



CSR Management

FDK Group CSR Policy

- CSR in FDK Group is practiced by implementing the “FDK Group Corporate Conduct Guidelines” showing the contents which all the people who work in FDK group should positively practice, and the “FUJITSU Way” which is a group philosophy as a member of the Fujitsu Group.
- Under our mission that “FDK group contributes to realizing 3E (Environmental Conservation, Energy Saving, Economic Development)” through the development and supply of Batteries and Electronic Devices based on customer satisfaction, and aims at becoming a “Smart Energy Manager Able to Contribute to Society in Various Forms”, we, FDK group, contribute to the sustainable development of the Society and the Planet by implementing “FDK Group Corporate Conduct Guidelines” and the “FUJITSU Way” in light of the expectation and needs of multiple stakeholders in all our business activities.
- Our CSR efforts focus on seven prioritized initiatives.
- In addressing these challenges, we demonstrate a commitment to responsible business operations as a global company.

Promotion Framework for CSR Policies

FDK established the CSR Promotion Committee to expand and standardize the “FDK Group Corporate Conduct Guidelines” and the “FUJITSU Way,” which are key to the CSR activities of the FDK Group.

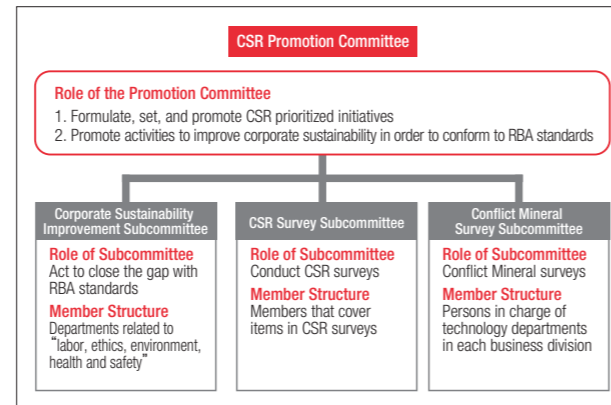
The CSR Promotion Committee acts as a secretariat of the CSR & Compliance Division with a director (corporate officer) as the chairman to promote CSR management across the entire FDK Group, and it confirms the action status of the seven prioritized initiatives and periodically reviews matters such as the ideal form of sustainable society and business, including confirmation of CSR-related information and initiatives.

The Committee is broken down and operated as three organizational subcommittees for the purpose of promoting compliance with the Responsible Business Alliance (RBA) international CSR guidance, conducting surveys and responding appropriately to requests about CSR from customers, and properly managing conflict minerals*.

FDK has also set up an internal homepage with the objective of sharing policies, the current state, and challenges by publishing information that includes the CSR Policy, prioritized initiatives and the activity results of the FDK Group.

*Conflict minerals: Minerals supporting conflicts through mining and brokering to raise capital for armed groups, or minerals closely related to issues such as human rights violations or labor problems. The Dodd-Frank Act enacted in the United States in July 2010 defines tantalum, tin, gold, tungsten, and other minerals determined by the State Department as conflict minerals, including minerals exported from the Democratic Republic of the Congo and neighboring countries, and this Act indicates a duty to report any use of conflict materials by a company listed publicly in America to the Securities and Exchange Commission (SEC).

Framework of CSR Promotion



Procurement Activities In-line with CSR

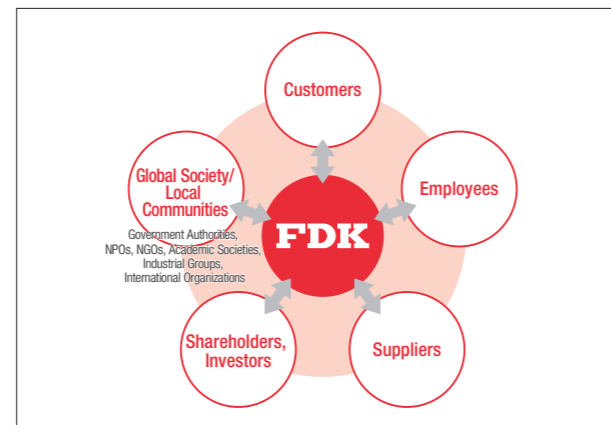
FDK Group has brought together “CSR Procurement Policies” to promote procurement activities in-line with CSR together with FDK Group’s suppliers based on the “FDK Group CSR Policy,” “FDK Group Corporate Conduct Guidelines,” and the “FUJITSU Way”.

FDK Group asks the suppliers who make up its supply chain to comply with these policies in the same way FDK Group conducts procurement activities in compliance with these guidelines.

Relationship with All of Our Stakeholders

The business activities of FDK Group are realized through the involvement with all of its various stakeholders. FDK considers its customers, employees, suppliers, shareholders, investors, global society and local communities as its primary stakeholders. FDK believes establishing a relationship built on mutual understanding and trust with all of its stakeholders is important to sustainable growth as a business.

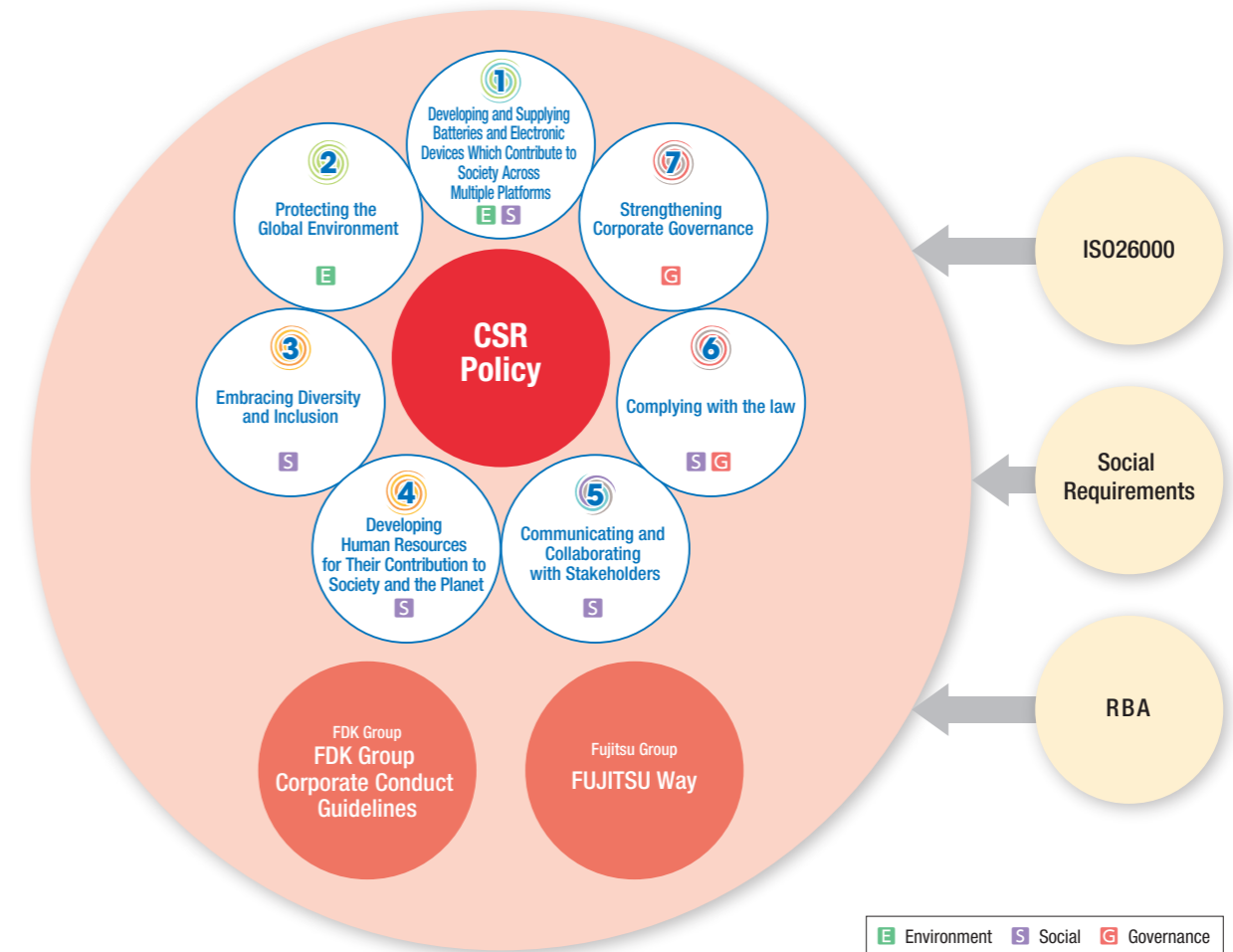
Stakeholder Relations



Positioning of the Seven Prioritized Initiatives of the FDK Group

The FDK Group has set seven prioritized initiatives by examining the importance and priority of issues from multiple perspectives such as the

mission of the FDK Group, social requirements, and the core issues and prioritized initiatives of ISO 26000, RBA.



SDGs Emphasized by the FDK Group

The mission of the FDK Group is to “Contribute globally to society with technology that efficiently uses electric energy”. The FDK Group makes contributions through the batteries, power storage systems and electronic devices provided thanks to its proprietary technologies in addition to the production processes, such as improving power storage by using renewable energy, enhancing energy efficiency and resource efficiency, conserving the

environment such as reducing CO₂ emissions, improving infrastructure, and strengthening security measures.

FDK has defined the following four SDGs to emphasize as the FDK Group, including social issues that FDK can help resolve through its existing technologies and products in addition to potential contributes through new business measures and actions in the future.



SDGs Emphasized by the FDK Group

- 7. Affordable and Clean Energy**
 - Innovate energy consumption
 - Power storage and improve efficiency of energy consumption
- 9. Industry, Innovation and Infrastructure**
 - Innovate new technologies and processes
 - Save resources and energy
- 12. Responsible Consumption and Production**
 - Ensure quality as a manufacturer
 - Innovate recycling processes
 - Conserve resources and reduce waste and emissions
- 13. Climate Action**
 - Reduce CO₂
 - Execute measures against disasters
 - Execute measures of prevention/reduction disaster



Seven Prioritized Initiatives

FDK Group promotes CSR activities in accordance with its Seven Prioritized Initiatives. FDK Group actively addresses priority issues that contribute to society as well as achieve the ISO26000, RBA, and items pursued in priority regions, and these priority issues have been set as the prioritized initiatives below for the purpose of promoting responsible management as a global company.

Prioritized Initiatives	Vision	Focus Measures	FY2017 Actions		ISO 26000	Details
			Targets	Achievements		
1 Supplying Batteries and Electronic Devices Which Contribute to Society Across Multiple Platforms The FDK Group aims to become a Smart Energy Manager across multiple platforms to contribute to society, and FDK supplies batteries and electronic devices based on customer satisfaction.	The society recognize FDK Group as a reliable Smart Energy Manager giving customers' satisfaction continuously by developing and supplying products tailored to market needs using proprietary technology and by taking flexible action for the changeable environment.	<Products> Promoting the development of products which provide new value created by differentiated technology. <Action> Improving Corporate value as a company creating better future through providing products that have been utilized material technology.	<Products> Releasing batteries and electronic devices in the market with value that satisfies market needs. <Action> Realizing technological development proposals adapted to needs by enhancing market research and rapidly discovering customer and market trends.	<Products> Developed and supplied products tailored to market needs that focused on customization such as batteries which feature highly reliable and high capacity and use of recycled materials and a broad operating temperature range as well as electronic devices to facilitate lower power consumption and a fewer number of parts for customers and also continued development of next-generation batteries. <Action> Gained new customers and increased the amount of business through market research, proposals to customers and development tailored to market needs.		P17~20
2 Protecting the Global Environment FDK Group intends to contribute to the resolution of global environmental challenges through developing and supplying high performance batteries and electronic devices, as well as reducing the loads on the environment in the process of Procurement, Production and Supply.	FDK Group always thinks about environmental issues and is taking positive action to reduce the loads and risk on the environment through supplying products to realize the Clean Economy society. • FDK Group continuously proceeds the Energy Saving actions in factories and offices, and the improvement of logistic process for global warming prevention. • FDK Group reduces the loads on the environment through the actions for 3R (Reduce, Re-use, Re-cycle).	Supplying the Eco-conscious Products from the Eco-conscious Factories in all FDK Group companies. <Reducing the environmental impact of customers> Promoting the development of the Eco-conscious Products considering the life-cycle such as, high efficiency energy saving products and resources saving products. <Reducing the environmental impact in FDK processes> • Reducing CO ₂ emissions and energy consumption. • Reducing waste. • Reducing chemical substances.	Strengthening support and promoting development for proposals of batteries and electronic devices that offer smaller, lighter, low energy consumption and power savings adapted to energy-saving industrial structures. [Batteries] • Develop one or more efficient energy-saving products annually at each site. • Develop one or more efficient resource-saving products annually at each site. [Electronic Devices] • Achieve a 50% product development rate of top energy-efficiency products. • Achieve a 5% resource efficiency rate. • Reduce the amount of energy consumption and CO ₂ emissions 5% compared to FY2013 by the end of FY2018. • Improve the energy consumption per unit an average of 1% per year (The Energy Conservation Act). • Reduce the amount of waste per unit 3% compared to FY2015 by the end of FY2018. • Improve the PRTR chemical emissions per unit 3% compared to FY2012 by the end of FY2018. • Reduce CO ₂ produced by production through the use of renewable energy (not rely on fossil fuels). • Investigate eco-packaging and eco-distribution.	Conducted a total of 65 measures to save manpower and improve product quality through improvements and maintenance of on-site work environments as well as rationalization of production processes. • Succeeded in product development contributing to improved energy efficiency at four of five sites. • Succeeded in product development contributing to improved resource efficiency at four of five sites. • Reduced the energy consumption CO ₂ emissions 15% in FY2017 compared to FY2013. • Succeeded in improving energy consumption per unit an average of 1% per year at three of five sites. • Achieved the target to improve the amount of waste per unit 2% (target for FY2017) compared to FY2015 at all sites. • Succeeded in improving the PRTR chemical emissions per unit 2% (target for FY2017) compared to FY2015 at four of five sites.		P27~P30
3 Embracing Diversity and Inclusion FDK Group will promote diversity in its human resources, irrespective of nationality, gender, age, disability or values to enable individuals to grow with the company.	All the people in FDK Group prohibit all the discrimination* and accept the diversity in its human resources with actual actions. *Violation of human rights by Unreasonable Discrimination in Nationality, Race, Gender, Religion, Policy, Social position, Birthplace, Disability, Sexual orientation or by Sexual harassment, Mental and physical violence.	• Creating the working environment-friendly for all the people. • Improving the personnel treatment system. • Proceeding the educational activity such as trainings and seminars.	• Diversity Efforts. (Reform the corporate culture, support individual activities, and reform work-styles) • Improving the personnel treatment system. (Facilitate multiple career paths, visualize personnel plans, and formulate stratified definitions for each job classification) • Proceeding the educational activity such as trainings and seminars. (Promote the acquisition of public certifications, use certified personnel, etc.)	• Launched an internal homepage regarding diversity • Conducted training for managers (total 11 times) and career advancement training for women as support for the active participation of individuals. • Revised employment regulations and reviewed the flextime work system • Changed the curriculum mainly on personnel system and the job and grade definitions in stratified training. • Restructured the training categories based on the FDK Group plans for nurturing human resources.		P23~P26
4 Developing Human Resources for Their Contribution to Society and the Planet FDK Group will lead the way in cultivating employees who, from a global perspective, are pioneers in contributing to the advancement of society.	FDK develops human resources who can be active from a global perspective through business in a long term.	• Proceeding the systems to develop human resources for their contribution to local community through business. • Cultivating the communication ability through the relation with local community.	• Nurture next-generation business leaders and professional human resources. • Implement plans and measure for global hiring and conduct seminars.	• Continued next-generation leader training and dispatched employees outside of the company. • Revised curriculum in manager training and stratified training such as content about business practices, international law, and cross-cultural communication.		P23~P26
5 Communicating and Collaborating with Stakeholders As a good corporate citizen, FDK Group will pursue a thorough understanding of the multiple needs and expectations of its stakeholders and pursue business activities to meet these needs and expectations.	FDK Group correctively discloses the information to be opened and communicate with stakeholders. FDK Group continuously pursues company activities to contribute to the society by reflecting the communication to the business activities.	• Proceeding communication opportunities with Stakeholders and correct response for requests. • Releasing CSR Report. • Customers: Disclosing correct information for the request from customers. • Shareholders, investors: Studying to realize the communication opportunities like Shareholders meeting, IR meeting, information on Home page, Management policy and Financial results briefing. • Supplier: Proceeding two-way communication. • Employee: Communications with Labor union, Employee satisfaction monitoring, Communication with Top Management. • Local community: Activity to contribute to local community (such as, Communication event with local community, Cleaning activity, Factory tour, Making Battery class, etc.).	• Publish a CSR report. • Appropriate and timely disclosure • Proceeding two-way communication • Conduct local contribution activities tailored to each location	• Published the CSR Report in June 2017 and collected and analyzed feedback for publishing the report for the next fiscal year. • Conducted proper informational disclosure as necessary, such as regular release of information and inquiries from customers and other external entities. • Conducted CSR surveys for business partners, such as procurement partners, outsourcers and personnel dispatching companies. • Conducted local contribution activities at each site.		P21 P22
6 Complying with the law FDK Group will act with sense of ethics and comply with the laws and social codes.	Management and all the Employees always act along the laws and social codes promptly recognizing the new or revised information of the laws.	• Proceeding the activity to improve the company sustainability (evaluation, improvement, education). • Reviewing regulations about compliance. • Planning and performing the education program for Corporate Conduct guidance, business ethics including to the overseas group companies. • Improving monitoring. • Collecting information about new or revised laws and reflecting to business activity correctively.	• Reviewing regulations about compliance. • Conduct e-learning • Improve monitoring through an Internal Reporting Desk • Acquire information and raise internal awareness about enactment or amendments of laws and regulations	• Formulated and revised internal regulations, such as response to the Foreign Exchange and Foreign Trade Act. • Conducted compliance education through the use of e-learning. • Also conducted subsequent education in the stratified training. • Responded appropriately to issues brought by the Internal Reporting Desk. • Distributed new and revised information about laws and regulations through the company intranet.		P13~P16
7 Strengthening Corporate Governance Toward the realization of the CSR policy, aims to improve the transparency and supervision function of management, FDK Group will strengthen the Corporate Governance.	The Managements fully understand the essence of Corporate governance and take the necessary actions to review the Management system and organization.	• Planning to design the Board of Directors to do the correct decision making with fully effective supervision and the separation of supervision and execution. • Evaluating the Board of Directors (Self evaluation and third party's verification, Continuous improvement) and Training to maintain and improve the effectiveness of Board of Directors.	• Smoothly share information and conduct high-quality auditing and supervision with outside directors by putting in place an Audit and Supervisory Committee Office. • Continually conduct self-evaluations of Board of Directors and training for directors • Implement training for executive officers of each Group company.	• Established an Audit and Supervisory Committee Office (April 2017). • Evaluated director performance through discussion based on questionnaires and feedback. This training was held twice throughout the fiscal year with the participation of corporate officers.		P13~P16