our 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.



Assisting the global environmental and local community efforts through our mega-solar power business.

Tsuyoshi Nagata

Engineering Department
Environment and Energy Business Division
IDEC SYSTEMS & CONTROLS CORPORATION

■ IDEC business protecting the global environment

Mega-solar power business

In an effort to reduce the use of non-renewable energy, we have been expanding the business of solar power generation for industrial use. In fiscal year 2015, we completed three solar power plants in succession: Three IDEC-owned solar plants in Ibaraki City, Osaka and Otsu City, Shiga and Amagasaki City, Hyogo, and a jointly-held plant with the Town of Sayo in Hyogo. The IDEC Group, acting as a power plant operator/power supplier, makes direct and increasing contributions to global environmental protection and the improvement of local communities.



Mega-solar power business



Recyclable wooden panel support

■ 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



Reducing environmental burdens at manufacturing sites.

Satoshi Nishiyama

General Affairs Team
Amagasaki Plant

■ Environment Management Certifications

The IDEC Group has been constantly improving its environment management system. The Headquarters/Engineering Research Center was certified as ISO 14001 compliant by JQA (Japan Quality Assurance Organization) in 1997. Today, a total of four locations including our headquarters (which houses Engineering & Research Center), Tsukuba Plant, Fukusaki / Takino Plant, and Amagasaki Plant are ISO 14001 compliant. In fiscal year 2015, an environmental assessment was conducted at the above four locations by an authorized third-party assessor, in accordance with the environment management system standard. As a result, we have passed or surpassed the requirements, as shown on the table below.



Headquarters / Engineering Research Center

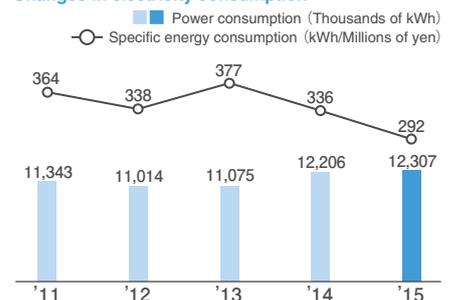


Tsukuba Plant

■ 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.

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.



Superior IDEC quality achieved by solid teamwork throughout the company.

Atsushi Matsumoto
 Senior Manager
 Quality Assurance Center

Quality Assurance System

We have a comprehensive quality assurance system in place.

Quality Assurance Center

Global quality assurance team

Setting and managing QC procedures, standards and rules throughout the IDEC Group.

Manufacturing quality assurance team

Responding to customer claims and monitoring the adherence to established IDEC standards.

Quality evaluation and testing team

Testing products, analyzing claims and identifying causes.

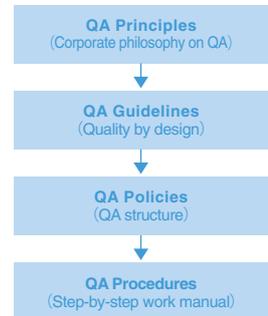
Standards management team

Acquiring, maintaining and auditing standard compliance approvals for products and manufacturing plants.

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



Raising quality awareness through continuous quality training.

Shigeki Makimoto
 Global Quality Assurance Team
 Quality Assurance Center

Quality Training

Ongoing quality training is provided in house, and IDEC employees are encouraged to take official examinations for certifications from accredited institutions to prove their knowledge and skills. Certified experts then share with others through QC group activities the ideas and techniques they have learned. This process leads to quality improvements and claim reduction throughout the company.



QC training

Claim Handling

Claims are processed quickly by the quality assurance department through information sharing and coordination with the product development and manufacturing engineering departments under the direction of the Risk Management Committee, led by the C.E.O. who has the ultimate decision making authority.



*National Institute of Technology, an incorporated administrative agency authorized by the government to evaluate risk management

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.



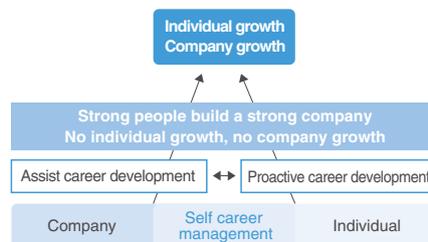
Providing education opportunities to support individual growth.

Noriko Fujita

Career Development Team
Human Resources Department

Human resource development

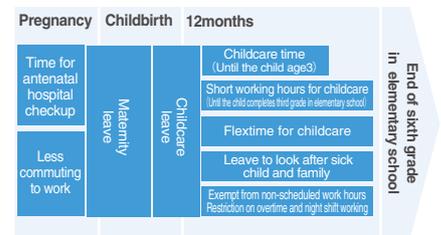
IDEC supports employees' self-guided career development by offering systematic employee training, including position-based training courses and product/technology training, and cross training through job rotations. IDEC also provides a wide range of self-guided managerial development programs from basic management and strategy planning skills, and hands-on experiences, to cross-department training in order to provide managerial and executive candidates with wide knowledge, skills and operational experience so they can take the lead in a new era.



Work-Life Balance

In an effort to enhance the system in which all IDEC employees can work free of worry, IDEC expanded the scope of eligibility for the short work hour program in fiscal year 2013 to help employees who care for young children or family members. IDEC is making efforts to provide a work environment where employees can enjoy life motivation and job satisfaction, while maintaining a good balance between work and personal life.

Childcare-Related Programs



Promoting diverse human resources.

Satoshi Miyake

Director
IDEC LOGISTICE SERVICE CORPORATION

Encouraging diversity in workplace

We embrace workforce diversity and create a work environment where employees with different backgrounds and capacities can demonstrate their own abilities to the fullest. IDEC LOGISTICS SERVICE CORP. actively employs people with disabilities and is registered with the Hyogo Prefecture Government as a sponsor of the employment of disabled while also extending employment to foreign nationals as technical interns. As of March 2015, IDEC LOGISTICS SERVICE has 15 employees with disabilities (9% of total workforce) and 3 employees with foreign nationalities.



Technical training offered to Vietnamese interns

Realizing a safe working environment

To ensure safe and healthy workplaces, we adhere to our safety and health system and accident prevention standards, as well as all industrial safety and health laws. We promote voluntary and planned activities to maintain a safe working environment. Our efforts include a risk assessment system in which potential hazards are investigated and appropriate measures are taken to eliminate the assessed risks. We care for employees' psychological needs through education, counseling and return-to-work assistance, as our focus is creating a working environment in which each employee can fulfill his or her own potential.

More transparency, more efficiency to maintain trustworthiness

Fundamental Management Policy

Two of our underlying goals are to bring happiness to those who are associated with the IDEC Group and to build a healthy and transparent management system. These goals are guided by the corporate mission of making social and cost-effective contributions by satisfying the needs of customers with our control technology, while fulfilling the corporate policy of respecting humanity.



We believe that maintaining transparency and efficiency in our management is a fundamental of corporate governance.

Keiji Fujita
Director

■ 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.

■ Global Advisory Board

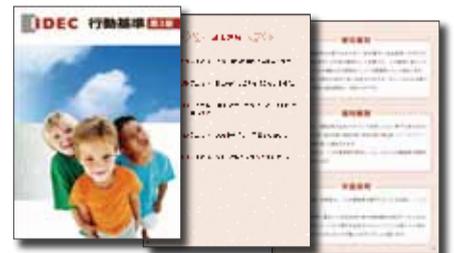
The Global Advisory Board was established to receive a wide range of opinions and advice from influential individuals and experts in corporate management, academia and other fields in Japan and overseas.



Romano Volta
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 in accordance with the revisions in contacts for internal reporting and the workplace harassment policy.

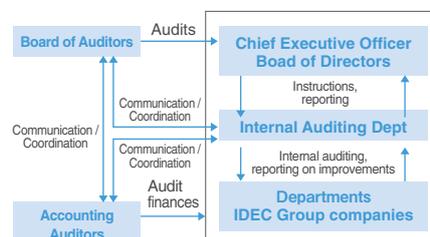


Evaluating and assisting business activities independently and objectively

Yasuo Matsuda
Senior Manager
Internal Auditing Department

■ 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.



■ Risk Management

"Risk Control Procedures" were established to avert risks and to minimize damage if a crisis occurs. The Risk management Committee led by the C.E.O. was established to avoid risks during normal business hours and to set up and maintain an emergency system that can deal with a crisis quick. This includes a procedure for confirming the safety of people as one of the initial emergency measures when a disaster strikes.

