



2024

Sustainability report



nedap

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Foreword

We are proud to share our first Nedap sustainability report. The report reflects our collective ambition to not just transparently report, but to genuinely strengthen our positive impact on society and the environment. It is also the result of our years-long efforts to formalize Nedap's approach to sustainability—a hands-on process of going into our organization, galvanizing our people around the theme of sustainability and putting pen to paper. The result is a set of explicit, Nedap-wide goals and ambitions and the policies, action plans and budgets to achieve them. Nedap's commitment to the Science Based Targets initiative (SBTi) further shows that Nedap is all in.

In parallel, we were busy preparing for the requirements of the Corporate Sustainability Reporting Directive (CSRD) and moved ahead with our initiatives to reduce the environmental impact of our operations and our products, create a more inclusive and diverse work environment, and support our customers in achieving their sustainability objectives.

With this sustainability report, we bring you a compact overview of our sustainability strategy and performance. It combines the most important information from our annual report with in-depth insights from our sustainability statement. Everything you need to know about sustainability at Nedap in 2024 is right here.

You will read about the role of sustainability in Nedap's purpose Technology for Life, how our Create & Scale strategy helps us create relevant and impactful solutions, scale them to achieve systemic change in our markets, and ensure their lasting value. Next, we explore our sustainability due diligence and the results of our double materiality assessment, which highlight how our sustainability strategy aligns with our material topics.



Along the lines of our material environmental, social and governance (ESG) topics, we present our approach and policies, our goals and our progress in 2024. We share the substantial progress made toward our goals for reducing emissions in our own operations (Scope 1 and 2) and throughout our value chain (Scope 3), consistent with our commitment to the SBTi targets. Additionally, we introduce our Sustainable design policy, an important step in enhancing the circularity and reducing the greenhouse gas (GHG) emissions of our solutions.

Beyond our efforts to avert the most damaging effect of climate change, you will gain insight into our commitment to the well-being of our employees. We cover our Diversity, Equity and Inclusion (DEI) Story, the investments in resources and programs to make our vision a reality, and our acknowledgment that there is still progress to be made in achieving our diversity goals.

Our impact goes beyond our organization, extending into our value chain. A central pillar of our strategy is to support our customers in becoming more sustainable themselves. We do this by considering the impact of our design decisions on the environment. Our ultimate goal is not only to reduce our negative impact, but to have a positive effect on society and the planet. This ambition is deeply embedded in our broader sustainability vision.

In this report, we therefore share how we embed sustainable and responsible practices across our value chain, ensuring that our partners uphold the same high standards. Additionally, we have included information on our approach to data privacy and security, reflecting our commitment to protecting the end-users of our solutions. Finally, we delve into the details of sustainability, covering governance and compliance.

We hope you find our sustainability report both informative and inspiring. Whether you are a supplier, investor, employee or future team member, we invite you to join us on this journey. Your support and engagement are essential as we strive to achieve a positive impact on society.

April 2025,

Shannon Smit, Team Lead Sustainability
Kevin van de Groep, Group Controller

1. The Nedap organization and strategic vision

Nedap is a leader in Digital Twin solutions that bridge the physical and digital worlds in Healthcare, Livestock, Retail and Security. With our technology stack, built on IoT, RFID, SaaS and Vision, we add value by helping organizations optimize their operations, manage risks and make data-driven decisions.

Nedap has long lived by its purpose Technology for Life. Our purpose serves as a constant factor in an ever-changing world and drives us in everything we do. We develop technology to help people succeed in their professional lives, with solutions that contribute to our customers' sustainability goals and provide long-lasting value. This demands a forward-looking mindset. It challenges us to consider the impact of a world in transition, facing issues like climate change and resource scarcity, not just on Nedap, but also on our customers. Our customers are seeking solutions to reduce GHG emissions, minimize waste and improve labor conditions across the value chain. As Nedap, we are committed to doing our part.

Technology that drives positive change in our markets

We strive for market leadership in every market we are active in. Each of our key markets offers significant potential for organic growth. We capitalize on this growth potential through our Create & Scale growth strategy, which enables us to identify and proactively prepare for evolving sustainability goals and requirements. Create & Scale is also the method by which we develop Digital Twin solutions that help our customers achieve more sustainable business models.

Examples of how our technology can contribute to positive change in our markets include:

- Livestock: lower GHG emissions per liter of milk produced.
- Retail: reduced surplus inventory and waste in the fashion industry.
- Security: combining effortless access management with optimal security and safety.
- Healthcare: optimized care processes to keep healthcare in the Netherlands accessible and affordable.

We scale them to market leading positions, maximizing our positive impact. Our ongoing, strategic investments in these solutions ensure that they continue to add value for our customers, and that they contribute to systematic change in the markets we are active in.

Digital Twin Technology & Sustainability

Digital twins are virtual representations of the physical world, whether it is people, animals, assets, processes or systems. IoT provides digital twins with real-time data, while AI transforms that data into actionable insights, helping customers to make informed decisions that drive more sustainable outcomes. Additionally, these technologies help us engineer solutions that consume less energy and last longer. Whether integrating energy-saving features like sleep mode or developing software that extends the lifespan of our hardware, we continuously push the boundaries of what is possible.

Create & Scale

Create & Scale is built on three pillars: the Create, Scale, Core (CSC) methodology, scaling by surfing, and driving growth through market leadership.

- **CSC methodology:** Our structured approach to developing new innovations, maximizing their market share and impact, and ensuring their lasting relevance and value.
- **Scaling by surfing:** Nedap's unique ability to navigate the wave of changing market dynamics, from new customer needs to emerging technologies. Our deep technological expertise and market experience enables us to identify paradigm shifts, including our customers' sustainability challenges, and lead transformations.
- **Driving growth through market leadership:** We grow by expanding our customer base to new sectors and regions, and by introducing new applications and features that increase our value per customer.

Products with minimal negative impact

We design the hardware products that are part of our solutions with sustainability in mind. We minimize negative impacts by optimizing energy use, incorporating more sustainable materials and extending the lifespan of our products by designing for durability, reparability and recyclability. Our goal is to create products that not only perform optimally today but also contribute to a lower environmental footprint tomorrow. Examples of design choices include the introduction of a sleep mode feature for our Retail products and our Security lockers, which can reduce energy consumption by 30% or more during idle periods.

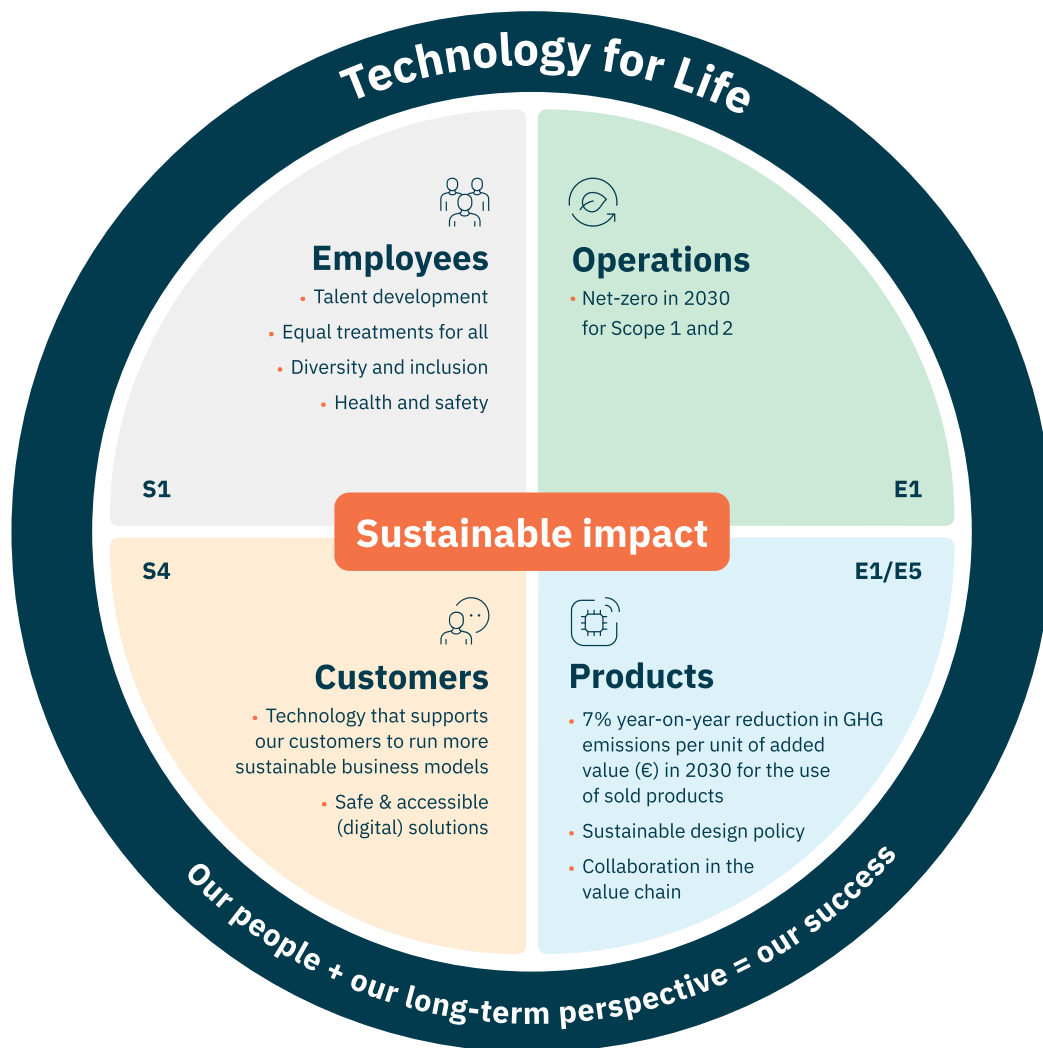
1.1 Materiality & CSRD compliance

The 2024 annual report marked Nedap's first report in accordance with the CSRD. The purpose of the EU directive is to promote accountability for ESG impacts. The annual report incorporates a sustainability statement prepared and presented in accordance with the European Sustainability Reporting Standards (ESRS).

The results of our double materiality assessment conducted in 2023 and updated in 2024 inform our reporting scope under CSRD. The results also provide insight into the alignment of our strategy with our material topics. These encompass both the positive and negative impacts of Nedap's activities, as well as the financial risks and opportunities linked to ESG factors. We will regularly repeat the double materiality assessment and make adjustments to our strategy as needed to ensure that we meet stakeholder expectations and deliver on our commitment to long-term value.

Our reporting scope and associated material topics are as follows:

- E1 Climate change - Climate change mitigation & energy
- E5 Resource use and circular economy - Resource outflows related to our products
- S1 Own workforce - Diversity
- S1 Own workforce - Training and skill development
- S4 Consumers and end-users - Privacy and data security
- G1 Business conduct - Corporate culture & transparency
- G1 Business conduct - Management of relationships with suppliers



1.2 Key sustainability milestones in 2024

Key figures



Share of buildings with energy label A

57.9%

2023: 36.8%



Scope 1 & 2 GHG emissions
in tCO₂e

757

2023: 862



Scope 3 Intensity based GHG emissions

in tCO_e per 1M EUR added value

683

2023: 751



Energy mix
Renewable / non-renewable energy

57% / 43%

2020: 42% / 27%



Gender diversity

73% / 27%

2023: 73% / 27%

SBTi commitment

Committed to setting near-term science-based GHG emissions reduction targets with the Science Based Targets initiative (SBTi).

Sustainable design policy

Development of the Sustainable design policy, which outlines our approach to incorporating circular principles in the design of new solutions, balancing durability, repairability, reusability and recyclability.

Sleep mode feature

Introduction of a sleep mode feature for our Retail products and Security lockers, which can reduce energy consumption by 30% or more during idle periods.

CSRD implementation

Publication of our first sustainability statement in accordance with the Corporate Social Responsibility Directive (CSRD).

Nedap certifications, awards and partnerships

- Nedap's Smart production facilities have ISO 14001-certified environmental management systems in place. All our electronic manufacturing service partners also have ISO 14001 certification and are regularly audited to ensure compliance.
- We are proud to have been awarded a silver EcoVadis medal, placing us among the top 15% of companies worldwide for sustainability.
- Nedap has partnered with JustdiggIt from Amsterdam since 2023 to offset unavoidable emissions.



2. Environmental impact

At Nedap, we aim to minimize the negative environmental impacts of our own operations and production processes, while actively working to reduce impacts across our entire value chain. We aim to have a positive impact by developing technological solutions that help our customers make their business models more sustainable. In this chapter, we focus on the aspects of our sustainability policy and actions in relation to climate change and energy efficiency, the transition to a circular economy, and resource efficiency.

2.1 Climate change & Energy efficiency

We consider it our responsibility to reduce our greenhouse gas (GHG) emissions in line with the goals of the Paris Agreement to avert the most damaging effects of climate change. Our sustainability policy, targets and actions to mitigate climate change address emissions in our own operations (Scope 1 and 2) and emissions in the value chain (Scope 3). We take a science-based approach, resulting in targets that are ambitious, a transition plan that is achievable and emissions reductions that are verifiable and meaningful.

Our transition plan consists of so-called decarbonization levers: strategies and actions that we can implement to reduce GHG emissions and align with climate-related goals. Our transition plan is aligned with both our own Nedap sustainability policy and the GHG Protocol.



Scope 1 and 2 emissions

Our Scope 1 emissions related to our own operations represent a relatively small share of our total GHG emissions: less than 1%. These emissions result primarily from the consumption of natural gas to heat our buildings and the use of fossil-fuel-based company vehicles. Scope 1 also covers emissions from Nedap-owned production facilities. As Nedap outsources the vast majority of its production processes, these emissions are relatively minimal.

We have had a long-standing commitment to achieving net-zero Scope 1 and 2 (market-based) GHG emissions by 2030. Our sub-targets are:

- Phase out the use of natural gas in our operations by 2030.
- Phase out fossil-fuel-powered company vehicles by 2030.

Our actions to achieve those targets include improving our buildings to reduce energy consumption, adding solar panels to generate renewable electricity on-site, replacing gas heating systems with heat pumps, transitioning to renewable energy contracts for leased buildings and exclusively leasing or purchasing electric vehicles from 2025 onwards.

Progress in 2024

We continued to reduce our reliance on natural gas in 2024. The figure below shows the downward trend of our natural gas consumption year-over-year, with the exception of 2021 due to a cold spell. While such outliers remain possible, we remain on track toward our goal.

GHG emissions (tCO ₂ e)	2020	2021	2022	2023	2024
Scope 1 Stationary combustion	393	512	319	280	250
Scope 1 Mobile combustion	414	415	457	484	416
Scope 1 Refrigerants				50	40
Scope 2 Purchased electricity (market based)	47	46	47	48	51
Total Scope 1 and 2 (market based)	854	973	823	862	757

In 2024, we renovated a total of seven buildings in Groenlo, the Netherlands, adding insulation and equipping two of our buildings with additional solar panels. These building improvements reduce our reliance on natural gas and enable us to generate our own renewable energy to power our offices.

The challenge of grid congestion

In the Netherlands, the issue of electrical grid congestion is limiting the availability of electricity to meet growing demand, for example related to our increased use of electricity-powered heat pumps and electric vehicle (EV) charging stations. As a result, we continue to rely on gas-heating systems on cold days. In 2024, grid congestion also began impacting our ability to feed excess electricity back into the grid. On sunny days, we had to scale back our solar installation output to 80% of generated solar electricity, resulting in the remaining electricity going to waste. Grid congestion and imbalances, leading to either a shortage or surplus of renewable electricity, could jeopardize our goal of phasing out our use of natural gas and achieving net-zero GHG emissions by 2030.

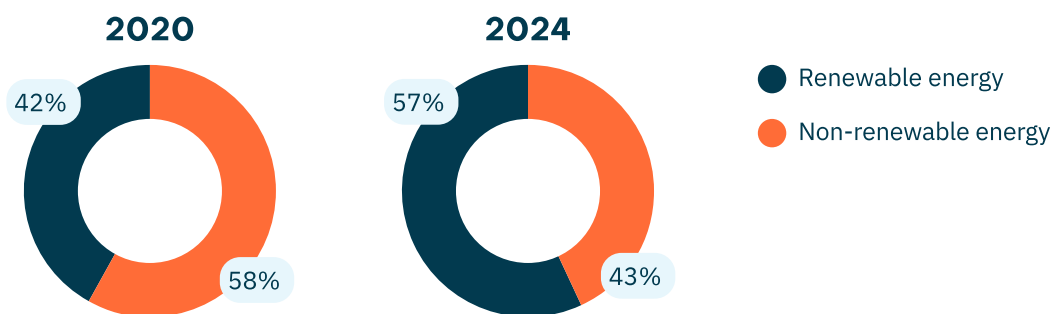
Phasing out fossil-fuel-powered vehicles

We continued to phase out fossil-fuel-powered vehicles. By the end of 2024, 57% of our fleet was electric or hybrid (2023: 53%). Because of our policy to purchase only EVs starting in 2025, we will have transitioned to a non-fossil-fuel-powered fleet by the start of 2030.

Renewable energy

We have used exclusively renewable electricity for our office in Groenlo since 2014. We are still in the process of transitioning our leased buildings to renewable energy contracts. When an office lease contract for one of our subsidiaries expires, we will only enter into new contracts for buildings that source 100% renewable energy. The data centers we use to host our SaaS solutions are all powered by renewable electricity.

The figures below shows the percentage of our Scope 1 and 2 energy consumption derived from renewable sources in our baseline year (2020) and in 2024. The charts illustrate the impact of our sustainability initiatives over the past years.



Scope 3 emissions

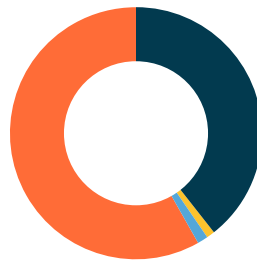
We will have the biggest effect on climate change by reducing emissions in our value chain, which represent more than 99% of our total GHG emissions. In calculating our Scope 3 emissions, we distinguished between product-related and non-product-related activities. For a complete overview of our Scope 3 categories and calculation methods, please refer to [section 5.10.3 GHG emissions metrics of our Sustainability statement](#).

Within Scope 3, product-related activities represent the most significant contributor to our GHG emissions. To evaluate our product-related Scope 3 GHG emissions, we developed a science-based and scalable method for life cycle analyses (LCAs). The method relies on cluster analyses, based on carefully selected product attributes, to offer granular insights into the environmental impact of our portfolio. The LCA process evaluates the 'cradle-to-grave' GHG emissions. These are GHG emissions from the production of the product, including the extraction of raw materials, to its transportation, use and disposal. The LCAs of our portfolio reveal that the use phase is the biggest contributor to our Scope 3 footprint. Our primary focus is therefore on reducing product GHG emissions during the use phase (Scope 3, Category 11 of the GHG Protocol).

Livestock



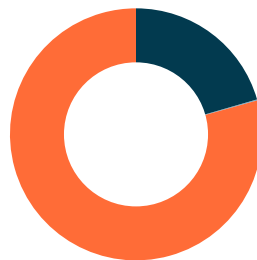
Retail



Security



UV



- Production (incl. end-of-life)
- Use Phase
- Upstream Transport
- Downstream Transport

We have set an ambitious, Nedap-wide target to reduce our intensity-based GHG emissions (measured in metric tons of CO₂ equivalent (tCO₂e) per €1 million of added value) by 7% per year, starting from our baseline year 2020. In addition to reducing our use phase emissions, we will focus on designing products with lower GHG emissions in the production phase.

Nedap's business units each have distinct product portfolios. The sustainability team will guide the business units in developing a decarbonization approach based on the following measures:

- *Sourcing*
Working with suppliers of electronics and internal procurement teams to source components with a lower carbon footprint.
- *Energy-saving features*
Optimizing how a product operates during its use phase to reduce energy consumption and emissions through features such as sleep mode and other duty cycle interventions.
- *Portfolio management*
Phasing out products with high GHG emissions relative to the value that they provide to customers.
- *Business strategy and portfolio shifts*
Increasing the role of SaaS solutions within the portfolio as part of a broader transition to recurring business models.

The reduction plans are incorporated into the annual forecasting and budgeting process, ensuring that the resources required for implementation are available.



Progress in 2024

In 2024, Nedap committed to setting near-term science-based GHG emissions reductions targets with the Science Based Targets initiative (SBTi). Because our business is growing, we have chosen to set an intensity-based target instead of an absolute target. This means that we monitor and report on our GHG emissions in tons of CO₂e per €1 million of added value. In 2025, we will begin the validation process with SBTi.

SBTi mandates a 7% annual compounded reduction in intensity-based GHG emissions, starting from our baseline year 2020 to our target year 2030. This reduction pathway is consistent with the goal of limiting the global temperature rise to well below 2°C. Our target value in 2030 is 48.4% of the 2020 value, a reduction of 51.6%.

Additionally, SBTi requires us to set a target that covers at least 67% of our total Scope 3 GHG emissions. Our product use emissions account for more than 67% of the total. By addressing the largest GHG emission sources, we are able to achieve meaningful reductions.

We expect that our measures for reducing product emissions will help us to achieve our 2030 intensity-based target.

Scope 3, Category 11	2020	2023	2024	2030 target
Absolute (in tCO ₂ e)	108,963	135,967	122,860	n/a
Added value (x 1,000€)	122,791	180,979	179,898	n/a
Intensity-based GHG emissions (in tCO ₂ e per 1M€ added value)	887	751	683	429
In % of base year 2020	100%	85%	77%	48%

Total GHG emissions for 2024

The table below shows our total gross GHG emissions for 2024, with percentage changes compared to 2023. Our 2024 Scope 1 GHG emissions show a further reduction in fossil fuel use, including natural gas for heating and fossil fuels used in vehicles.

Scope 2 GHG emissions (market-based) saw a slight increase due to our use of heat pumps and electric cars, though half of this was offset by the additional solar panels we installed, which generate a portion of the energy we consume.

Scope 3 GHG emissions decreased. This was driven by lower GHG emissions from purchased goods and services due to lower product sales, a reduction in inventory used for sales (i.e., no purchases were needed for the goods sold), as well as lower use phase emissions due to lower hardware sales.

GHG Emissions (in tCO ₂ e)	Retrospective		Milestones and target year		
	Base year 2020	2023	2024	Reduction 2024 vs 2023	Target year 2030
Scope 1 GHG emissions	790	814	706	-13%	-95%
Scope 2 GHG emissions (location-based)	1,134	1,188	1,117	-6%	n/a
Scope 2 GHG emissions (market-based)	47	48	51	6%	-95%
Significant Scope 3 GHG emissions					
1 Purchased goods and services	53,785	69,356	48,471	-30%	n/a
2 Capital goods	2,671	3,661	3,610	-1%	n/a
3 Fuel- and energy-related activities	206	254	252	-1%	n/a
4 Upstream transportation and distribution	252	236	195	-17%	n/a
5 Waste generated in operations	2	2	1	-50%	n/a
6 Business travel	633	1,022	887	-13%	n/a
7 Employee commuting	526	949	1,022	8%	n/a
9 Downstream transportation and distribution	1,683	742	497	-33%	n/a
11 Use of sold products	108,964	135,967	122,860	-10%	n/a
12 End-of-life treatment of sold products	3,629	4,878	3,293	-32%	n/a
Total GHG emissions					
Total GHG emissions (location-based)	174,275	219,069	182,911	-17%	n/a
Total GHG emissions (market-based)	173,188	217,929	181,845	-17%	n/a

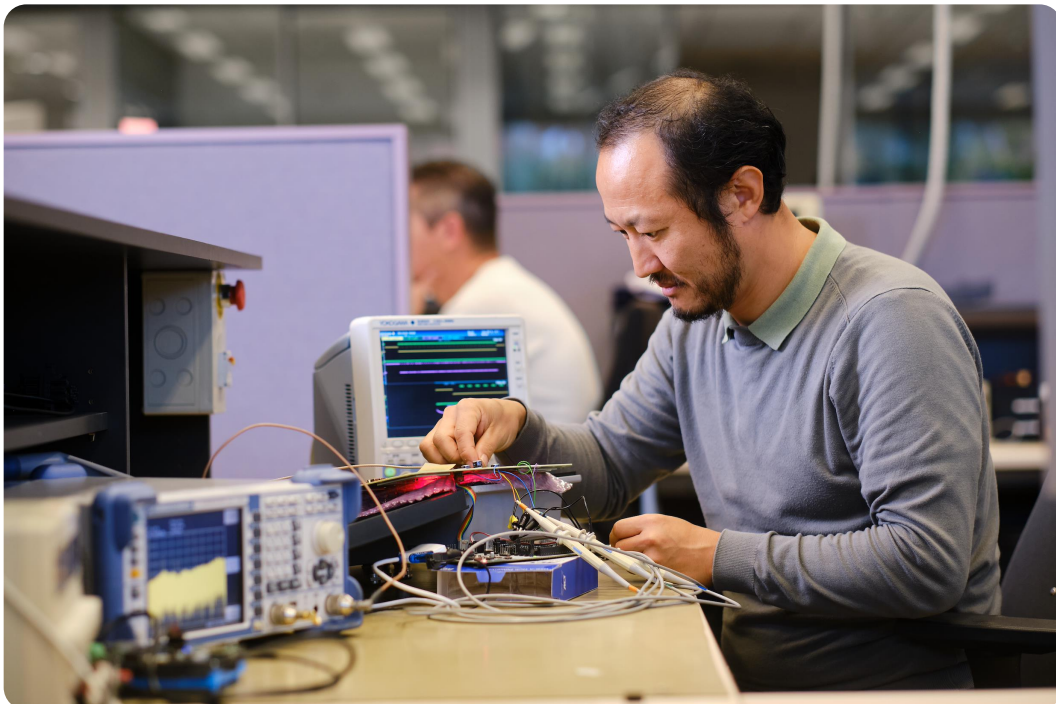
2.2 Circular economy & Resource efficiency

We serve our customers with a mix of hardware and software solutions that work together to help people succeed in their professional lives. At Nedap, we have long focused on the durability of our hardware products, with the aim of maximizing their lifespan. While all products will reach end-of-life, designing for durability helps prevent excess waste by reducing how often products need to be replaced. The prevention of waste is the first step in what is known as the waste hierarchy, which provides a structured approach to waste management. The waste hierarchy aligns with the circular economy principle of keeping materials in use for as long as possible. We are increasingly incorporating other circular principles into our product designs.

Progress in 2024

In 2024, we took an important step forward by drafting our Sustainable design policy, which defines our strategy for optimizing resource efficiency and reducing waste by making careful decisions about the materials we use and taking into account products' end-of-life. This policy will be expanded upon with actions and targets in 2025. The policy does not impose rigid design standards but instead will help us weigh the impact of design decisions on our environmental impact. The ultimate goal of the policy is to design durable products that are repairable, reusable and recyclable.

Among other things, we will set targets related to resource outflows, including the durability and reparability of our products and recyclable content of our products and packaging.



In 2024, we determined our 2023 baseline levels based on a representative distribution of products within our hardware portfolio. We distinguished between electronics and single-use items known as consumables (e.g., RFID labels).

Due to limited data availability, we relied on prudent estimations. Investments in IT planned for 2025 will improve the quality of our data and automate the calculation process. As a result of updates to our methodology, previously reported figures may be restated in the future to reflect enhanced data quality. The data will allow us to monitor the impact of our Sustainable design policy on achieving our circularity objectives.

Product type		Durability ¹ (years)	Repairable weight ² (kg)	% of total weight	Recyclable content of products ³ (kg)	% of total content	Recyclable content of packaging ⁴ (%)
Consumables	2024	2.0	-	0%	30,482	4%	99%
	2023	2.0	-	0%	49,292	5%	99%
Electronics	2024	10.1	308,290	42%	491,382	67%	99%
	2023	9.9	430,776	48%	607,760	68%	99%

Initiatives

Our business units have taken various initiatives over the years to improve the circularity of our products, for example by working with partners in the value chain for the repair of defective products. The Sustainable design policy will promote a more structured approach to achieve Nedap-wide targets.

Proud participant of the Circular Circuits research project

The Circular Circuits research project, an initiative by TU Delft with funding from the Dutch Research Council (NWO), has entered its second year. The project involves partners from across the value chain who are working together to develop next-generation electronics based on circular economy principles. As Nedap, we bring our expertise in creating complex electronics for diverse global markets. Through this project, we aim to remain at the forefront of circular electronics and work toward sustainable business models.

Compliance with upcoming regulations

Our circularity efforts will also help us to prepare for compliance with upcoming regulations, such as the Ecodesign for Sustainable Products Regulation (ESPR). The ESPR aims to improve the sustainability of products sold in the EU by setting design and performance standards. The data collected for our product lifecycle analyses, including product components, materials and their characteristics, will serve as the basis for the digital product passport, a key element of this regulation.

3. Social impact

Nedap relies on exceptional people to create products that help our customers achieve their sustainability goals. We invest in long-term relationships with our employees, providing opportunities for them to take charge of their personal and professional development.

In addition, we have policies and programs in place to promote employee well-being, engagement, and an inclusive, diverse and equitable workplace. Additionally, we are committed to upholding ethical business practices and minimizing any negative impacts on end-users and consumers. We prioritize data privacy and security through rigorous standards such as ISO certifications and GDPR compliance, and we are dedicated to responsible AI practices and the ethical use of Digital Twin Technology.

3.1 People & Culture

We are committed to investing in our people and fostering a culture of growth and excellence. We support personal and professional growth aligned with both individual aspirations and Nedap's ambitions through mentorship, learning programs and real-world experience. Additionally, we strive to embed Diversity, Equity and Inclusion (DEI) into every aspect of our organization, from company policies to daily operations. In 2024, we invested in our people by prioritizing learning and development opportunities, leadership development and DEI initiatives.

Diversity, Equity and Inclusion

DEI is a core part of our strategic vision, allowing us to harness diverse perspectives, experiences and talents. To set the foundation for future actions, policies and initiatives, we developed a DEI Story consisting of the following key areas:

- 1 *Inclusive leadership, international mindset*
As a global company, we focus on embracing an international mindset. We foster a culture of openness and acceptance by promoting cross-cultural understanding, with people in leadership roles serving as role models.
- 2 *Equitable global teams*
We aim to foster collaborative and equitable partnerships across all business units and offices worldwide, embracing cultural differences to create an inclusive work environment.
- 3 *Transparency*
We strive for transparency in internal hiring, promotion and decision-making. Our policy is to make Nedap information accessible to all employees in English.
- 4 *Gender balance*
We strive for gender balance at all levels of our organization, aligning senior management representation with the overall workforce.

Gender diversity in 2024

In 2024, our overall male-to-female ratio remained stagnant, with 73% male and 27% female representation. At the same time, women continued to be underrepresented in senior management, comprising only 13% of senior management positions. We are determined to make structural progress, with a long-term ambition to align female representation in senior leadership with the overall workforce composition. This target, originally set for 2025, has been extended to 2028 due to slower-than-expected progress.

Nedap has also set a gender diversity target for the Board of Directors, aiming for at least one-third male and one-third female representation. For the Supervisory Board, we adhere to the statutory requirement of at least one-third male and one-third female representation. In 2024, our Board of Directors consisted of one woman and two men, while our Supervisory Board included two women and three men.

Over the year, we paid attention to inclusive hiring and gender diversity in leadership. We updated our hiring policy for senior management positions, requiring the long list of candidates to include 50% men and 50% women, and we expanded our definition of leadership. This means our hiring policy will now apply to more leadership positions. This adjustment allows us to include more employees in our succession planning, ensuring we consider gender diversity when selecting potential successors. Furthermore, as part of our succession planning, we conducted leadership potential assessments and estimated time-to-role. During these assessments, we focused specifically on increasing the proportion of women in leadership positions.



As a continuation of our efforts from 2023, we conducted a Women Leadership Initiatives survey among our entire female staff to understand how we can better facilitate and support female leadership development. Approximately 60% of the women at Nedap completed the survey, providing valuable insights into the priorities and needs of women at Nedap. It also led to several recommendations regarding leadership programs and structural workplace improvements. We will use the insights from the succession planning process and the Women Leadership Initiatives survey to help develop targeted actions in 2025.

Embedding DEI

As a step toward embedding DEI throughout our organization, we established a DEI core team comprised of a DEI Lead and DEI Catalyst to help translate our vision and policy into action. The DEI team will dedicate several hours per week to enhance inclusivity, alongside their regular duties.

We continue to offer DEI trainings focused on the themes unconscious bias, cultural intelligence and ambassadors for inclusion. These trainings go beyond our focus on gender balance in leadership and address other relevant DEI topics to make our workforce more aware of possible undesirable behavior in their day-to-day work. In 2024, 75 employees participated in a DEI training.

We also organized several initiatives around diversity and inclusion. In recognition of Pride Day, we invited employees to participate in a panel discussion. Two employees from the LGBTQIA+ community answered questions submitted anonymously by their colleagues during a Q&A session.

Externally, we partnered with social enterprise AutoTalent, which employs individuals on the autism spectrum, to assist with the further digitalization of our HR files.

Employee engagement & learning initiatives

Nedap empowers employees to take ownership of their development by providing the right environment, tools and opportunities to learn and thrive. We facilitate our people in exploring new challenges and expanding their expertise, strengthening our collective ability to add value and drive innovation. Through several Nedap Academies, we offer opportunities for personal and professional development. As part of our commitment to employee development, we have set an ongoing target for each employee to spend at least 40 hours on development per year. This 40-hour target was set based on a benchmark against similar companies.

Progress in 2024

In 2024, 42% of 547 Nedap employees who participated in our questionnaire reported spending at least 40 hours on their personal and professional development (2023: 52% of 571 respondents).

Trainings and initiatives

In 2023, we learned that many employees found it challenging to dedicate time to their development, often due to pressing responsibilities, a lack of time and difficulty finding the appropriate development opportunities. This is one of the reasons why, in 2024, we launched our learning management system, the Nedap Learning Platform. The platform provides our employees with the tools to take ownership of their own personal and professional development. It shows all available personal and professional development programs within Nedap in one overview and allows employees to access training materials at any time.

We also continued our Tech Academy. The program consists of both in-person and online training, provided by Nedap employees and external experts. It features four tracks: a future track related to emerging skills such as artificial intelligence, an expertise track focused on core skills, a professional track emphasizing project-related skills and a 'train the expert' track dedicated to didactic skills. In 2024, more than 400 people participated in our Tech Academy.

Over the coming years, we will continue to expand our portfolio with training content to meet the development needs of our employees.

Leadership development

In 2024, we further developed our Nedap Leadership Framework, which defines our leadership vision, by creating profiles to make leadership behaviors more concrete and actionable. For each profile, we have identified accountabilities, responsibilities, potential challenges and the skills required to succeed in the role. To help employees develop these essential leadership skills, we also launched the Leading Professionals program. The program provides employees access to a comprehensive training curriculum focused on practical and everyday skills, such as clear and effective communication and managing difficult conversations.

Well-being & workplace safety

Nedap is committed to the health and well-being of all our employees and aims to create an environment where everyone can work safely and comfortably, is treated equally and enjoys their work. We take a responsible approach to workplace safety, with a focus on preventing incidents that could cause harm to our employees, contractors and the environment.

Our health and safety policy aims to ensure physical and mental well-being, as well as fostering positive psychosocial conditions. We encourage open communication and urge people to speak up and report any instances of misconduct. Our whistleblower policy outlines how employees can safely report (the suspicion of) misconduct or irregularities —either to the Compliance Officer or via our reporting system, IntegrityLog.

We also provide confidential counselors to offer a safe and supportive space for employees to discuss sensitive or private concerns, including integrity violations, sexual harassment, aggression, discrimination and bullying. We have two types of confidential counselors: confidential counselors for undesirable behavior (CCU) and confidential counselors for integrity (CCI).

Nedap and its subsidiaries comply with all relevant laws and regulations regarding working conditions and employee health to create a safe work environment for our employees.

Progress in 2024

In recent years, we have used annual questionnaires to measure employee engagement, focusing on a different department each year. In January of 2025, we conducted our first Nedap-wide engagement survey. The survey served as a baseline measurement, enabling us to track future progress and changes in engagement. It also provided insight into our employee experience in 2024. We aim to move toward a more continuous form of employee engagement and organizational listening, while further professionalizing our way of working. We are in the process of selecting a new partner to support us in these efforts.

We continued to prioritize health and safety through training sessions, policies, and resources. In 2024, we raised additional awareness of the available channels that ensure a fair, ethical and supportive workplace during our mandatory code of conduct training.



3.2 Ethical business & Consumer responsibility

A key aspect of the Nedap business model is supplying our customers with SaaS solutions to optimize their core business operations. As we continue to expand our portfolio, the amount of sensitive data we process continues to grow. Due to this, it is critical for us to maintain a high level of security to prevent widespread impact on our customers, end-users and Nedap itself. We take this responsibility seriously and comply with high information security standards to protect the human rights of our customers and end-users.

Data privacy & security

Strong information security is essential to protecting our customers, end-users and the company from potential risks. Our Information Security Policy outlines our commitment to safeguarding information. It covers risk management, asset protection, access controls, network security, employee training and incident response across the upstream and downstream value chain, ensuring compliance with legal and contractual requirements. The policy is reviewed annually by the Information Security Officer to ensure it remains relevant and effective. Our technical and organizational safeguards to mitigate the risk of accidental or unlawful destruction, loss, alteration, unauthorized disclosure of or access to data meet the highest information security management standard, ISO 27001.



Additionally, we encourage people to report all privacy and security incidents, regardless of their size. All reported incidents are registered, analyzed and subsequently classified based on size and exposure. We have robust Incident Response Plans that outline the responsibilities and processes for handling data breaches and other incidents. These plans focus on follow-up, remediation and prevention of negative impacts.

Each business unit has a designated privacy officer who serves as the primary contact for privacy-related matters. The officers hold regular meetings to share knowledge and discuss developments, incidents and relevant updates in legislation within the compliance framework. Nedap uses learnings from incidents to improve processes and assess their effectiveness.

By maintaining a continuous focus on privacy and security, we minimize the likelihood of incidents occurring. Our continuous target is no vital or critical incidents.

Progress in 2024

In 2024, there were no critical or vital incidents. Additionally, no instances of privacy and data security-related human rights violations were reported. Our actions to manage privacy and security impacts are an ongoing process at Nedap.

Implementation of the Privacy Policy

We completed the implementation of our Privacy Policy, which outlines how General Data Protection Regulation (GDPR) principles are applied when processing any personal data. The policy focuses on safeguarding individuals' rights and addressing and remediating any potential impacts on privacy.

Our participation in cybersecurity initiatives

As part of Nedap's continuous focus on privacy and security, we also actively participate in industry and government initiatives, including the Cyber Resilience Center Brainport ('Weerbaarheidscentrum Brainport'; CWB) and the National Cyber Security Centre ('Nationaal Cyber Security Centrum'; NCSC). These initiatives help us prevent cyberattacks and stay up to date on data security issues.

4. Governance & Compliance

Nedap is committed to upholding a culture of ethical behavior and integrity, where we respect laws and regulations. We have a code of conduct in place that we expect everyone working with Nedap to adhere to, and we have implemented a range of policies and practices that ensure compliance with ethical standards and legal requirements.

Additionally, we take action to uphold ethical standards across our supply chain. We audit our key suppliers to ensure their continued compliance with environmental and social legislation, alignment with our norms and values, and contribution to our sustainability goals.

Sustainability governance and leadership involvement

The Board of Directors is responsible for defining Nedap's sustainability vision. The Board, consisting of the CEO, CFO and CCO, outlines the sustainability objectives and approves the targets, metrics and actions for achieving those objectives.

Since 2020, the Board of Directors has been closely involved in the development of Nedap's sustainability policy with its four focus areas—our employees, our operations, our products and our customers— and the alignment of this policy with our (material) sustainability topics. More recently, they were closely involved in, and ultimately approved the outcomes of, the double materiality assessment. Next to evaluating the material impacts, risks and opportunities (IROs), they are ultimately responsible for the management of these IROs.

With the Corporate Sustainability Reporting Directive (CSRD) coming into effect, the Board of Directors, and specifically the CFO, has the added responsibility of ensuring the compliance of Nedap's sustainability reporting with the requirements of the CSRD. The Board of Directors is supported by the leaders of the business units and departments as well as the sustainability team.

The five-member Supervisory Board is responsible for overseeing sustainability matters within Nedap. The Supervisory Board also participated in the double materiality assessment and monitors the effective management of the IROs by the Board of Directors. Sustainability is a key agenda item at the Supervisory Board's quarterly meetings, where members receive updates on target setting and progress towards achieving those goals.

EU Taxonomy compliance

In 2024, Nedap disclosed information on its economic activities in accordance with the requirements of the EU Taxonomy Regulation. The EU Taxonomy provides a framework to support sustainable investments by classifying economic activities based on their contribution to specific climate and environmental objectives. Full details of our Taxonomy-related disclosures can be found in [section 5.5.7 EU Taxonomy disclosures of our Sustainability statement](#). Going forward, Nedap may no longer be subject to the requirements of the EU Taxonomy Regulation.



Ethical business conduct & supply chain responsibility

Nedap's corporate culture is rooted in integrity, responsibility, respect and professionalism. Our code of conduct defines these core values, along with the ethical standards and behavioral expectations that everyone working with Nedap is expected to uphold. We continuously strive to uphold integrity and drive sustainable practices throughout our value chain by partnering with suppliers whose values align with the fundamental principles of our code of conduct.

Nedap's upstream supply chain is extensive and diverse. We distinguish between our strategic suppliers, to whom we have outsourced the manufacturing of our electronic hardware, and our key suppliers, who are major providers of essential components, materials and services.

When selecting our suppliers, we place a strong emphasis on sustainability criteria, including criteria in relation to product quality, adherence to health and safety standards and environmental performance. We perform due diligence checks to ensure that our suppliers meet our requirements, and we expect them to comply with our code of conduct. Over the course of our partnership, we monitor our suppliers' performance on corporate social responsibility topics. We establish specific KPIs with our strategic suppliers, which they report on every quarter. Our key suppliers with a significant impact report on KPIs on an annual basis, while key suppliers with a lower impact on ESG topics are subject to periodic evaluations.

We have implemented an audit program to ensure that strategic and key suppliers comply with the established requirements. As part of these audits, the procurement team also reviews suppliers' CSR-related performance against the set KPIs. Our audit program ensures that all suppliers are reviewed at least once per three-year cycle. Each audit is concluded with a formal audit report, which includes a checklist of findings and a timeline for addressing any issues identified.

All of our strategic electronics manufacturing services suppliers are certified to at least ISO 9001 (quality management system) and ISO 14001 (environmental management system) and are audited accordingly.

5. Looking ahead

After the hard and necessary work to formalize our approach to sustainability, make our ambitions and goals explicit, and prepare for the CSRD, we are back at work. In 2025, we will invest in the systems and processes needed to improve the quality of our data and to automate various data analysis and reporting activities. This applies in particular to emissions data and data on resource use.

With timely and reliable insights into our performance on these themes, we will strengthen our ability to set ambitious yet realistic goals and to monitor our progress toward those goals. For example, this will allow us to report transparently on our progress towards our science-based emissions targets. It will also support the definition of our circularity targets and actions. The expansion of our Sustainable design policy with circularity targets for product design and development is a priority for 2025.

This year, we will also submit our GHG emissions targets for validation by SBTi. We hope to formally obtain SBTi validation in 2025. Additionally, we are introducing our first product manufactured with recycled plastics.

Our customers are one of the four pillars of our sustainability framework. Over the coming months, we will develop a customer engagement survey to better understand our customers' sustainability goals and challenges. With richer insight into the topics that are most relevant to our customers, we can better align our solutions with their needs. Examples may include incorporating more recycled content in our products to support our customers' circularity targets.

In line with our commitment to DEI, we will introduce targeted interventions to support female leadership development, aiming to increase gender diversity within our senior management. We also aim to refine our human rights policy and due diligence approach to ensure alignment with international standards and best practices. These initiatives reflect our ongoing commitment to ethical business conduct and social responsibility.

We have hit the ground running this year. In next year's sustainability report, we look forward to demonstrating how our actions in 2025 contributed to our goals for positive impact on society and the planet.

2024 Sustainability statement

For readers seeking a more detailed and technical overview of our sustainability performance, governance, and disclosures, our full Sustainability statement offers comprehensive insights.

It includes all CSRD-aligned metrics, policies, and reporting standards that underpin the highlights shared in this report. Please, refer to our [full Sustainability statement](#) as published in our 2024 annual report for additional details and information.



Nedap 2024 Sustainability report

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