New Business

**Corporate Social Responsibility (CSR) Activities Integrated with Management**

Based on our company philosophy “The IDEC Way”, the IDEC Group Code of Conduct, CSR Charter, and the Ten Principles of the United Nations Global Compact are our important guidelines. We are committed to solving societal challenges through our business activities. Moreover, IDEC aims to enhance our value as a company that is needed in society by CSV (Creating Shared Value), a business concept to create value for both society and a company.

**CSR Promotion System**

The CSR Committee, chaired by the CEO, has been established as a body to develop the CSR action policy of the IDEC Group. Under the CSR Committee, “ESG+Sa+Q” five specialized committees – Environment, Social, Governance, plus two areas of our strengths, Safety and Quality – were established, each in charge of promoting a particular area of CSR activities. Each specialized committee, chaired by an executive officer, consists of individuals with expertise and experience, and tackles measures according to their respective themes. Important issues discussed by the CSR Committee are reported to the Board of Directors meetings.

**Each IDEC employee is involved in CSR activities**

CSR Leaders share the contents of CSR Committee discussions with each employee at CSR Workplace Training sessions, aiming to “put CSR activities into practice” and “create an open workplace” where opinions can be exchanged. In FY2021 employees submitted 688 opinions and proposals, which were shared with each specialized committee. Those are incorporated in our CSR activities of the IDEC Group.

**Business overview for FY2021**

In Japan, sales in the environmental and energy-related business, including mega-solar and power management systems for solar power generation, have decreased significantly. In the meantime, the collaborative safety robot system business has increased the number of use cases for a wide range of companies, due to increased demand for automation and labor-saving. Sales were firm.

**Business strategy**

- **Collaborative safety robot system business**
  - Evolving from a base in safety-related products and safety systems, which are among our strengths, we have created systems that combine various makers' collaborative robots, vision sensors, artificial intelligence (AI), and autonomous mobile robots (AMR), as well as diverse application packages, to satisfy customer needs.

- **Environmental energy-related business**
  - By leveraging our long-cultivated control technologies and environmental technologies, we contribute to resolving globally-ongoing diverse societal challenges. Specific examples include contributions to self-generation of solar power and other renewable energy use; supply of electric power as part of business continuity plan (BCP) measures; and next-generation agricultural solutions. We have accumulated many solutions that have integrated one or more of these even to the extent of encompassing an entire supply chain from production to logistics and retail outlets.

Note: Amounts in U.S. dollars are calculated at the prevailing exchange rate as of March 31 in every fiscal year.

Note: Exchange rate (1 U.S. dollar): FY2017 (¥112.20), FY2018 (¥106.27), FY2019 (¥111.01), FY2020(¥108.83), FY2021(¥110.72)

![Image of collaborative safety robot systems](image_url)

![Image of renewable energy](image_url)
Safety

The IDEC Group aims to become the number one company in the world that pursues and realizes world-class safety, ANSHIN*, and well-being by seeking to achieve higher-levels of safety in all of its activities for the creation of a safer, more pleasant environment in global society.

Enhanced safety knowledge in personnel development

Safety training is conducted for all employees, with the aim of developing staff who can promote awareness and understanding of concept of safety and ANSHIN for the benefit of society. After developing a three-year safety education plan, safety trainings were held for all IDEC employees in FY2020 and for a larger group including employees of the IDEC Group companies in Japan, in FY2021. We plan to hold similar trainings at overseas bases in FY2022. The trainings cover the IDEC Group’s history and thoughts on safety and safety products, as well as the latest trends, including Vision Zero and Safety2.0 topics. After the trainings, a comprehension test is conducted to help participants retain the knowledge.

Acquisition of ISO 45001 certification

The Takino factory became the first location of IDEC to acquire ISO 45001, an international standard for occupational health and safety management systems in March 2019. Then in FY2021, IDEC’s four locations—the Tatsuno Distribution Center as well as the three factories in Tokyo, Fukui, and Amagasaki, all based in Hyogo Prefecture—acquired ISO 45001, as we strived to expand certified locations each year. In FY2022, we aim at acquiring ISO 45001 in five locations, including the factory in Kiba (Tokyo). Based on the occupational health and safety management system, various initiatives are promoted to create safe and pleasant workplaces. They include risk assessment of work processes, preparation of manuals and work instructions needed for continued safe operations, and “awareness reporting” concerning work environment by all factory workers.

Publication of our “Safety Concept Book” in China

“Safety Concept Book” in Chinese was published for promotion of the “Collaborative Safety / Safety 2.0” concept and safety-related products in China where the IDEC Group has several bases. The book covers the latest safety trend, ISO 45001, the IDEC Group’s commitment and pursuit of safety, ANSHIN, and well-being, and application examples of safety-related products. The book is used by IDEC Group employees in China as a tool to communicate about safety and is also distributed at safety seminars.

Quality

With the aim of delivering safety, ANSHIN products and services to customers, the IDEC Group has established a quality assurance system that realizes “IDEC – excellence in quality”. We are thus engaged in development, manufacturing, sales and service provision.

Quality education

We encourage employees to attend quality management trainings and take the Quality Management and Quality Control Examination (QM/QC Examination) to enhance the overall quality level of the IDEC Group. These trainings are available online, allowing people to remotely attend them. In addition, each production site has QC Circle as voluntary improvement activity groups, which makes proposals and efforts for improvement in product quality and work efficiency. In November 2020, the Sixth QC Circle Presentation Conference was held online. Nine circles from Japan, China, Taiwan and Thailand presented their activities and contributed to quality enhancement of the overall IDEC Group.

Monthly Corporate-wide quality conferences

In order to strengthen global quality assurance and quality improvement activities at each production site, including overseas, a monthly corporate-wide quality meeting is held. Through this meeting, we have been improving our quality management system across the IDEC Group by raising awareness of quality and strengthening cooperation between our sites. In FY2021, the meeting was postponed due to the COVID-19 pandemic, but we regularly hold the global quality conference to discuss various issues such as quality control and quality improvement, with Japanese and overseas employees involved in manufacturing quality gathering at overseas bases.

ISO 9001 certification

The IDEC Group has established and implemented a quality management system to provide products and services that meet the quality requirements of customers and markets, and has obtained ISO 9001 certification, the International Standard for Quality Management System.

IDEC Groups companies with ISO 9001 certification

IDEC CORPORATION
IDEC FACTORY SOLUTIONS CORPORATION
IDEC AUTO-ID SOLUTIONS CORPORATION
IDEC ASIA (THAILAND) CO., LTD.
IDEC DJI (TAIWAN) CORPORATION
IDEC DJI SINGAPORE PTE. LTD.
APEM SAS
APEM Components Ltd.
MIE Aps
APEM Inc.
APEM High Electric Co., Ltd.
SACEMA
SAMBELIC

The corporate wide quality meeting held in March 2021

Members of IDEC, OMRON, SACEMA in the Six Q Circle Presentation Conference

The corporate wide quality meeting held in March 2021
IDEC Report 2021

Environment

The IDEC Group makes environmental conservation a top priority in all aspects of its business activities, thereby aiming to achieve sustainable growth. We have developed a guideline in compliance with the environmental regulations and promote reduction in environmental impact.

Renewable energy

The IDEC Group is committed to greater use of renewable energy. In addition to IDEC’s solar power generation and sales business, IDEC SYSTEMS & CONTROLS CORPORATION is engaged in the mega solar business (one-stop provision from acquisition of a site for a power station to construction and after-service) and in the solar generation business for self-consumption (use of power generated from solar panels installed on a roof of a store or a facility). Solar power generation panels are installed on a roof of IDEC’s assembly center in Hyogo Prefecture, an office in the U.S., a factory in Taiwan, and a factory in Aichi Prefecture.

Eco-friendly product development

In light of the social trend favoring reduction of environmental impact and protection of the global environment, we have revised the Eco-friendly Product Development Manual and set environmental targets, using an evaluation sheet based on our own standards for environmental considerations, such as for improved energy-saving, resource-saving, space-saving, and longer product life. We identify issues for reducing environmental impact from the stage of product development and planning. Each product is evaluated according to the standards, and ranked as to the level of environmental consideration. We have also prepared an Environmental Label Management Manual and use our own eco label as a symbol of our eco-friendly products and services, so that customers can easily be aware of the environmental friendliness of our products.

Green procurement

Along with publication of the CSR Procurement Guidelines, we have established the IDEC Group Green Procurement Guidelines and make efforts at preferential procurement of materials, components and equipment with less environmental impact as well as production and sales of products made of them. In addition, we control chemical substances by separating them into two categories—banned substances and controlled substances in the IDEC Group Regulated Chemicals List.

Acquisition of ISO 14001 certification

IDEC first obtained ISO 14001, an international standard for environmental management, in 1997 and by now all IDEC Group companies in Japan have acquired it. Within the APEM Group, which joined the IDEC Group in 2017, the Group companies in Denmark, the U.K., and the U.S. obtained their first ISO14001 certification in FY2021, in addition to those in France and Tunisia, which had already obtained it. Acquisition of the certification by all APEM Group companies is a target for FY2022.

Respect for human rights

The IDEC Group respects humanity and promotes diversity with no discrimination in workplaces by race, nationality, creed, gender, social status, family origin, or disability, as stipulated in the IDEC Group Code of Conduct. With the aim of creating workplaces with no human-rights violation and no harassment and of promoting understanding of LGBT, we hold trainings on human rights and harassment. Upon enactment of the power harassment prevention law in Japan in June 2020, we held power harassment trainings for all managers and executives.}

Social

Based on our founding principle, “Management with respect for humanity”, we continuously conduct activities that both respond to societal challenges and build a good relationship with society, with the aim of realizing a safer and more sustainable world, bringing happiness and ANSHIN for all.

Health initiatives

Since keeping employees and their family members physically and mentally healthy is vital to the IDEC Group, we adopted the IDEC Group Health Declaration and are practicing health-oriented management. At the IDEC Healthcare Center, an industrial doctor and health nurses are engaged in activities, such as response to their well-being and promotion of a healthy lifestyle.

Corruption prevention

As we have signed the United Nations Global Compact, we work on corruption prevention which calls for anti-corruption measures, and we forbid bribery, corruption, extortion, and embezzlement of any kind and have adopted monitoring and procedures to comply with laws related to anti-corruption in the IDEC Group CSR Procurement Guidelines.

Life-work balance

IDEC strives to prevent excessive work by employees and to achieve a no overtime work situation. Those who work long hours or take only a short interval between the time they leave work and when they return the next day are encouraged to talk with an industrial doctor and take remedial steps. There is a no over time day every week while a speaker is used to encourage employees to leave work on time. Employees’ life-work balance is given attention in the leave system by setting a “memorial holiday” for employees’ anniversary and a “life support holiday” for employees to use for their child care, elderly care, or volunteer activities.
The IDEC Group is promoting further enhancement of its governance system to ensure management transparency and efficiency on behalf of its shareholders and other stakeholders.

Governance System

Corporate Governance System

Instructions/Reporting Auditing

Board of Directors

Corporate Governance System

Directors

Internal Auditing Dept.

Various Departments / Group Companies

Director

General Meeting of Shareholders

Top Management Meeting

Executive Committee

General Meeting of Shareholders

Board of Directors (BoD)

Executive of business

Auditing

Accounting

Supervisory Committee

Board of Directors (BoD)

General Meeting of Shareholders

Top Management Meeting

Executive Committee

General Meeting of Shareholders

Board of Directors (BoD)

Executive of business

Auditing

Accounting

Supervisory Committee

Corporate Governance

As a Company with an Audit and Supervisory Committee, all Directors have a voting right and participate in active discussions, enhancing the Company’s auditing and supervisory function. The Board of Directors (BoD) has appointed a majority of Outside Directors, ensuring transparency in management.

Voluntary nominating committee and remuneration policy

A voluntary nominating committee, with a majority of members being Outside Directors, is established in order to objectively and independently decide next-generation executive candidates and their training plan. With regard to determining remuneration for Directors, a remuneration policy has been set and objectively resolved by the BoD, and is published in IDEC’s business reports and other documents.

Outside Directors’ exchange session

In order to strengthen communication with Outside Directors, exchange session have been held since FY2019. In FY2021, Outside Directors exchanged opinions with general managers in charge of new products and focused products to enhance their understanding of the products.

Compliance

Code of Conduct

The “IDEC Group Code of Conduct”—our basic action guidelines for conducting our duties—have been published globally and are available for all group company employees in Japan and overseas via internal intranet. We also hold compliance training sessions within the employees’ training program (separately held) and organized in accordance with their job responsibilities and positions.

Internal whistleblower system

We strive to make the “IDEC Hotline,” a contact venue for internal whistle-blowing, easy to be used by employees. We have also gradually started to establish a global hotline from prioritized regions so that those in group companies can directly make contact for internal whistle-blowing at the headquarters.

Risk Management

Risk management system

The Risk Management Committee has prepared a risk map by assuming potential risks in operations and estimating their impact and frequency of occurrence. Each year, high-priority target risks are selected from among these potential risks and the entire Company, as well as each department, undertakes measures to reduce the target risk, and progress of implementing the measures are by a progress meeting twice a year. Since FY2021 a risk map for IDEC Group companies has been developed in order to expand the risk monitoring target to group companies. In FY2021, an emergency task force was prepared a risk map by assuming potential risks in operations and estimating their impact and frequency of occurrence. Each year, high-priority target risks are selected from among these potential risks and the entire Company, as well as each department, undertakes measures to reduce the target risk, and progress of implementing the measures are by a progress meeting twice a year.

Major target risks

Prevention of accidents

Prevention of disease transmission

Prevention of criminal acts

Measures to prevent counterfeit

Information security measures

Main countermeasures

Use of a safety and health management system for risk identification and evaluation

Quarantine department

Use of QMS manuals and business forms

Conduct training sessions

Upgraded old OS

Indicate contributing areas with particularly high expectations