



Powering the change, Driving Sustainability



Sustainability Report
Fiscal Year 2024

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Letter to the Stakeholder

Dear Stakeholders,

We are proud to present the first Sustainability Report of Nidec Conversion. This is a significant milestone for us, that we have chosen to pursue voluntarily to strengthen our dialogue with stakeholders and to provide transparency around the daily commitment we put into combining industrial development with social and environmental responsibility.

In a global context that demands a profound transformation of energy systems, Nidec Conversion positions itself as a key player in the ecological transition. Our energy conversion and storage systems, high-efficiency motors and inverters are enabling technologies for the expansion of renewable energy, the stability of power grids, and the electrification of strategic industrial sectors. In this way, we contribute to the decarbonization of the economy by offering technologies that address urgent challenges and support a more sustainable future.

Alongside technological innovation, we are committed to valuing our people. We believe that health and safety in the workplace are fundamental rights to be safeguarded through continuous investment, widespread training, and a corporate culture rooted in prevention. Our goal is to create safe, inclusive, and stimulating work environments where everyone can contribute with competence and responsibility to our shared objectives.

Finally, we believe that sustainability also — and above all — depends on solid governance. Nidec Conversion has adopted a Code of Ethics that guides the conduct of everyone working within the organization and has implemented a whistleblowing system to protect integrity and transparency. An ethical approach to business drives every one of our decisions and forms the foundation on which we build trust-based relationships with customers, partners, institutions, and communities.

This first Sustainability Report is therefore an exercise in awareness and openness: we aim to objectively share both our achievements and our challenges, far from greenwashing, and with full awareness that our actions actively support the achievement of the Paris Agreement.



Dominique Jacques Philippe Llonch
Nidec Conversion President & CEO
Nidec Energy platform President

Highlights

Environment

								
	Energy consumption	Energy intensity per 1,000 working hours	GHG emissions (Scope 1 + Scope 2 Location based)	Emission intensity per 1,000 working hours		Water consumption	Water intensity per 1,000 working hours	Share of waste sent to recycling or recovery
	MWh	MWh/kh	t CO ₂ eq	t CO ₂ eq/kh		m ³	m ³ /kh	
FY 2023	24,541.81	6.60	8,136.80	2.19		1,938	0.52	97.54%
FY 2024	23,341.63	6.11	8,522.14	2.23		1,530	0.40	98.81%

Social

			
Employees	% of which are women	Family leave	Turnover
1,958	14.5%	93.5%	9%

Governance

			
Average hours of training	Injuries	Injury rate per 1,000,000 worked hours	Case of corruptions
16.4	12	3.3	0

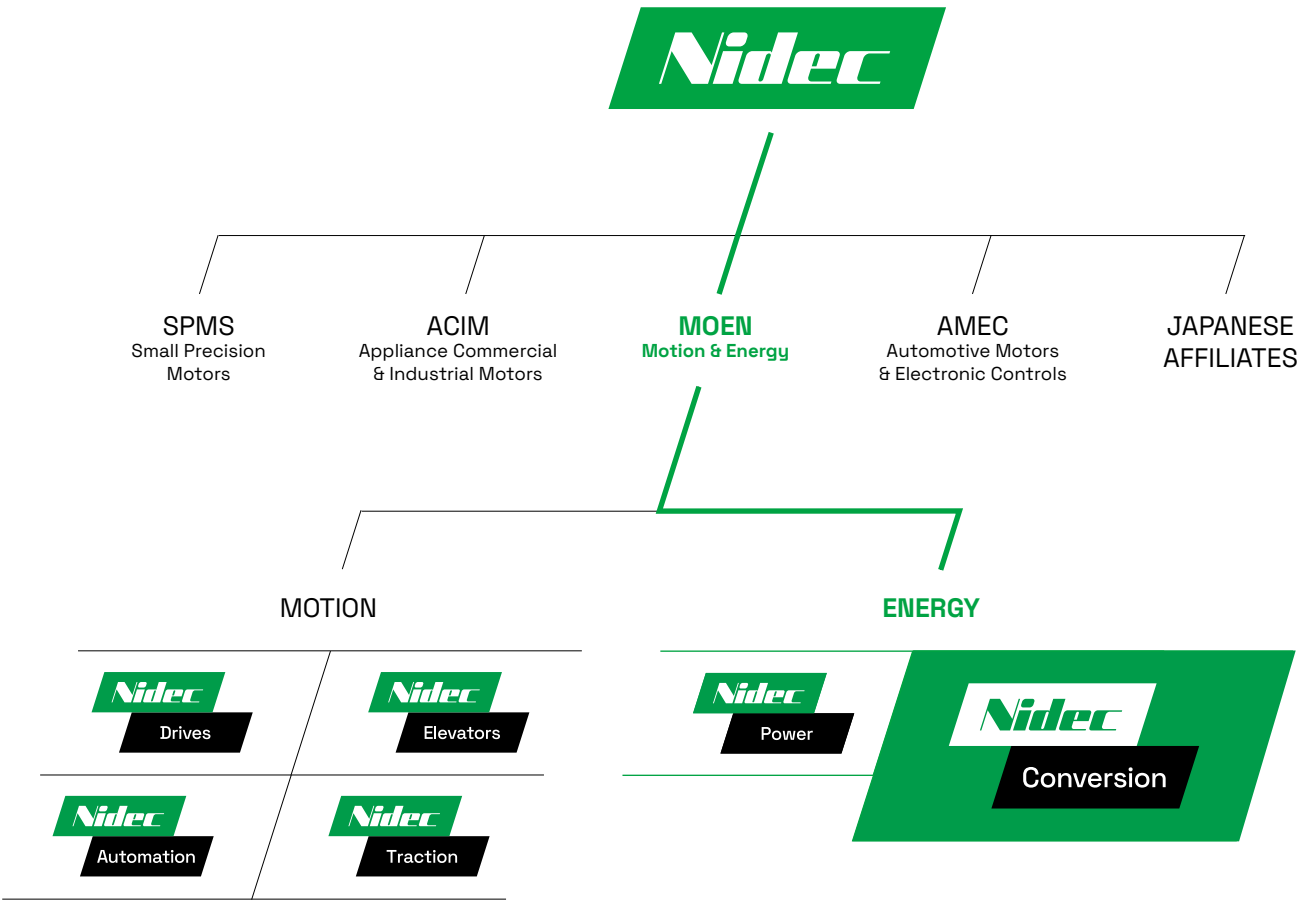
1. General Disclosure

1.1 A Legacy of Innovation and Excellence

SBM-1
Strategy,
business model
and value chain*

Nidec Conversion is part of Nidec Corporation, a Japanese multinational and global leader in the production of electric motors. Founded in Kyoto in 1973 by Shigenobu Nagamori, Nidec Corporation achieved global leadership in components for hard disk drives and has progressively expanded its scope through a targeted international acquisition strategy.

The Group includes over 300 companies across more than 40 countries and employs approximately 114,000 people.



Nidec Conversion is a leading international company in the field of energy conversion, combining over a century of experience with a forward-looking vision focused on sustainable innovation. Officially established in FY 2024, Nidec Conversion is part of the broader Nidec Energy platform and represents the evolution of Nidec Industrial Solutions, which was originally founded in 2012 following the acquisition of Ansaldo Sistemi Industriali by Nidec Corporation. Nidec Conversion inherits the expertise of three synergistic entities: Nidec ASI, Avtron Industrial Automation, and Motortecnica.

Headquartered in Cinisello Balsamo (MI), Italy, and with a global presence, Nidec Conversion stands out for its technological and industrial heritage rooted in the historic electromechanical plant founded by Ansaldo in 1899. Since then, it has continuously developed advanced solutions for power control and electrical systems on a global scale.

Today, Nidec Conversion is a key component of the “Energy” industrial platform within the “Motion & Energy” business unit of the Nidec Group. In line with the “One Nidec” strategy, Nidec Conversion vertically integrates know-how and solutions to strengthen its offering in the field of energy transition.

Among the most significant transactions:

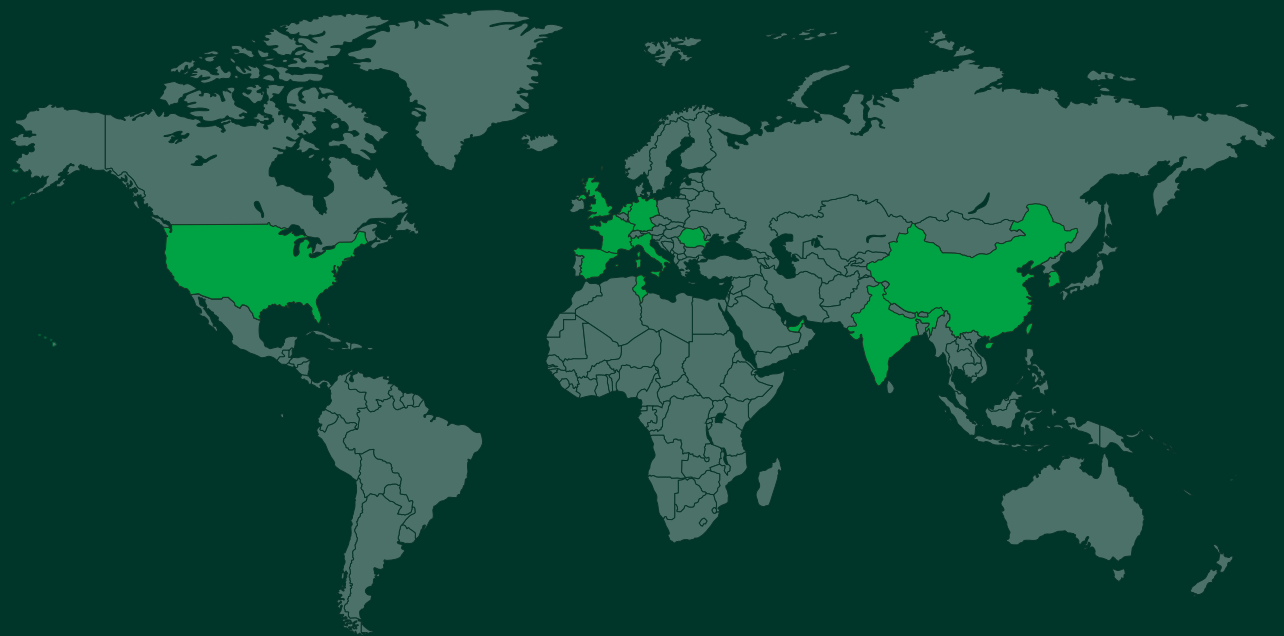
- the acquisition of Ansaldo Sistemi Industriali (Italy) and Avtron Industrial Automation (USA) in 2012;
- the incorporation of Emerson Electric Co.’s motors, drives, and power generation business in 2017.

The launch of the Nidec Conversion brand in FY 2024 marks a further step toward greater internal cohesion and enhanced synergies among the Group’s various entities, supporting industrial growth and sustainable innovation.

Nidec Conversion operates mainly through different facilities all over the world, focused on different services.

Nidec Conversion in the world

- Production Site
- Office
- New Production Site (FY 2025)



Italy ■ Nidec ASI SpA ■ HQ Cinisello Balsamo (MI) ■ Montebello Vicentino (VI) ■ Monfalcone (GO) ■ Genoa (GE) ■ San Cipriano Picentino (SA) ■ Motortecnica Srl ■ San Cipriano Picentino (SA)	Netherlands ■ Nidec Netherlands BV ■ Sliedrecht	UAE ■ Nidec ASI LLC ■ Abu Dhabi
France ■ Nidec ASI SAS ■ Roche La Moliere ■ La Fouillouse	Romania ■ Nidec Oradea SRL ■ Oradea (sister company management) ■ Nidec ASI RO Srl ■ Crevedia	China ■ Nidec ASI Industrial Systems Beijing Co Ltd ■ Beijing ■ SSB Wind Energy Technology (Qingdao) Co Ltd ■ Qingdao
Germany ■ Nidec SSB Wind Systems GmbH ■ Salzbergen ■ Nidec Deutschland GmbH ■ Essen	Spain ■ Nidec Industrial Automation Iberia SA ■ Barcelona	India ■ Nidec Industrial Automation India Pvt Ltd ■ Chennai ■ Hubli
UK ■ Nidec Industrial Automation UK Ltd ■ Telford	Tunisia ■ Nidec Industrial Solution Africa SARL ■ Tunis	South Korea ■ Nidec Korea Corporation ■ Gangnam-gu, Seoul
		USA ■ Nidec Motor Corporation ■ Brooklyn Heights (Cleveland), OHIO

Supporting Ecological Transition

Nidec Conversion operates in a strategic sector for ecological transition and sustainable development, offering advanced technological solutions for the electrification of industrial systems, the integration of renewable energy, and the stability of power grids. Its contribution is part of the global effort to decarbonize energy systems, supporting the deployment of smart and flexible infrastructure capable of managing variable renewable energy sources.

According to the International Energy Agency (IEA), the share of renewables in global electricity generation is expected to rise from 30% in 2023 to 37% by 2026, driven primarily by the expansion of solar photovoltaic capacity¹. **The IEA also reports that investment in renewable energy, energy efficiency, and power grids will cover 60% of global investment in the energy sector².**

At the European level, Eurostat data show that in 2024, renewable sources accounted for 46.9% of the European Union's net electricity production³.

Through power electronics, energy storage systems, and technologies for energy management and conversion, Nidec Conversion enables more efficient, resilient, and low-emission energy models, addressing the needs of sectors such as industry, electric mobility, and smart grids. Nidec Conversion's ability to deliver integrated and customized solutions allows it to actively support businesses and communities on their path toward energy sustainability.



¹IEA – Electricity 2024. Executive Summary
International Energy Agency (IEA), published January 2024.
Available at: <https://www.iea.org/reports/electricity-2024/executive-summary>

²IEA – World Energy Investment 2025. Executive Summary
International Energy Agency (IEA), published June 2025.
Available at: <https://www.iea.org/reports/world-energy-investment-2025/executive-summary>

³Eurostat – Renewable energy in the EU in 2024
Eurostat News, published March 19, 2025.
Available at: <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20250319-1>

Interview with Franck Girard

Nidec Conversion Vice President, Energy Systems



Introduction

We sit down with Franck Girard (President Nidec ASI sas - Vice-President Energy System), to explore the company's vision for Battery Energy Storage Systems (BESS), its commitment to innovation, and its role in accelerating the global transition to renewable energy.

What are the main distinctive features of the BESS systems developed by Nidec Conversion?

Our BESS systems are engineered to address the evolving demands of modern energy grids while prioritizing sustainability. Key features include:

- **Compact & Modular Design:** Our systems maximize space efficiency and scalability, adapting seamlessly from small commercial setups to large utility-scale deployments.
- **Advanced Power Conversion:** Our high-efficiency inverters (>99%) comply with diverse grid codes worldwide, with firmware tailored to regional standards.
- **Smart Integration:** A proprietary Power Management System (PMS) and Energy Management System (EMS) enable real-time optimization, ensuring grid stability and cost efficiency.
- **Scalability:** Whether for urban microgrids or remote communities, our BESS grows with the needs of the user.
- **Safety & Longevity:** A robust Battery Management System (BMS) ensures thermal stability, extending battery life and reliability.
- **Renewables Synergy:** Designed to integrate effortlessly with solar, wind, and hybrid systems, supporting grid resilience.
- **Sustainability Focus:** Eco-designed for recyclability and second-life applications, minimizing material use and environmental impact.

At Nidec Conversion, our BESS systems represent more than technological innovation—they are a testament to our commitment to reimagining energy infrastructure with intelligence, adaptability, and environmental stewardship.

In which application contexts do your BESS systems provide the greatest contribution to power system flexibility and renewable energy integration, and what measurable environmental benefits do they offer?

By enhancing system flexibility and unlocking the full potential of renewables, our BESS solutions play a vital role in building a low-carbon, resilient energy future. The environmental benefits are real, measurable, and increasingly essential.

Our BESS systems excel across six critical applications:

1. **Renewable Energy Smoothing:** Stabilizing intermittent solar/wind output, reducing curtailment by up to 30% in some projects (per internal data), and enhancing grid predictability.
2. **Peak Shaving:** Lowering grid dependency during high-demand periods, avoiding infrastructure upgrades and reducing consumer costs by up to 25%.
3. **Grid Stabilization:** Delivering rapid frequency regulation, enhancing grid resilience and supporting ancillary services markets.
4. **Microgrid Solutions:** Replacing diesel generators in remote areas, cutting CO₂ emissions.

- 5. **Time-of-Use Arbitrage:** Optimizing energy costs by storing low-price renewable energy for high-demand periods.
- 6. **Voltage Support:** Strengthening weak grids and enabling higher penetration of distributed energy resources.

The measurable Environmental benefits are:

- **CO₂ Reduction:** Enabling renewable integration avoids tons of annual emissions per GW installed.
- **Avoided Fossil Use:** Replacing diesel generators saves millions liters of fuel yearly across our deployed systems.
- **Air Quality:** Cutting NO_x/SO_x emissions in microgrid applications.
- **Decarbonization Support:** Facilitating global net-zero targets by integrating renewables into grids.
- **Energy Efficiency:** Smart EMS reduces system losses.
- **Grid Congestion Mitigation:** Storing curtailed renewables—up to 20% of potential generation is lost annually due to grid limits(-Data Sources: International Energy Agency (IEA), 2023).

Which technological innovations is Nidec Conversion focusing on to enhance BESS efficiency, lifespan, and sustainability?

We’re investing in four pillars:

- **Efficiency:** Next-gen inverters (>99.5%) and AI-driven thermal management to minimize energy loss.
- **Lifespan:** AI-powered BMS and modular redundancy extend operational life to 25+ years.

- **Sustainability:** Carbon-neutral manufacturing and recyclable designs, targeting 95% material recovery.
- **Software Optimization:** Advanced algorithms for plant-wide efficiency.

What are the main ESG challenges in your BESS supply chain, particularly regarding critical materials like lithium, cobalt, and nickel, and how do you address them?

We confront four key challenges:

1. **Environmental Impact:** Mining-driven deforestation and water use.
2. **Human Rights Risks:** Child labor in cobalt mining (DRC).
3. **Transparency Gaps:** Tracing materials from conflict zones.
4. **Resource Scarcity:** Overreliance on finite materials.

Design-Phase Solutions:

- **Cobalt-Free Chemistries:** Transitioning to LFP and sodium-ion batteries.
- **Material Efficiency:** Reducing raw material use by 30% through cell innovation.
- **Circular Design:** Standardized modules for easy recycling and second-life use.

Procurement-Phase Solutions:

- **Ethical Sourcing:** Partnering with audited suppliers (e.g., Li-Cycle for lithium).
- **Diversification:** reducing dependency on high-risk regions.
- **Contracts with Safeguards:** Penalties for non-compliance with labor/environmental laws.

Tackling these ESG challenges is essential to ensuring our growth is both responsible and resilient. We believe that sustainable innovation must start at the source.

What controls does Nidec Conversion perform on suppliers to ensure ESG compliance, especially for battery components?

Our approach includes:

- **Audits:** Third-party assessments of all critical suppliers.
- **Traceability:** Digital passports for critical components.
- **Metrics & Enforcement:** KPIs tied to ESG performance; termination for severe violations.
- **Remediation Programs:** Training and corrective action plans for non-compliant suppliers.
- **Industry Collaboration:** Leading initiatives like the Global Battery Alliance to set global standards.

Closing

As the energy transition accelerates, Nidec Conversion remains committed to driving innovation that aligns with planetary boundaries and human dignity. With BESS at the core, we’re not just building technology—we’re shaping a sustainable future.



Providing innovative solutions for power and systems control

The Global Challenge: The Paradox of Renewable Energy Integration

The stability of electricity systems – the backbone of our homes, industries, and commercial activities – hinges on a delicate, moment-to-moment balance between power consumed and power produced. Any imbalance, or network fault, instantly triggers variations in frequency and voltage. Historically, these variations have been expertly managed by primary frequency and voltage regulation systems, critically supported by the kinetic inertia of large, conventional, and nuclear power generating units. This inertia, the ability of massive rotating generators to instantaneously absorb or release energy, has been fundamental in counteracting sudden frequency shifts.

However, the rapid and necessary global shift towards decarbonization has led to a massive penetration of renewable energy sources (RES), particularly solar and wind power. While immensely positive for the environment, these non-programmable sources are increasingly dominating the energy mix, especially during periods of low consumption (e.g., weekends, holidays) or high solar/wind output. This shift, while reducing our carbon footprint, is inadvertently depriving electricity grids of the vital kinetic inertia traditionally guaranteed by conventional generators, posing an unprecedented challenge to system stability and resilience.

The Stark Reality: Lessons from the Iberian Blackout

The vulnerabilities stemming from this reduction in grid inertia were starkly demonstrated by the significant blackout events that affected Spain and Portugal in January 2021 and April 2025. In 2021, the incident, triggered by a short-circuit fault and subsequent cascading effects, highlighted the critical lack of resilience in highly interconnected grids when faced with important transients and strong load variations, particularly in regions with massive renewable energy penetration. For the 2025 event, we are waiting the definitive report, but it is highly probable that the causes will be same (amplified by the enlargement of the RES in the Energy Mix). The 2021 event unequivocally underscores that while investing in renewable sources is essential and technically achievable, the energy transition demands meticulous planning. It is imperative to integrate "devices" into the electricity grid that can effectively compensate for the decommissioning of conventional synchronous generators and overcome the associated loss of inertia and fault current contributions. Without such proactive measures, the promise of a green energy future could be undermined by grid instability, leading to widespread disruptions and significant economic and social consequences.



Nidec's Contribution: Innovative Solutions for Grid Stability and Resilience

Nidec Conversion specializes in providing innovative power control and system solutions to industries and Electrical Utilities worldwide. With a deep commitment to the sustainability of the energy transition, Nidec offers a comprehensive suite of products and solutions specifically designed to enhance grid stability and accelerate the reduction of the global CO₂ footprint. Our solutions directly address the challenges posed by high-RES penetration, acting as essential "devices" to safeguard grid reliability.

Nidec's works to fortify electrical networks against the challenges of a renewable-dominated landscape including engineering and top-notch R&D solutions:

- **Synchronous Compensators (up to 80 MVar):** These sophisticated rotating machines leverage Nidec's consolidated experience in industrial applications. By providing crucial rotating inertia, they guarantee an important contribution to network stability. Furthermore, their sub-transient electromagnetic behaviour effectively supports short-circuit currents, ensuring the selectivity and timely operation of electrical protections. Designed for distributed installation on electrical networks (e.g., in 132-220kV voltage nodes), they offer fast delivery times, addressing urgent grid needs.
- **STATCOM Grid Following (up to +/- 150 MVar per single converter):** With response times on the order of a few milliseconds and the ability to be controlled separately on each phase, these devices ensure a prompt response to even unbalanced voltage variations. They can also compensate for power transit fluctuations, preventing dangerous degeneration of phenomena within the grid.
- **New Generation STATCOM Grid Forming (up to +/- 150 MVar and +/- 75 MW x 1.25s per single converter):** Building upon the capabilities of trusted grid-following STATCOMs, these cutting-edge solutions exploit energy stored (or storable) in supercapacitors. This enables them to provide a synthetic inertia that is comparable, if not superior, to that of conventional synchronous compensators, making them pivotal in maintaining grid stability in a low-inertia environment.
- **Ballast Load (+/- 40 MVar and -40 MW continuous):** These versatile devices function similarly to STATCOMs, contributing to grid voltage regulation, while also possessing the unique capability to compensate for sudden over frequency transients, enhancing overall system resilience.
- **Battery Energy Storage Systems (BESS):** Nidec Conversion has a proven track record, having installed BESS solutions totalling more than 3 GW (8 GWh) to date. These systems are cornerstone components for:
 - o **Bulk Energy Management:** Power Balancing, Peak Shaving, Load Levelling.
 - o **Ancillary Services:** Critical for grid stability, including Frequency Regulation, Voltage Support, and Spinning Reserve – functions traditionally performed by conventional generators.
 - o **RES Integration:** Time Shifting, Capacity Firming, and Smoothing of variable renewable output.



As renewable energy sources reshape the global grid, our advanced solutions — ranging from synchronous compensators to cutting-edge battery storage — are critical in maintaining grid stability and resilience.

By ensuring reliable integration of clean energy, we not only support decarbonization and climate action but also safeguard communities and industries from disruptions.

Our commitment to innovation and strategic partnerships empowers utilities worldwide to build the resilient, low-carbon energy infrastructure essential for a sustainable future.

Massimo Musolino
Nidec Conversion Vice President,
Power Systems



Nidec Conversion’s ESG Strategy

“Powering the change, Driving Sustainability”

While operating in a sector that is strategic for the ecological transition (providing advanced technological solutions for renewable energy and electrification) Nidec Conversion acknowledges that its own operations must also evolve sustainably. Nidec Conversion is therefore constantly investing in innovation to reduce the environmental impact of its production processes, optimize resource use, improve material circularity, and ensure increasingly safe and inclusive working conditions.

With this purpose, Nidec Conversion has established its own Sustainability Policy and “ESG Improvement Plan – Powering the change, Driving Sustainability”.

The Sustainability Policy and ESG Improvement Plan outline a comprehensive and measurable commitment to environmental, social, and governance responsibility. Nidec Conversion has set ambitious climate targets, including a 42% reduction in direct emissions by FY 2030 and full net-zero by FY 2040 in Scope 1 and 2, and by FY 2050 in Scope 3, supported by a transition to 50% renewable electricity by FY 2030. Resource conservation goals include a 33% reduction in water consumption by FY 2028 and the integration of circular economy principles to reduce product lifecycle impacts and waste. The policy also addresses biodiversity protection and conflict-free mineral sourcing through due diligence and transparency across the supply chain. From the Social point of view, Nidec Conversion prioritizes workplace safety, human rights in the value chain, community engagement, and equal opportunity. Governance mechanisms ensure accountability through a Code of Conduct, whistleblowing systems, and ongoing monitoring of sustainability performance, including third-party verification.

Our commitment to UN 2030 Agenda

For an international player in the energy and power conversion sector like Nidec Conversion, aligning the ESG Plan with the United Nations Sustainable Development Goals (SDGs) of the 2030 Agenda is both a natural and strategic choice. In an ever-evolving global context, the 2030 Agenda represents the primary shared framework for addressing environmental, social, and economic challenges worldwide. From this perspective, Nidec Conversion has identified the most relevant SDGs to its operations and value chain, translating them into specific targets that guide and shape the implementation of the company’s ESG plan. These goals serve not only as a foundation for defining priority actions but also as operational tools to transparently monitor and measure the progress made toward sustainable and responsible growth. You can find the details of our commitment to each SDGs in each ESG Improvement Plan table.

Nidec Conversion ESG Improvement Plan to Fiscal Year 2028

Environment

Dimension	SDGs	Description	Goal		
Nidec Conversion acts againsts climate change and guarantee a clean environment along the value chain.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND <tr><td>We're committed to create a sustainable future for our stakeholders, supporting industry to achieve their sustainability goals.</td><td></td><td> Maintain the deep committment to minimizing our environmental impact and promoting sustainability across all our operations and supply chain. Nidec dedication to environmental stewardship is reflected in our comprehensive approach to resource management, waste reduction, and energy efficiency. We actively work to reduce our carbon footprint by implementing innovative technologies and sustainable practices. In alignment with the European Sustainability Reporting Standards (ESRS), we ensure transparency and accountability in our environmental reporting, covering key areas such as climate change, biodiversity, and water management. </td><td> - Achieve net-zero by FY 2040 in Scope 1 and 2 and by FY 2050 in Scope 3 - Less 42% CO₂ Scope 1 and Scope 2 Emissions within FY 2030 (compared to FY 2022) - Less 25% CO₂ Scope 3 Emissions within FY 2030 (compared to FY 2022) 80 % supply chain pollutants assessed and under control </td></tr>	We're committed to create a sustainable future for our stakeholders, supporting industry to achieve their sustainability goals.		Maintain the deep committment to minimizing our environmental impact and promoting sustainability across all our operations and supply chain. Nidec dedication to environmental stewardship is reflected in our comprehensive approach to resource management, waste reduction, and energy efficiency. We actively work to reduce our carbon footprint by implementing innovative technologies and sustainable practices. In alignment with the European Sustainability Reporting Standards (ESRS), we ensure transparency and accountability in our environmental reporting, covering key areas such as climate change, biodiversity, and water management.	- Achieve net-zero by FY 2040 in Scope 1 and 2 and by FY 2050 in Scope 3 - Less 42% CO₂ Scope 1 and Scope 2 Emissions within FY 2030 (compared to FY 2022) - Less 25% CO₂ Scope 3 Emissions within FY 2030 (compared to FY 2022) 80 % supply chain pollutants assessed and under control
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Social

Dimension	SDGs	Description	Goal
Nidec Conversion ensures a culture based on Sustainability, Health and Safety, Innovation and equal opportunities along the entire value chain.	3 GOOD HEALTH AND WELL-BEING  5 GENDER EQUALITY  11 SUSTAINABLE CITIES AND COMMUNITIES  4 QUALITY EDUCATION  8 DECENT WORK AND ECONOMIC GROWTH  12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	We are committed to contribute to the well-being and development of Society. Nidec is dedicated to fostering a positive social impact through our operations and community engagements. Our commitment to social responsibility is evident in our efforts to promote health and safety, diversity, equity and inclusion within our workforce and our value chain, ensuring a supportive and respectful environment for all employees. We actively engage with local communities through various initiatives, including educational programs, sponsorships and partnerships. We transparently report on our social performance, covering key areas such as labor practices, human rights and community development.	• 100% Employees witnesses of our Nidec Culture • Zero injuries (FY 2028)

Governance

Dimension	SDGs	Description	Goal
Nidec Conversion maintains exemplary corporate governance through transparency, accountability and compliance to build stakeholder trust and deliver long-term value.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	We are committed to create long-term value for all our stakeholders. Nidec uphold the highest standards of corporate governance to ensure transparency, accountability, and ethical conduct in all our operations. Our governance framework is designed to foster trust and confidence among our stakeholders, including shareholders, employees, and customers. We adhere to the principles of good governance by maintaining a robust board structure, implementing effective risk management practices, and ensuring compliance with all relevant regulations. We provide comprehensive and transparent reporting on our governance practices, covering areas such as diversity, executive compensation, and stakeholder engagement.	• 100% transparency with a standardized reporting framework • Full stakeholder trust by implementing feedback-based actions with 15% measurable improvement.

Certifications

Certifications are a key tool for Nidec Conversion to ensure the reliability of its systems and production processes. Nidec Conversion currently holds the following management system certifications:



Environmental Management System
(Genoa, Montebello Vicentino,
Monfalcone, San Cipriano Picentino)

14001



Occupational Health and
Safety Management System
(for all the Italian and French plants)

45001



Anti-bribery Management System
(for all the Italian plants)

37001



Quality Management System
(for all company's Production Sites)

9001

These certifications demonstrate Nidec Conversion’s concrete commitment to complying with international standards on environmental sustainability and worker protection. Adherence to these standards reflects a corporate culture focused on prevention, continuous improvement, and social responsibility.

In addition to these certifications, Nidec Conversion states that it ensures its products comply with major international regulatory and technical requirements. The quality and safety of its solutions are therefore supported by a structured approach to environmental and occupational risk management -critical elements for operating in highly regulated, technologically advanced sectors.

Products

Nidec Conversion offers a wide range of electrification solutions, including:



Battery Energy Storage Systems (BESS)

Nidec Conversion’s BESS solutions are at the heart of the energy transition. Designed for utility-scale applications, they enable grid flexibility, renewable integration, and peak shaving. With high-efficiency inverters and smart energy management systems, our BESS technology reduces emissions, supports decarbonization, and promotes circularity through second-life battery applications and eco-design principles.



Power Systems (Power Quality & MV Drives)

Our Power Systems portfolio includes advanced grid stabilization technologies such as STATCOMs and synchronous compensators, as well as high-performance Medium Voltage Drives. These solutions enhance energy efficiency, reduce power losses, and extend asset lifecycles. By supporting renewable energy integration and minimizing infrastructure upgrades, they contribute directly to climate mitigation and resource conservation.



EV Chargers

Nidec Conversion supports sustainable mobility through scalable EV charging infrastructure. Our AC/DC fast-charging systems are designed for urban environments, fleets, and highway corridors, enabling the widespread adoption of electric vehicles. These solutions reduce transport-related emissions and align with global efforts to decarbonize mobility.



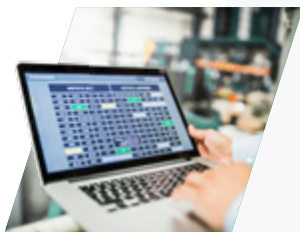
Products for Power Conversion

Our product range includes precision encoders and wind pitch systems that optimize turbine performance, low-voltage drives for industrial automation, and modular Power Conversion Systems (PCS) for energy management. Engineered for durability, reparability, and efficiency, these products reflect our commitment to eco-design and circular economy principles.



MV Motors

We offer a comprehensive selection of MV motors—synchronous and asynchronous—customized for industrial, marine, and renewable applications. Designed for long life and high efficiency, our motors reduce energy consumption and support electrification in demanding environments, contributing to lower carbon footprints and improved operational sustainability.



Service

Our Service division ensures long-term value across all business segments. Through preventive maintenance, digital monitoring, and retrofit programs, we extend equipment lifespans, reduce waste, and optimize energy performance. Our customer-centric approach, supported by digital platforms and safety-first culture, guarantees transparency, traceability, and ESG alignment throughout the service lifecycle.

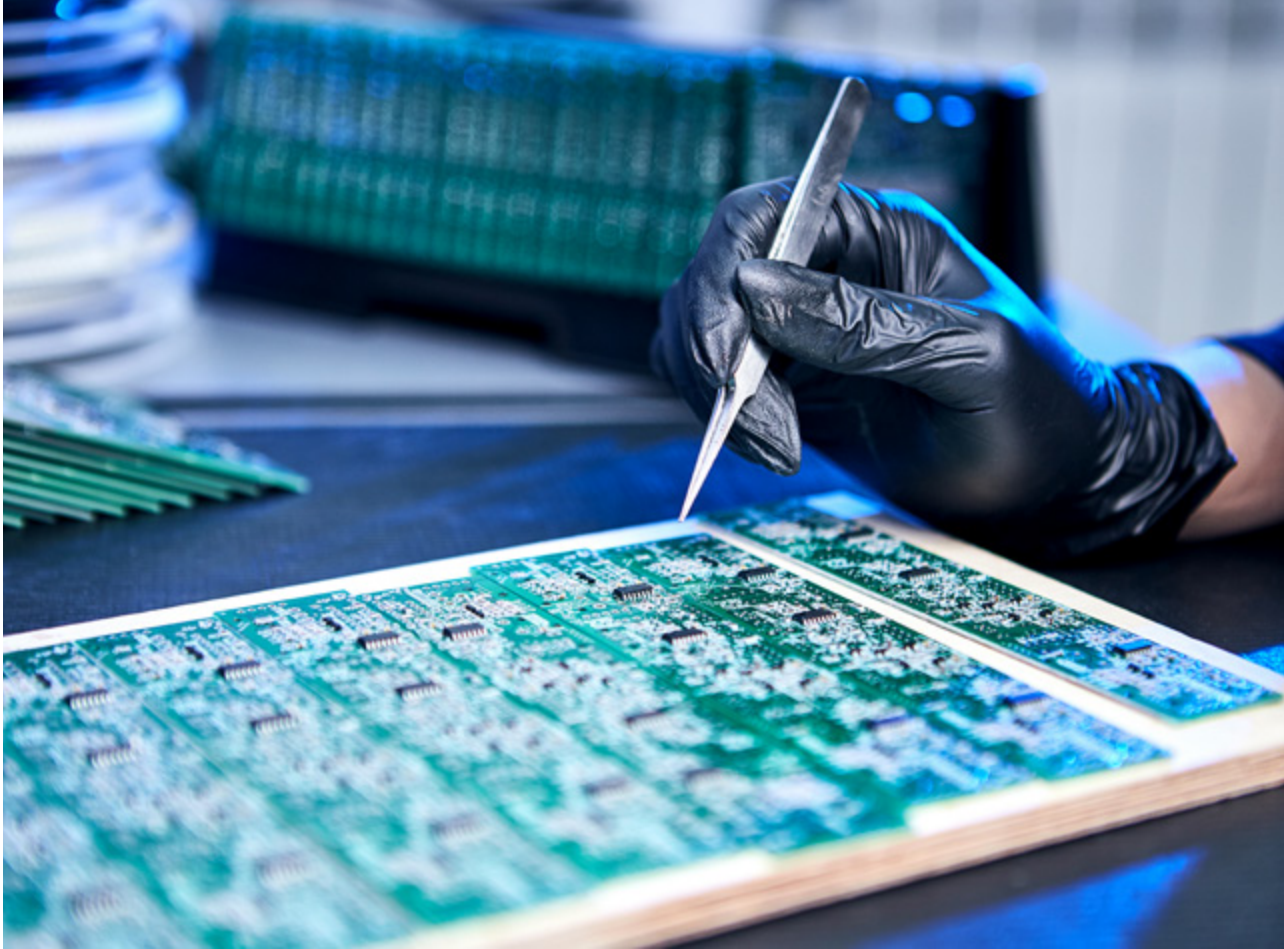
Nidec Conversion places the highest priority on ensuring product safety throughout all stages of its operations, including planning, development, design, manufacturing, sales, and post-sales support. Nidec Conversion is also firmly committed to adhering to all legally mandated safety standards and consistently aims to exceed those requirements to maintain ongoing compliance.



Markets and Clients

Nidec Conversion serves hundreds of clients worldwide, acting as a strategic partner across traditional and renewable energy sectors, petrochemical, steel, marine, and industrial automation industries. Its customer base includes major industrial operators and utilities seeking advanced energy conversion and control solutions, such as complete electrical systems, motors and generators up to 80 MW, power converters, automation software, and electric mobility infrastructure.

With deep expertise in energy efficiency technologies and renewable integration, Nidec Conversion actively supports its clients in their journey toward decarbonization and energy transformation.



Suppliers

Nidec Conversion, as a global provider of complete electrical systems, relies on a structured network of more than 3,000 qualified suppliers that support Nidec Conversion's operations across the various industrial sectors in which it operates.

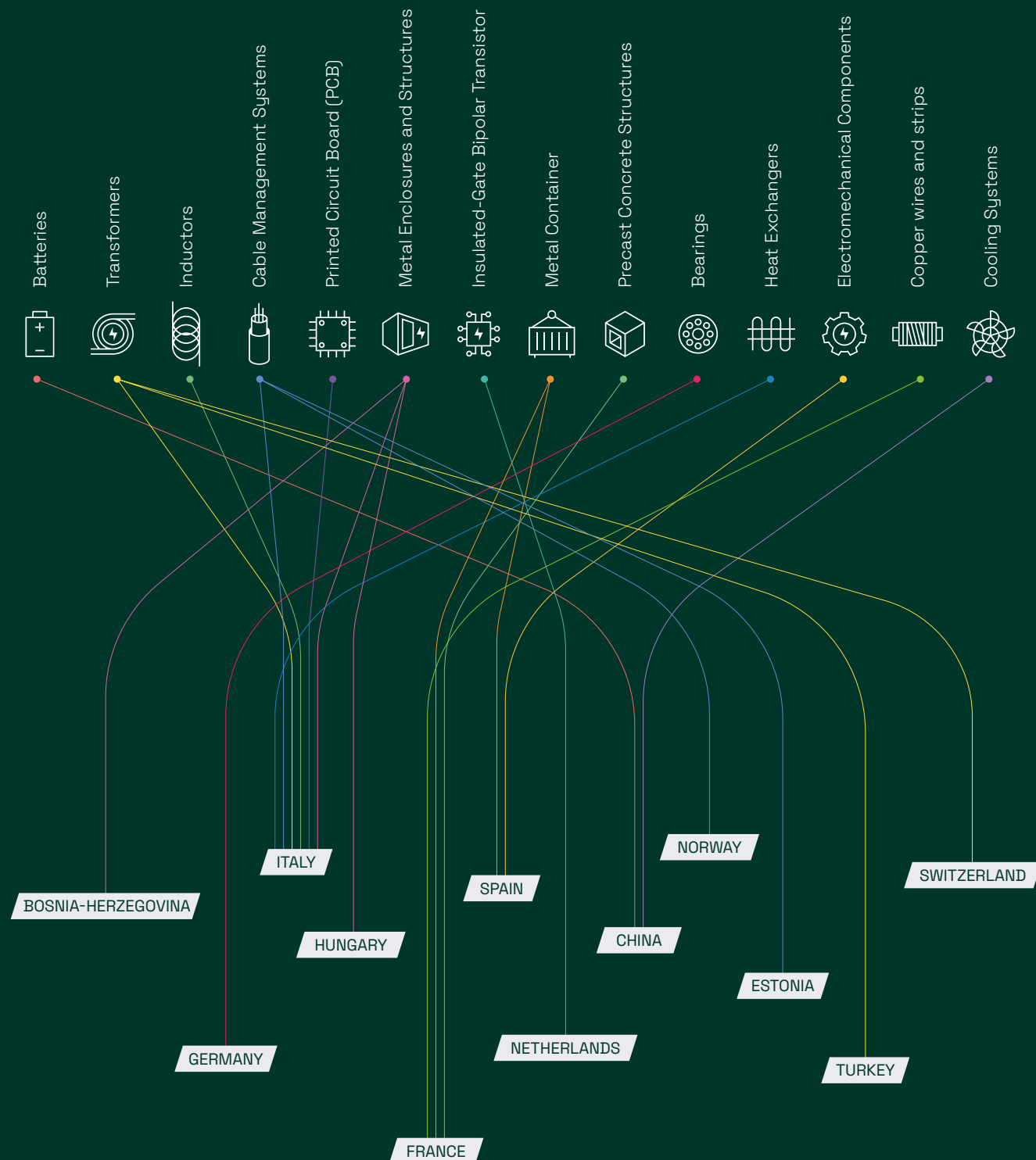
In particular, Nidec Conversion sources from:

- Manufacturers of electronic components and control systems, essential for the development of converters, inverters, and other high-efficiency electronic equipment;
- Suppliers of materials for the production of motors and generators, including copper, steel, and permanent magnets. In this area, the Nidec Group has established strategic partnerships with companies specialized in the production of rare earth magnets—materials critical for many high-tech industrial applications;
- Suppliers of systems and components for energy storage, crucial for the development

of Battery Energy Storage Systems (BESS) and for integrating renewable energy into the grid;

- Suppliers of software and industrial automation solutions, contributing to the development of intelligent, efficient, and interconnected systems.

Recognizing the critical role of our supply chain in achieving our sustainability goals, we have initiated a comprehensive mapping effort. To maximize the effectiveness of our initial engagements, we strategically focused on our key suppliers. In FY2024 we have successfully mapped and established a baseline understanding with our top 30 suppliers, representing over 50% of our annual procurement expenditure. This focused approach allows us to address the most material environmental and social impacts associated with our purchasing volume, setting a robust foundation for future expansion and deeper collaboration across our supply base.



While we prioritize sourcing from suppliers within the EU/EEA (~77 %), for specific critical components such as batteries, we currently depend on non-EU/EEA suppliers due to limited local availability. We are proactively working to identify and qualify alternative providers that align with our sustainability and supply chain resilience goals.

In line with the Group's sustainability policies, Nidec Conversion adopts responsible sourcing criteria, selecting suppliers who uphold the highest ethical, environmental, and social standards, and ensuring traceability of critical raw materials while avoiding those originating from

conflict-affected areas (as it will be described in the Governance chapter).

Furthermore, Nidec Conversion closely monitors developments in the regulatory framework related to sustainability and responsible sourcing at both European and international levels. Supplier selection is guided in part by the provisions of the EU Regulation on Critical and Strategic Raw Materials and the EU Battery Regulation, both introduced under the European Green Deal. These regulations place increasing emphasis on supply chain security, sustainable sourcing of materials, and circularity of components - principles that Nidec Conversion integrates into its supplier evaluation and qualification processes.

GOV-1

The role of the administrative, management and supervisory bodies

GOV-2

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

GOV-5

Risk management and internal controls over sustainability reporting

1.2 Corporate Governance

The ESG Committee is composed of Management Team, assisted by the ESG Core Team.

Management Team

Management Team oversees the management of sustainability-related impacts, risks, and opportunities, with the support of corporate function leaders who address these aspects within their areas of responsibility. It provides strategic direction for Nidec Conversion by establishing clear guidelines for General Management. These directives are then communicated and meticulously planned in collaboration with department managers to ensure effective execution.

- Nidec Conversion President & CEO
Nidec Energy platform President
Dominique Jacques Philippe Llonch
- Nidec Energy platform Vice President, Sales Area
Ghislain Boiteau
- Nidec Conversion Director, HSE & ESG
Simone Augusto Cascioli
- Nidec Conversion Manager, Strategic Business Development
Donato Guarracino
- Nidec Conversion Manager, Global Communication
Chiara Marchese
- Nidec Conversion HSE training Manager
Nazareno Piero Babudri

ESG Core Team

The ESG Core Team support the Management Team in implementing and monitoring Nidec Conversion's ESG Policy and ESG Improvement Plan.

- Nidec Conversion President & CEO
Nidec Energy platform President
Dominique Jacques Philippe Llonch
- Nidec Conversion Americas President
Ali Karvar
- Nidec Conversion Vice President, Energy Systems
Franck Girard
- Nidec Conversion Vice President, Power Systems
Massimo Musolino
- Nidec Conversion Vice President Service
Danilo Firpo
- Vice President Rotating Machines Products
Dominique Jacques Philippe Llonch (a.i.)
- Nidec Conversion Vice President, Power Conversions & e-mobility Products
Gilbert Khawam
- Nidec Conversion MD & NC India Leader
Edakkattu Kapuppall Sudeep
- Nidec Conversion General Counsel
Marco Andrea Ricotti
- Nidec Energy platform Vice President, Human Resources
Paola Giordano
- Nidec Conversion Chief Financial Officer
Paolo Ghidoli
- Nidec Conversion Director, Procurement
Riccardo Cercone
- Nidec Energy platform Vice President, Sales Area
Ghislain Boiteau
- Nidec Conversion Director, Quality
Paola Zanetti
- Nidec Conversion Director, HSE & ESG
Simone Augusto Cascioli
- Nidec Conversion Manager, Strategic Business Development
Donato Guarracino
- Nidec Conversion Senior Executive
Ichiro Shimizu
- Nidec Conversion China General Manager
Charles Ma
- Nidec Conversion Chief Technology Officer
Gianluca Postiglione

1.3 Nidec Conversion’s Stakeholders

SBM-2
Interests
and views of
stakeholders

Nidec Conversion embraces a constructive and ethical stance in its relationships with all stakeholders, considering this a key pillar of long-term sustainable development. Within this framework, proactively anticipating—and whenever feasible, fulfilling—stakeholder expectations is a core component of its engagement strategy.

Category of Stakeholders	Mode of involvement	Purpose of involvement	How the undertaking takes into account any feedback
Own work force	Dedicated meeting for Management Team, Stakeholder involved in Sustainability Report drafting, Sales & Project/Product Managers	To assess and engage	As part of Sustainability Policy & ESG Improvement Plan
Workers in the value chain	Whistleblowing Platform, HSE dedicated meetings for on-site contractors and subcontractors, QR Code Report System	To assess and engage	As part of Sustainability Policy & ESG Improvement Plan
Customers	ESG Survey	To assess their needs	To address their expectation within our ESG Policy & ESG Improvement Plan
Suppliers	Qualification process	To assess their response to our ESG expectations	Qualification report

1.4 Materiality Assessment

At Nidec Conversion level, a materiality assessment was conducted in accordance with the methodology defined by the European Sustainability Reporting Standards (ESRS), including “double materiality.” According to the double materiality approach, an impact may be considered material from an inside-out perspective - that is, in terms of Nidec Conversion’s effects on its stakeholders (impact materiality) - and/or from an outside-in perspective - that is, in financial terms (how ESG factors affect the Nidec Conversion’s operations and financial performance).

Thanks to this assessment, the relevant impacts, risks, and opportunities for Nidec Conversion have been identified, as illustrated below.

The process consisted of six phases:

- **Analysis of the Group’s internal context**, carried out through the completion of a detailed questionnaire together with the Group’s Sustainability Report representatives. This activity enabled the identification of the Group’s sustainability context and its value chain;
- **Analysis of the external context**, through a benchmark of competitors or companies in the same sector in terms of sustainability profiles, aimed at identifying key sustainability issues within the industry and positioning Nidec Conversion in relation to its peers;
- **Identification of a list of potential risks, opportunities, and impacts.** A pre-selected list—based on the activities carried out in phases 1 and 2 - was identified as being of primary relevance. A second list of impacts was then submitted for internal and external evaluation;
- **Assessment of the relevance of impacts** by the top management of Nidec Conversion (internal materiality analysis);
- **Assessment of financial materiality** by the CFO of Nidec Conversion;
- **Aggregation of results** and identification of Nidec Conversion’s risks, opportunities, and impacts.

For the assessment of impact relevance (phase 4), the following criteria were considered, as required by ESRS 1: **scale, scope, and irremediability**. All impacts were assessed over the short-term time horizon, with the aim of conducting a more thorough evaluation over the medium- and long-term in the coming years.

For the assessment of financial impacts, the criteria used were **severity** and **likelihood of occurrence**, considering two different time horizons: **short-term** and **medium- to long-term**.

A 1-to-5 scoring scale was used, where 1 indicates the lowest level of relevance and 5 the highest. The materiality threshold was set at 3.

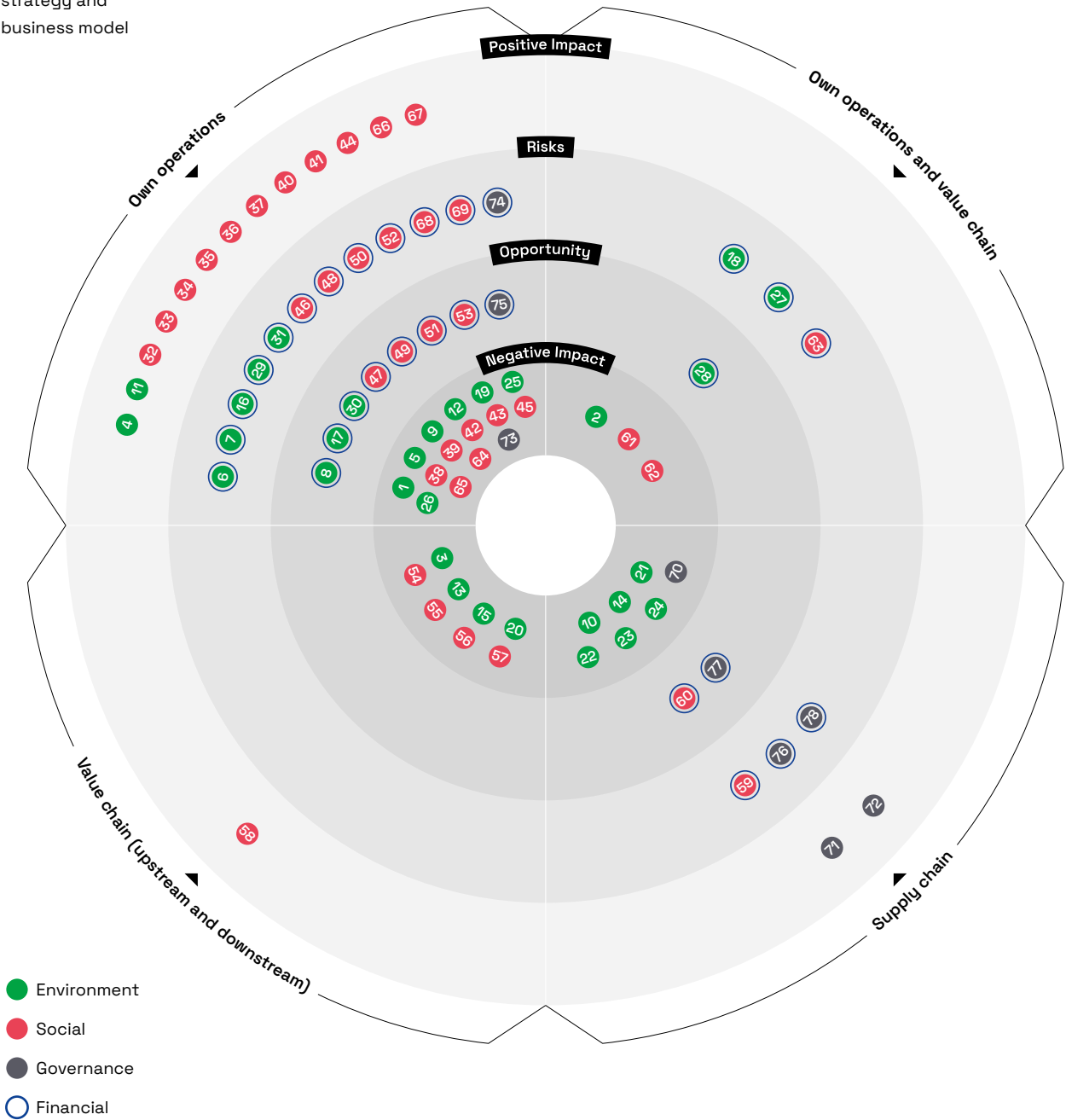
For Nidec Conversion, impacts, risks, and opportunities were selected from those deemed relevant for the Group, in line with the sector in which Nidec Conversion operates.

IRO-1
Description of
the processes
to identify
and assess
material impacts,
risks and
opportunities

1.4.1 Material impacts, risks and opportunities

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

The outcome of the materiality assessment process for Nidec Conversion is presented in the following diagram.



- 1 Climate change mitigation - Impact generated by the organization due to the use of fossil fuels that contribute to SCOPE 1 emissions (direct emissions)
- 2 Climate change mitigation - Impact generated by the organization due to the use of fossil fuels that contribute to SCOPE 2 emissions (indirect emissions)
- 3 Climate change mitigation - Impact generated by the organization's value chain contributing SCOPE 3 emissions (greenhouse gas emissions generated along the value chain)
- 4 Climate change mitigation - Production of technologies that contribute to the decarbonization of the energy sector
- 5 Energy - Energy consumption to perform the activities of Nidec Conversion
- 6 Economic impact related to cost variability related to energy supply - Higher energy costs
- 7 Economic impact related to the level of readiness in managing risks related to extreme weather events or other natural disasters that may affect the normal course of the organization's activities - Any damage to business infrastructure, disruptions in the value chain, or costs of restoration and adaptation
- 8 Opportunities related to an evolution of EU regulations extremely favorable to the industry - Investment in renewable energy and transition infrastructure such as power grids and energy storage
- 9 Air pollution - Atmospheric emissions other than GHG from production plants
- 10 Air pollution - Atmospheric emissions linked to raw material extraction activities
- 11 Air pollution - Production of technologies that contribute to the reduction of air pollution
- 12 Water pollution - Generation of industrial wastewater
- 13 Water pollution - Use of chemicals with risk profiles for water pollution along the value chain
- 14 Water pollution - Emissions of substances into water linked to raw material extraction activities
- 15 Soil pollution - Use of chemicals with risk profiles for soil pollution along the value chain
- 16 Economic impact related to possible litigation and/or need for action to comply with emission and discharge limits - Any damage to business infrastructure, disruptions in the value chain, or costs of restoration and adaptation
- 17 Economic impact related to possible litigation and/or need for action to comply with emission and discharge limits - Optimization of resource use (e.g., water and chemicals) leading jointly to impact abatement and reduced operating costs
- 18 Increase in raw material prices related to possible litigation and/or need for cleanup in relation to contaminated areas along the value chain - Higher raw material costs, intervention costs, and sanctions
- 19 Water consumption - Water consumption for carrying out Nidec Conversion's activities
- 20 Water consumption - Water consumption for carrying out the activities along the value chain
- 21 Direct impact drivers of biodiversity loss (Land-use change) and Impact on the extent and condition of ecosystems (Land degradation) - The extraction of raw materials causes significant environmental impacts, particularly through changes in land use. Materials extraction also degrades soil quality, undermining its productivity and contributing to the loss of natural habitats and biodiversity
- 22 Direct impact drivers of biodiversity loss (Pollution) - NIDEC Upstream is responsible for the pollution of air, water, natural environment, etc., which often comes from the nature of business, in this case mostly from the sourcing of raw materials. Long-term pollution to nature and improper waste management can negatively affect biodiversity in general terms and can cause extinction of certain species
- 23 Impact on the state of species (Species population size) - Extraction of raw material can potentially reduce species population size. This impact can occur due to land-use change
- 24 Impact on the extent and condition of ecosystems (Impact on ecosystems and populations of related fauna and flora) - Ecosystems and species could be potentially negatively affected during extraction of raw materials
- 25 Resource inflows, including resource use - Consumption of raw materials for the production of products
- 26 Waste - Production of waste and impact related to its management
- 27 Economic impact related to material traceability in the supply chain - Costs incurred in exercising controls along the value chain
- 28 Economic impact related to material traceability in the supply chain - Better oversight and knowledge of the value chain, selection of the most virtuous suppliers and ensuring greater stability of supply
- 29 Economic impact related to investments needed to comply with regulatory obligations under EU laws related to batteries and critical and strategic materials - In the short run, possibility of facing higher costs to replenish critical recovered materials
- 30 Economic impact related to investments needed to comply with regulatory obligations under EU laws related to batteries and critical and strategic materials - In the long run, lowering costs of materials that come from recovery
- 31 Economic impact related to the investment required to comply with regulatory requirements for product packaging - Higher cost of procurement of recyclable materials
- 32 Secure occupation - Guarantee of secure employment

- 33

Internal dialogue - Transparent and fruitful dialogue between employees and the organization
- 34

Internal dialogue - The organization's ability to provide its employees with social protection against loss of income (illness, injury, leave, unemployment, retirement)
- 35

Work-life balance - Balance between the professional and private lives of the employees
- 36

Work-life balance - Creating a culture of health between the employees that goes beyond work-related aspects (e.g. health monitoring and prevention of risks not related to work activities)
- 37

Adequate salary - Adequate salary considering the national economic and social conditions
- 38

Health and Safety - Compromising the health and safety of employees
- 39

Health and Safety - Negative impact on the psychophysical state of the workforce generated by a non-optimal work organization and personnel management
- 40

Training and skills development - Updating employees' knowledge and skills through corporate development and training plans
- 41

Training and skills development - Contribution to the valorization of diversity and inclusion in Nidec Conversion through the implementation of specific training projects/paths
- 42

Diversity - Incidents of discrimination based on gender, age, sexual orientation, ability, ethnic origin, nationality, political opinions and religious beliefs in the workplace
- 43

Gender equality and equal pay for work of equal value - Disparity in remuneration and career progression
- Gender equality and equal pay for work of equal value - Contribution to female empowerment and the professional growth of new generations
- 45

Measures against violence and harassment in the workplace - Negative impact on the psychophysical state of employees generated by the organization's inability to prevent harassment in the workplace (e.g. verbal violence, physical violence, stalking, mobbing, etc.)
- 46

Economic impact related to the organization's inability to attract or retain a qualified workforce by ensuring a good level of satisfaction for its employees (development and training plans, work-life balance, adequate salary, etc.) - Risk of losing employees and consequently efficiency, knowledge and a good working environment
- 47

Economic impact related to the organization's ability to attract or retain a qualified workforce by ensuring a good level of satisfaction for its employees (development and training plans, work-life balance, adequate salary, etc.) - Ability to retain its best employees and attract excellence from outside
- 48

Economic impact in terms of resource attractiveness related to the level of upgrading employees' knowledge and competencies - Lack of an excellent development program drives away talent
- 49

Economic impact in terms of resource attractiveness related to the level of upgrading employees' knowledge and competencies - Excellent training program helps attract talent
- 50

Economic impact regarding how work-related injuries and illnesses are handled - Risk of occurrence of serious accidents that could jeopardize the proper conduct of business and the reputation of the group
- 51

Economic impact regarding how work-related injuries and illnesses are handled - Few and light injuries help the proper performance of activities
- 52

Economic impact related to the risk of discrimination occurring within Nidec Conversion resulting in possible payment of compensation and loss of attractiveness to new workers - Cases of discrimination undermine corporate reputation and can lead to lawsuits
- 53

Economic impact related to the risk of discrimination occurring within Nidec Conversion resulting in possible payment of compensation and loss of attractiveness to new workers - A company without discrimination cases strengthens its ethical profile
- 54

Health and Safety - Impact on the safety of upstream workers in the value chain with reference to risks that develop during the extraction of raw materials
- 55

Health and Safety - Impact on the safety of downstream workers in the value chain with reference to risks that develop during the installation and maintenance of the final product (e.g. risk of fire, explosion and release of toxic gases from storage batteries)
- 56

Health and Safety - Negative impact on the psychophysical state of the workforce in the value chain generated by a possible non-optimal organization of work and personnel management
- 57

Human rights - Impact on the issue of respect for human rights for workers in the value chain (particularly in the supply chain)
- 58

Training and skills development - Contribution to the updating of workers' skills along the value chain
- 59

Economic impact regarding working conditions (safety, respect for rights) of workers of the value chain (with special reference to workers involved in raw material extraction) - Possible penalties, closure of non-compliant suppliers' activities and termination of business relationships, loss in reputation
- 60

Economic impact regarding working conditions (safety, respect for rights) of workers of the value chain (with special reference to workers involved in raw material extraction) - Lack of accidents strengthens the group's business and ethical profile
- 61

Safety impacts - Impact on the safety conditions of communities living near raw material extraction areas
- 62

Safety impacts - Potential impact on the safety conditions of communities living in proximity to production plants (fires, chemical release, bad odors, etc.)
- 63

Economic impact related to non-compliance with legally required controls regarding risk management - Possible sanctions and loss of reputation

- 64

Health and Safety - Impact on the safety of the end user with reference to the risks that develop during the use of the product (e.g. risk of fire, explosion and release of toxic gases from storage batteries)
- 65

Privacy - Impact of digital services in terms of data privacy and cyber security (data loss, breach and/or leakage incidents)
- 66

Access to quality information - Facilitating access to quality information thanks to processes and technologies that allow full traceability of the product
- 67

Product performance - Improving the performance of the final product
- 68

Economic impact regarding a situation of customer dissatisfaction - Need to provide for management and resolution of the problem, as well as deterioration in the perception of product quality
- 69

Economic impact concerning the compromise of confidentiality/integrity/availability of customers' personal data related to information systems - Possible sanctions and loss of customer trust
- 70

Supplier relationship management, including payment practices - Negative economic impacts on SME suppliers due to inadequate payment practices (delays)
- 71

Supplier relationship management, including payment practices - Impacts on the sustainability of suppliers to verify compliance with the social and environmental criteria followed for their selection
- 72

Supplier relationship management, including payment practices - Positive economic impact due to the stability of supply contracts
- 73

Active and Passive corruption - Negative impacts on stakeholders resulting from illicit behavior or behavior in conflict with internal code of conduct or internal regulations, with particular reference to episodes of active and passive corruption (loss of trust by customers and employees)
- 74

Economic impact concerning the consequences of non-compliance with regulations and requirements specified by the Public Administration and ethical conditions of business - Legal disputes, reputational damage
- 75

Economic impact concerning the consequences of non-compliance with regulations and requirements specified by the Public Administration and ethical conditions of business - Strengthening ethical profile improves corporate image and work environment
- 76

Economic impact in relation to supply chain sustainability - Uncertainty about the quality of supplies, verification of certifications
- 77

Economic impact in relation to supply chain sustainability - Supply chain management for a fully sustainable business even in the eyes of the clients
- 78

Economic impact with regard to possible delays and/or higher costs (energy transition theme, geopolitical risks) - Uncertainty about the cost and timing of supplies



1.5 The Criteria for Drafting the Sustainability Report

The Sustainability Report of Nidec Conversion has been prepared with reference to the ESRS Standards, issued by EFRAG. As previously mentioned, this is a voluntary document. Nidec Conversion has chosen to release a standalone report, separate from the Management Report. This choice also reflects Nidec Conversion’s communication objectives toward its stakeholders.

The ESRS Standards were selected based on the double materiality analysis described in section “1.4 Materiality Assessment.” Any limitations in data scope or methodology are specified within the individual sections dedicated to each relevant ESRS Standard. Data points related to GHG emissions (Scope 1 and 2) are based on the GHG Protocol. The report contains information as of 31th March 2025. Where possible, data for the Fiscal Year 2023 (baseline year) is also provided, to enable comparison of the reported data points. With regard to material impacts, risks, and opportunities, current and anticipated financial effects have not been described (SBM – 3 Material impacts, risks and opportunities and their interaction with strategy and business model, paragraph 48.b).

No information relating to intellectual property, know-how, or outcomes of the innovation process has been omitted from this Sustainability Report.

BP-1
General basis
for preparation
of sustainability
statement

BP-2
Disclosures
in relation
to specific
circumstances



2. Environment

SBM-3

The Material impacts, risks and opportunities and their interaction with strategy and business model

The industrial sector is increasingly shaped by the environmental challenges of our time, and Nidec Conversion operates within a context in which issues such as climate change, energy use, pollution, resource consumption, and biodiversity loss are not only environmental concerns but strategic business variables. As a manufacturer, Nidec Conversion is intrinsically connected to these dynamics, both through its internal operations and its positioning along complex and global value chains.

Climate change and energy consumption are critical challenges for the manufacturing sector, which is inherently energy-intensive and faces increasing pressure from regulators, customers, and financial markets to reduce emissions. Nidec Conversion addresses these challenges by integrating climate considerations into its strategic planning, committing to clear decarbonization targets, and embedding energy efficiency across its production processes. Beyond mitigating its environmental footprint, Nidec Conversion plays a proactive role in the global energy transition by developing and supplying advanced technologies that are essential for decarbonization efforts, including Battery Energy Storage Systems (BESS), smart microgrid solutions, high-efficiency electric motors, and electric vehicle charging infrastructure. These solutions not only enhance the efficiency of energy use but also facilitate the integration of renewable energy sources into the grid, thereby supporting the broader shift towards a low-carbon economy.

This dual approach, reducing internal emissions while enabling external sustainability, positions Nidec Conversion as both a responsible manufacturer and a key contributor to the advancement of clean energy technologies. By aligning its operations and innovations with global climate goals, Nidec Conversion reinforces its commitment to environmental stewardship and long-term competitiveness.



Environmental aspects such as air and water pollution, as well as the use of hazardous substances, interact more directly with Nidec Conversion's day-to-day industrial operations.

Although Nidec Conversion's core production activities are not high-emission processes, the use of auxiliary substances like lubricants, adhesives, and coatings requires careful management to prevent local environmental risks and ensure regulatory compliance.

In addition, several upstream processes, such as metal refining, component manufacturing, and electronics assembly, are associated with significant pollutant emissions, wastewater discharge, and hazardous waste generation. While Nidec Conversion does not currently monitor these impacts systematically across its value chain, it is aware of the potential environmental burdens linked to its supply chain and is beginning to explore ways to integrate these considerations into its procurement practices.

While water resources are not a critical input for Nidec Conversion’s core processes, they are used in some auxiliary activities and are increasingly recognized as resources that require responsible management. In this perspective, Nidec Conversion monitors its consumption and promotes an efficient use of the resource. Although Nidec Conversion does not yet assess water-related risks across its supply chain, it acknowledges that water availability and quality may represent relevant environmental aspects in certain upstream sectors or regions.

As part of its broader commitment to responsible resource management, Nidec Conversion is exploring how to better address these impacts.

The theme of biodiversity, although still emerging within Nidec Conversion’s sustainability approach, intersects with multiple environmental and operational aspects, from land use and infrastructure siting to raw material sourcing, consequently it has been formally included in the ESG Policy and ESG Improvement Plan – adopted in FY 2025. These documents set out a series of commitments and objectives that will guide future efforts to address biodiversity-related impacts, both within Nidec Conversion operations and across the value chain. The integration of this theme reflects a growing awareness of its strategic relevance and Nidec Conversion’s intention to progressively expand the scope of its environmental responsibility.

Equally relevant is the relationship between the business and the consumption of raw materials and the generation of waste. The industrial nature of Nidec Conversion’s operations requires the use of materials such as metals, plastics, electronic components, and packaging materials, all of which carry environmental implications throughout their life cycle. For this reason, Nidec Conversion promotes a circular economy approach aimed at improving material efficiency, reducing waste, increasing product durability, and supporting recycling. These principles not only reduce pressure on natural resources but also enhance supply chain resilience and regulatory alignment, particularly in the context of EU policies on eco-design, critical raw materials, and extended producer responsibility.

These environmental themes are fully integrated into Nidec Conversion's ESG Policy and ESG Improvement Plan, which were adopted at the beginning of FY 2025 with the aim of building a sustainable future for Nidec Conversion and its stakeholders. In this context, Nidec Conversion reaffirms its strong commitment to minimize environmental impact and promote sustainability across its own operations and throughout its supply chain. Furthermore, in line with the Corporate Sustainability Reporting Directive principles, the policy and the ESG Improvement Plan ensure transparency and accountability in environmental reporting, addressing all key environmental areas: climate change mitigation and adaptation, energy consumption, pollution, use of hazardous substances, water management, biodiversity, and the sustainable use of resources.

Nidec Conversion's environmental strategy is also closely aligned with the broader vision of the Nidec Group, which recognizes environmental responsibility as an integral part of producing industrial solutions.



The Group promotes robust environmental management systems and prioritizes the reduction of emissions, energy use, water intake, solid waste, and effluents.

It encourages pollution prevention at the source, resource optimization, recycling, and the development of long-life products that are easier to disassemble and reuse. Measures are also taken to reduce the use of natural resources, minimize packaging, and simplify resource recovery and part reuse. Furthermore, the Nidec Group's strategy ensures full compliance with all relevant environmental permits and reporting obligations and regularly communicates its progress to stakeholders to foster transparency and trust.

In this integrated perspective, environmental topics are not peripheral to Nidec Conversion's business model, they shape strategic direction, influence operational practices, and affect relationships with customers, suppliers, and communities. Nidec Conversion's sustainability strategy is therefore designed to manage environmental impacts and emerging risks, and transform ecological responsibility into a driver of innovation, resilience, and long-term value creation.

2.1 Energy and Climate Change

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

Climate change represents one of the most pressing global challenges of our time, with far-reaching consequences for ecosystems, economies, and human well-being. It is driven primarily by greenhouse gas (GHG) emissions resulting from the combustion of fossil fuels, land use changes, and energy-intensive industrial processes. Among these, the manufacturing sector plays a significant role, as it is among the most energy-intensive sectors globally and contributes to climate change both directly through fuel use, and indirectly, for example by electricity consumption and upstream and downstream logistics.

In recent years, increased scientific consensus, regulatory initiatives, and stakeholder expectations have led to growing pressure on companies to take responsibility for their carbon footprint and to align with global climate targets. Frameworks such as the Paris Agreement and the European Green Deal have accelerated the need for deep decarbonization, energy efficiency, and the transition to renewable sources across all sectors. In this framework, Nidec Conversion recognizes the responsibility of industrial players to actively contribute to climate mitigation and energy transition.

Nidec Conversion's operations involve electricity and thermal energy usage for production, with corresponding emissions that fall under Scope 1 and 2 categories.

Beyond this, Nidec Conversion is also aware of the climate implications embedded in its value chain, ranging from high-impact suppliers involved in metal processing and electronics, to downstream applications where its technologies may support energy-intensive systems.

Acknowledging these challenges, Nidec Conversion committed to achieve significant reductions in its GHG emissions, and to improve the energy performance of its facilities and products. To address this, energy management systems and decarbonization strategies are being deployed, including ISO 50001 implementation, energy efficiency programs, and a gradual shift toward renewable electricity.

Nidec Conversion is determined to play an active role in the transition toward a low-carbon industrial model. Through clear targets, structured initiatives, and ongoing improvements in energy and emissions management, Nidec Conversion aims not only to reduce its direct and indirect climate impact, but also to enhance its resilience in a rapidly evolving regulatory and environmental landscape.



2.1.1 Climate change mitigation and adaptation: strategy and policy

E1-1
Transition plan
for climate
change
mitigation

Nidec Conversion is committed to sustainable development in all aspects of its operations. This commitment is formalized in Nidec Conversion’s Sustainability Policy and in the ESG Improvement Plan, adopted at the beginning of FY 2025, which integrates environmental, social, and governance (ESG) priorities into strategic and operational decision-making.

E1-2
Policies related
to climate
change
mitigation and
adaptation

The policy and the ESG Improvement Plan apply to all Nidec Conversion and its subsidiaries’ activities, including the design, manufacturing, and marketing of products. They encompass all production sites worldwide, and the entire value chain, from raw material sourcing to end-of-life product management. Furthermore, they extend to all geographic areas where Nidec Conversion operates or maintains business partnerships, and involve all stakeholder groups, including employees, suppliers, customers, and shareholders.

The implementation of the ESG policy and of the ESG Improvement Plan is overseen by the CEO of Nidec Conversion together with the Management Team, which act as Nidec Conversion’s Sustainability Committee. This governance structure ensures that sustainability objectives are effectively embedded into corporate strategy, operational practices, and continuous improvement processes.

Nidec Conversion ensures that the policy and the ESG Improvement Plan will be widely accessible and clearly communicated. It will be published on the corporate website in all relevant languages, included and distributed to all employees during onboarding and through ongoing training. The documents will be also shared with suppliers and business partners within contractual frameworks, presented in community engagement forums, reviewed periodically, and made available to authorities and certification bodies upon request. Feedback will be actively collected through annual stakeholder surveys, digital feedback channels, supplier reviews, community consultations, and local sustainability committees at each production site.



Through the policy and the ESG Improvement Plan, Nidec Conversion has defined a structured and measurable approach to both climate change mitigation and adaptation, as well as to energy efficiency and renewable energy deployment. Nidec Conversion is committed to reduce its environmental footprint and contribute to the decarbonization of industrial value chains, in line with international targets and scientific recommendations.

As part of its mitigation strategy, Nidec Conversion has set a series of targets, outlined in detail in the following section, aimed at achieving net-zero Scope 1 and 2 emissions by 2040, and net-zero Scope 3 emissions by 2050.

To support this transition, actions include improving energy efficiency across all facilities, increasing on-site renewable energy generation, entering Power Purchase Agreements for green electricity, and engaging employees in decarbonization efforts. Product development processes will increasingly integrate life cycle assessments and low-impact design principles to minimize the carbon footprint across the full life cycle. Additionally, Nidec Conversion will start the transition of its corporate vehicle fleet to electric mobility.

Adaptation to climate risks is another key pillar of the strategy. Nidec Conversion is committed to develop site-specific adaptation plans, integrate climate resilience into new facility design, and define business continuity strategies for climate-related scenarios. These goals are supported by concrete measures such as physical adaptation interventions at high-risk locations, water conservation and flood protection infrastructure, and protocols to manage heat stress.

Energy efficiency plays a key role in climate mitigation. Nidec Conversion aims to implement ISO 50001 Energy Management Systems at its main sites, optimize production processes, integrate efficiency criteria into product design, and conduct regular energy audits to guide continuous improvements. Measures include real-time monitoring, energy performance contracts, and employee engagement through dedicated training and awareness programs.

Finally, in terms of renewable energy, Nidec Conversion targets a 50% share of renewable electricity in the electricity used by FY 2030. It will be reached by promoting the adoption of solar systems, participating in renewable energy certificate programs, and collaborating with utilities and suppliers to accelerate the decarbonization of the grid and of its own value chain.

This policy and the ESG Improvement Plan are fully aligned with the CSR Declaration of the Nidec Group, which sets the overarching direction for all subsidiaries. The Group keeps track of its energy consumption and greenhouse gas emissions, and promotes continuous improvements in energy efficiency as a core component of its climate strategy.

Through this integrated and group-aligned policy, Nidec Conversion reaffirms its contribution to climate action, energy transition, and the creation of a more sustainable and resilient industrial system.

Interview with Massimo Musolino

Nidec Conversion Vice President, Power Systems



Introduction

We asked Massimo Musolino, Nidec Conversion Vice President, Power Systems, how the evolution of drives supports the ecological transition.

How do Nidec drives concretely contribute to reducing energy consumption and CO₂ emissions in energy-intensive industrial sectors?

Nidec drives, particularly medium-voltage converters, play a crucial role in optimizing energy efficiency across industrial and infrastructure facilities, making a concrete contribution to reducing energy consumption and CO₂ emissions in energy-intensive sectors. Designed from the outset to operate at peak efficiency, both in low and medium voltage applications, these devices significantly reduce energy losses and improve the overall performance of the systems in which they are integrated.

In the broader context of industrial and transport electrification, the combination of advanced conversion technologies and high-performance electric motors enables the replacement of steam and gas turbines in a wide range of applications. This is made possible by the high-power density and broad frequency operating range of Nidec converters, which typically cover frequencies from 0 to over 200 Hz.

Another important contribution to decarbonization comes from the use of variable frequency drive technology in the electrification of port infrastructure. Our converters supply on-board services of docked vessels at standardized frequencies (50/60 Hz), eliminating the need for diesel generators while in port, thereby reducing both local emissions and noise pollution. Finally, when configured as STATCOM (Static Synchronous Compensator), Nidec converters actively contribute to the stabilization of the electrical grid. In this mode, they improve voltage profiles, enhance active power transfer, and support the integration of intermittent renewable energy sources, strengthening the overall resilience and flexibility of the power system.

How do you integrate sustainability throughout the entire life cycle of your drive system, from design and production to use, and what strategies do you adopt to extend their lifespan and reduce their overall environmental impact?

Sustainability is a guiding principle embedded throughout the entire life cycle of our drive systems, starting from the design phase. From the outset, we apply strict criteria in material selection, prioritizing environmentally friendly options and avoiding hazardous substances, in full compliance with RoHS regulations. Our drives are engineered to ensure maximum energy efficiency even under varying load conditions and complex operating environments. Their modular design facilitates maintenance, upgrades, and the replacement of individual components, helping avoid the need to replace entire systems. The production phase is equally focused on efficiency and environmental responsibility. At our Cinisello Balsamo site, for instance, the introduction of photovoltaic systems and intelligent automation of auxiliary factory systems, such as low-consumption lighting and efficient heating and cooling, has led to a substantial reduction in energy use, decreasing from over 1 GWh to about 350 MWh per year. Test rooms are equipped with frequency converters, and cooling systems are optimized to minimize waste.

Special care is also taken in managing manufacturing waste and implementing comprehensive recycling practices.

During the operational phase, we actively promote preventive maintenance programs with our customers to ensure optimal performance and extend the useful life of the equipment. Although we currently do not manage the disposal or recycling of systems, partly due to the non-recyclable nature of some components, our focus on durability and modularity helps reduce the need for premature replacements, enabling a more sustainable use of resources.

■ How do the new generations of Nidec drives contribute to improving operator safety and well-being? What guarantees do you offer in this regard?

The new generations of Nidec Conversion drives make a significant contribution to operator safety and well-being, particularly in today's increasingly automated and complex industrial environments. Medium-voltage converters, in particular, are designed according to strict international standards that govern not only electrical and mechanical performance, but also functional safety requirements. Growing attention to personnel protection has led to important advancements in our systems, including the integration of both passive and active safety devices.

Some families of converters are certified according to arc-proof standards, confirming that their enclosures can contain an internal arc fault and prevent it from spreading externally. This certification is critical for safeguarding workers operating near the equipment. However, operator protection also depends on technical training and strict adherence to the operational procedures provided in our documentation.

On the production side, increasing power ratings and equipment size have required a re-design of our engineering strategies, with the introduction of modular architectures that simplify assembly, maintenance, and handling operations. At the same time, safety measures have been reinforced in the manufacturing and testing phases through:

- The use of certified lifting systems sized for the specific weights involved
- The implementation of physical barriers and interlock systems in high-voltage test areas
- Systematic verification of all protection functions, including switches, surge arresters, and temperature and pressure sensors
- The adoption of documented procedures and continuous training programs for technical personnel

These measures enable Nidec Conversion drives to ensure high safety standards throughout the entire product life cycle, supporting compliance with current health and safety regulations such as ISO 45001, IEC 62271-200, and IEC 61800-5-1.



2.1.2 Climate change mitigation and adaptation: action and targets

E1-3
Actions and resources in relation to climate change policies

E1-4
Targets related to climate change mitigation and adaptation

Nidec Conversion kicked off its Sustainability Communication Campaign for FY2025 by releasing its ESG Sustainability Policy and ESG Improvement Plan which defines a structured climate and energy strategy aimed at reducing Nidec Conversion’s environmental impacts and contributing to global decarbonization efforts. The policy and the ESG Improvement Plan – Powering the change, Driving Sustainability set out ambitious general targets: a 42% reduction in absolute Scope 1 and 2 greenhouse gas (GHG) emissions and a 25% reduction in Scope 3 emissions by FY 2030, both compared to the FY 2022 baseline. Nidec Conversion also aims to achieve net-zero Scope 1 and 2 emissions by FY 2040 and net-zero Scope 3 emissions by FY 2050. In addition, Nidec Conversion aims to source 50% of its electricity from renewable sources by FY 2030. The following table outlines the specific goals and actions established to support the achievement of these long-term objectives.

Dimension

Nidec Conversion acts against climate change and guarantees a clean environment along the value chain.

Commitment

Nidec maintains the deep commitment to minimizing our environmental impact and promoting sustainability across all our operations and supply chain. Nidec dedication to environmental stewardship is reflected in our comprehensive approach to resource management, waste reduction, and energy efficiency. We actively work to reduce our carbon footprint by implementing innovative technologies and sustainable practices. In alignment with the European Sustainability Reporting Standards (ESRS), we ensure transparency and accountability in our environmental reporting, covering key areas such as climate change.

Goals

- Achieve net-zero by FY 2040 in Scope 1 and 2 and by FY 2050 in Scope 3
- Less 42% CO₂ Scope 1 and Scope 2 Emissions within FY 2030 (compared to FY 2022)
- Less 25% CO₂ Scope 3 Emissions within FY 2030 (compared to FY 2022)

Area of development	Actions	FY 2028 Targets	Reference SDGs
Climate Change mitigation	Implement a Carbon reduction Roadmap across the organization and the supply chain, keeping KPIs under control (Scope 1, 2 and 3 CO ₂ Emissions).	Scope 1, 2 and 3 CO ₂ emission reduction aligned with FY 2030 goals	13.2
		100% Main Tier 1 Suppliers CO ₂ emissions under control	13.2
		80% production sites certified ISO 14001	13.2
		80% production sites certified ISO 50001	13.2
		100% carbon footprint assessment of our plants	13.2
		10% Offset processes	13.2
	Conduct feasibility studies for on-site renewable energy installations and keep under control existing renewable power systems.	100% sites assessed for renewable power systems installation	7.2
	Develop power purchase agreements (PPAs) with renewable energy providers.	50% renewable energy procurement	7.2
	Start the transition of company vehicles to electric.	- 30 % electric / hybrid company cars - 10% hybrid technical vehicles	11.2
	Optimize technician routes of Service Activities and maintain the policy of hiring local staff, ensuring faster customer service.	20% CO ₂ emissions for business trips saved	13.2
Climate Change adaptation	Increase the number of remote diagnoses in the Service Activities to reduce unnecessary travels.	20% increase compared to FY25 baseline of remote diagnostics	13.2
		Improve employee carbon awareness and implement CO ₂ reduction training programs.	Improved energy efficiency across all manufacturing facilities 7.3
Customers awareness	Climate Change adaptation	• Develop site-specific climate adaptation plans • Incorporate climate resilience in new facility designs • Develop business continuity plans addressing climate-related risks	• 100% high-risk sites assessed on physical adaptation measures • Heat stress management protocols implemented 13.1
	Further improve communication and monitoring of environmental impacts of our products through environmental analysis and certification (e.g., EPD, product LCA).	50% LCA and EPD of our main products lines	12.2
		Develop awareness initiatives for the customers and the community on the environmental impact of our products and their responsible use (i.e. how many ton CO ₂ the Customer will not emit by using our products for the planned life)	100% customers informed on ESG topics of the product 12.6
		100% Products with usage-phase carbon footprint	12.2



Transition to 100% sustainable electric energy

As part of its broader decarbonization and energy transition strategy, Nidec Conversion has undertaken concrete steps to reduce its energy consumption and associated greenhouse gas emissions. Nidec Conversion’s approach combines systematic energy audits, the deployment of renewable energy systems, and long-term sourcing of certified green electricity, laying the foundation for a more sustainable and resilient energy model. While reducing our carbon footprint, is inadvertently depriving electricity grids of the vital kinetic inertia traditionally guaranteed by conventional generators, posing an unprecedented challenge to system stability and resilience.

Understanding Energy Consumptions: A starting point for a sustainable journey

In FY2024, Nidec Conversion launched a structured energy audit program across two key sites to assess energy consumption patterns and identify improvement opportunities. A preliminary analysis was followed by in-depth audits, including on-site inspections and system evaluations covering heating, cooling, lighting, and operational equipment. Monfalcone, representing approximately 57% of total corporate energy use, was selected as the primary site for electromechanical manufacturing, while Montebello Vicentino served as a sample location for electronic manufacturing, representing other global sites such as Qingdao, Brooklyn Heights, Cinisello Balsamo, Salzbergen, Roche-la-Molière, and Chennai. In Monfalcone, a real-time electric energy monitoring system was installed to enhance data precision and support continuous optimization.

Renewable Energy Adoption: Improve the auto-production of energy

Nidec Conversion has also invested in expanding its photovoltaic (PV) capacity to reduce dependency on external energy sources and lower its carbon footprint. In Cinisello Balsamo, the existing 158 kW solar system was expanded with an additional 330 kW in FY2024, nearly tripling the site’s self-generation capability. The energy produced is directly used for the site’s operations, with any surplus fed back into the grid—enhancing energy independence and promoting grid stability.

Thanks to this expansion, Nidec Conversion was able to self-consume 130,744 kWh of solar electricity, covering approximately 15% of the site’s total consumption—and avoid around 40 tons of CO₂ emissions in FY2024.



Renewable Energy Adoption: Road to 100% GOs renewable energy

To further accelerate the transition to clean energy, Nidec Conversion entered into Power Purchase Agreements (PPAs) for 100% renewable electricity backed by Guarantees of Origin (GOs). In FY2024, Nidec Conversion activated PPAs at its Cinisello Balsamo and San Cipriano Picentino sites, both focused on electronics manufacturing, covering approximately 14% of Nidec Conversion's total energy needs (about 1,500,000 kWh). These contracts ensure the traceability of green energy sources, such as hydro power, reinforcing Nidec Conversion's commitment to environmental responsibility.

As a result, Nidec Conversion achieved an estimated reduction of 444.5 tons of CO₂ emissions, thanks to the exclusive use of hydroelectric power covered by the PPAs.

ESG Impact Analysis

- **Environmental:** The shift to renewables significantly reduces GHG emissions, conserves finite natural resources, and contributes to better air quality by minimizing fossil fuel combustion.
- **Social:** Cleaner energy enhances public health and provides educational opportunities around sustainable technologies, many of which are developed by Nidec Conversion itself. Moreover, these actions foster social innovation in manufacturing.
- **Governance:** The commitment to renewable energy enhances Nidec Conversion's reputation, strengthens risk management by reducing exposure to volatile energy markets, and promotes transparency through structured monitoring and stakeholder reporting.

Future outlook

Building upon the FY2024 implementation strategy, Nidec Conversion is committed to scaling up its renewable energy efforts by extending 100% renewable energy PPAs to at least 75% of its sites and increasing the surface area covered by photovoltaic panels. These efforts are part of a broader climate strategy: by FY 2030, Nidec Conversion aims to reduce its carbon footprint by 42% for Scope 1 and 2 emissions and by 25% for Scope 3 emissions, compared to the FY 2023 baseline. The ultimate objective is to achieve net-zero emissions across all operations by FY 2040.



I am proud to share the progress we have made on our journey toward sustainability. Focused actions bring real environmental gains – by starting with our transition to 100% renewable electric energy at our sites of Cinisello Balsamo and San Cipriano Picentino, we cut over 400 tonnes of CO₂ in FY2024 alone. We demonstrate that real change is possible when commitment and innovation go hand in hand, setting a clear path for the future. Our responsibility goes beyond numbers and KPIs - every step towards sustainability benefits not only our company, but also our communities, our partners, and the environment we all share. This is why we are committed to transparency, continuous improvement, and the active involvement of our people at every level. Sustainability is not just a company goal or a policy – it is a shared mission, a shared responsibility. Our entire company stands united behind a vision of cleaner, smarter operations – and every employee, supplier, and partner are essential to this journey.

Massimo Musolino
Nidec Conversion Vice President,
Power Systems





2.1.3 Energy consumption

Energy consumption and mix	Unit	FY 2023	FY 2024
Fuel consumption from crude oil and petroleum products	MWh	3,825.83	3,971.85
Fuel consumption from natural gas	MWh	5,740.06	6,655.77
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	13,767.27	11,312.53
Total fossil energy consumption	MWh	23,333.16	21,940.15
Share of fossil sources in total energy consumption	%	95%	94%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	1,208.65	1,326.60
The consumption of self-generated non-fuel renewable energy	MWh	0.00	74.89
Total renewable energy consumption	MWh	1,208.65	1,401.48
Share of renewable sources in total energy consumption	%	5%	6%
Total energy consumption	MWh	24,541.81	23,341.63
Energy intensity per M€ of net revenue	MWh/M€	37.00	30.39
Net revenue	M€	663.26	768.08
Energy intensity per 1,000 working hours	MWh/kh	6.60	6.11
Working hours	kh	3,717.54	3,819.72
Self-produced electricity from non-renewable sources	MWh	4.80	0.14
Self-produced electricity from renewable sources	MWh	0.00	108.46



The share of renewable energy in total consumption increased from 5% to 6%, supported by a 15.9% rise in renewable energy use and the introduction of self-generated electricity. Energy efficiency also improved, with energy intensity per million euro of revenue reducing by 17.9%.

E1-5
Energy
consumption
and mix

In 2024, Nidec Conversion recorded a reduction in total energy consumption, which dropped to 23,341.63 MWh (–4.9% compared to FY 2023). While fossil energy sources still dominate the mix, their share declined slightly from 95% to 94%, indicating the company’s continued effort toward decarbonization despite an increase in fuel consumption from petroleum and natural gas.

Electricity purchased from fossil sources fell significantly (–17.8%), helping to balance the overall growth in fuel use. At the same time, renewable energy consumption increased by 15.9%, reaching 1,401.48 MWh, thanks to both the higher purchase of renewable electricity and the contribution of self-produced renewable energy (108.46 MWh).

This shift supported a measurable improvement in energy performance indicators: energy intensity per million euro of net revenue decreased from 37.00 to 30.39 MWh/M€, and energy intensity per 1,000 working hours improved from 6.60 to 6.11 MWh/kh. These results confirm greater efficiency in energy use relative to both economic output and operational effort.





2.1.4 GHG emissions

GHG Emissions	FY 2023	FY 2024	Δ FY24-FY23
Scope 1			
Scope 1 GHG Emissions (tCO ₂ eq)	2,530.82	2,587.22	2.23%
Scope 2 GHG emissions			
Location-Based Scope 2 GHG emissions (tCO ₂ eq)	5,605.98	5,934.92	5.87%
Market-Based Scope 2 GHG emissions (tCO ₂ eq)	6,818.30	6,200.89	-9.06%
Total GHG emissions			
Total Location-Based GHG emissions (tCO ₂ eq)	8,136.80	8,522.14	4.74%
Total Market-Based GHG emissions (tCO ₂ eq)	9,349.12	8,788.11	-6.00%
Emission intensity per 1,000 working hours			
Working hours (kh)	3,717.54	3,819.72	2.75%
Total Location-Based GHG emissions (tCO ₂ eq/kh)	2.19	2.23	1.93%
Total Market-Based GHG emissions (tCO2eq/kh)	2.51	2.30	-8.52%
Emission intensity per M€ of net revenue			
Net Revenue (M€)	663.26	768.08	15.80%
Total Location-Based GHG emissions (tCO ₂ eq/M€)	12.27	11.10	-9.56%
Total Market-Based GHG emissions (tCO ₂ eq/M€)	14.10	11.44	-18.83%



Scope 1 emissions remained almost stable (+2.23%), while Scope 2 increased by 5.87%, driving total emissions upward. Nevertheless, Location-Based GHG intensity per revenue decreased significantly (−9.56%), reflecting improved efficiency relative to economic growth.

In FY 2024, total greenhouse gas emissions (GHG) calculated using the Location-Based method reached 8,522.14 tons of CO₂ equivalent, registering a +4.74% increase compared to FY 2023. This rise was mainly driven by Scope 2 Location-Based emissions, which grew by +5.87% as a result of higher electricity-related impacts, while Scope 1 emissions showed only a modest growth of +2.23%.

Conversely, Market-Based Scope 2 emissions decreased significantly (−9.06%), leading to a reduction in total Market-Based emissions to 8,788.11 tCO₂eq, a −6.00% decrease from the previous year.

It is important to note that in the calculation of Scope 2 emissions, the emission factors from AIB (Association of Issuing Bodies) were used for electricity purchased by European sites. Since AIB does not provide factors for non-European countries, emission factors for India, China, and USA were derived from the Ecoinvent 3.11 database. In these cases, as there is no possibility of distinguishing between Location-Based and Market-Based approaches, the same factor was used for both methods.

GHG intensity per 1,000 working hours showed diverging trends depending on the calculation method: while the Location-Based ratio increased slightly (+1.93%), reaching 2.23 tCO₂eq/kh, the Market-Based intensity dropped sharply (−8.52%), falling to 2.30 tCO₂eq/kh. This occurred despite the modest increase in total working hours (+2.75%).

Finally, thanks to a significant rise in net revenues (+15.80%), GHG intensity per million euro of revenue improved considerably. Both indicators decreased: −9.56% for the Location-Based approach and −18.83% for the Market-Based one. These results indicate that, relative to economic performance, the company was able to reduce its carbon footprint.

Currently, Nidec Conversion does not have ongoing emission offsetting projects or practices involving the purchase of carbon credits. In addition, there are no planned initiatives for the introduction of an internal carbon pricing mechanism.

E1-6

Gross scopes 1, 2, 3 and Total GHG emissions

E1-7

GHG removals and GHG mitigation projects financed through carbon credits

E1-8

Internal carbon pricing



**Addressing the Challenge:
Grid Instability and Energy Dependency**

Ergo Mining, a major player in the gold treatment sector, faced significant disruptions due to the unreliability of the national grid, characterized by frequent load-shedding events. These interruptions threatened continuous production and economic stability. While no specific environmental targets were declared, the company recognized the need for greater energy independence. The decision to invest in a Battery Energy Storage System (BESS) and a photovoltaic (PV) plant was driven by operational necessity and inherently aligned with broader sustainability objectives.

**The Implemented Solution:
Hybrid Renewable & Storage System**

To meet its energy stability needs, Ergo Mining adopted a comprehensive solution designed and delivered by Nidec Conversion, consisting of a 40MW/160MWh AC Battery Energy Storage System (BESS) integrated with a newly installed 60MWp photovoltaic (PV) plant. The system comprises 43 “AC Box” containers, each equipped with advanced battery modules, a water-cooling system, and a Power Conversion System (PCS), all managed by a bespoke control system ensuring optimal performance.

Strategically connected to the existing 22kV grid, the BESS operates in synergy with the PV plant to enable flexible and efficient energy management. The system is charged from the grid during off-peak hours at night, then discharges during the morning peak to reduce reliance on expensive or unstable power. During daylight

Green Energy for developing economies

In response to growing energy instability and the need for reliable power, Ergo Mining partnered with Nidec Conversion to implement a large-scale hybrid energy system. This collaboration not only addressed immediate operational challenges but also laid the groundwork for long-term energy resilience and environmental sustainability.



hours, it charges from the PV plant and discharges again during the second daily peak, maximizing the use of clean energy and minimizing dependence on the national grid.

While the core technology is based on a proven BESS architecture, the solution stands out for its innovative integration within a large-scale mining operation. The tailored dispatch strategy enhances the self-consumption of renewable energy and ensures effective grid interaction, offering a forward-looking model for hybrid renewable-storage systems in complex industrial contexts.

ESG Impact Analysis

- **Environmental:** The project supports the integration of 100 GWh/year of renewable energy, potentially avoiding up to 96,000 tonnes of CO₂ annually in a coal-intensive grid like South Africa's. The BESS increases PV utilization efficiency and ensures stable, dispatchable clean energy. The system is also designed with circularity in mind, with components targeted for reuse and recycling.
- **Social:** The initiative generated local employment opportunities during implementation and contributed to skill development through dedicated training for Ergo Mining staff. While the energy is not supplied directly to the community, the project supports the operational continuity of a major local employer, indirectly benefiting the surrounding area.
- **Governance:** The project enhances operational resilience, protects revenue streams, and positions Ergo Mining for future regulatory developments that may allow BESS participation in energy markets—paving the way for additional economic and environmental benefits.

Future Outlook

The Ergo Mining project demonstrates the viability and strategic value of integrating BESS and PV in industrial settings. Its success sets a replicable model for similar operations facing grid reliability issues, both in South Africa and globally. The potential extension of the BESS duration to 120MWh reflects the client's long-term commitment and satisfaction, reinforcing the scalability of this solution for broader industrial energy transformation.



The Ergo Mining project represents a transformative approach to energy in Africa's mining sector. Our 40MW/160MWh BESS installation doesn't just shield operations from loadshedding—it fundamentally reimagines energy infrastructure for the continent's industrial future. By enabling the full potential of their 60MWp solar plant, we're helping prevent approximately 96,000 tonnes of CO₂ emissions annually while creating local jobs and transferring vital technical skills. What makes me most proud is seeing how this solution balances immediate business resilience with long-term sustainability goals. This model of integrated renewable energy and storage is precisely what Africa and many other countries need to power industrial growth while advancing its clean energy transition.

Franck Girard
Nidec Conversion Vice President,
Energy Systems





2.2 Pollution

Pollution is one of the most significant environmental challenges of our time, with direct consequences on ecosystems and human health. It originates from a wide variety of sources, including industrial activities, transportation, and waste mismanagement, and can affect air, soil, and water quality across vast geographical areas. In addition, hazardous substances used in production processes or present in materials and components further amplify these risks.

In recent years, growing regulatory pressure, stakeholder expectations, and scientific evidence have brought increasing attention to the environmental and human health impacts of pollutants and chemical substances of concern. In particular, the European REACH regulation has identified a growing list of Substances of Very High Concern (SVHC), which companies are required to monitor, disclose, and progressively substitute where feasible.

In this context, companies are called to take responsibility not only for the emissions and discharges directly generated by their operations, but also for the broader chemical and environmental footprint of their products and entire value chains. Pollution of environmental matrices, in fact, can occur at multiple points across upstream and downstream processes. In the case of Nidec Conversion, upstream activities such as raw material extraction, metal refining, surface treatments, and the production of electronic components are typically associated with pollutant emissions and wastewater discharge. If not properly managed, these outputs can result in significant environmental degradation. At the same time, downstream activities such as the transportation and distribution of finished products contribute further to air pollution through the emissions generated by fuel combustion.

Also the use of hazardous substances extends beyond direct operations. Several key phases within the value chain such as the manufacturing of printed circuit boards, plastic enclosures, insulation systems, and surface coatings involve substances that may fall under REACH's Substances of Very High Concern classification, with known or suspected impacts on both human and environmental health.

At the same time, within its own operations, Nidec Conversion acknowledges that its industrial activities contribute to environmental pollution. In addition, Nidec Conversion uses a limited range of substances that may be harmful, including cleaning agents, lubricants, adhesives, and protective coatings, all of which are managed in full compliance with applicable environmental regulations and, where implemented, under ISO 14001 certified environmental management systems.

Nevertheless, Nidec Conversion is committed to reinforce its approach to pollution prevention and chemical risk management. By continuously investing in responsible production practices and robust environmental controls, Nidec Conversion aims to progressively reduce its environmental footprint and support the transition toward a more sustainable industrial model.

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

2.2.1 Policies related to pollution

E2-1
Policies related
to pollution

At the core of Nidec Conversion’s approach lies a strong commitment to sustainable development, embedded across all aspects of its operations. This commitment has been formalized through Nidec Conversion’s Sustainability Policy and the ESG Improvement Plan, Driving Sustainability, introduced at the beginning of FY 2025, which integrate environmental, social, and governance (ESG) priorities into both strategic planning and everyday operations.

The policy and the ESG Improvement Plan cover the full scope of Nidec Conversion and its subsidiaries’ activities, and apply across all global production sites and throughout the entire value chain, from raw material sourcing to the management of products at end-of-life. In addition, they extend to every region where Nidec Conversion operates or maintains business partnerships, engaging all key stakeholder groups such as employees, suppliers, customers, and shareholders.

The oversight of the ESG Policy and ESG Improvement Plan implementation is entrusted to the CEO of Nidec Conversion and the Management Team, which jointly act as Nidec Conversion’s Sustainability Committee. This governance structure ensures that sustainability goals are fully integrated into both the corporate strategy and the operational aspects. As outlined in sub-chapter 2.1.1 regarding the strategy and policy on climate change, Nidec Conversion will ensure transparency by making both the policy and the ESG Improvement Plan accessible to relevant stakeholders through different channels.

As part of its environmental commitments, Nidec Conversion acknowledges the significant risks that pollution and the use of hazardous substances pose to ecosystems and human health. These issues are directly addressed within the ESG Policy and the ESG Plan, which define specific goals and implementation strategies for their management and progressive reduction.

In terms of pollution prevention and control, Nidec Conversion is committed to keeping emissions to air, water, and soil under control. This includes maintaining or implementing ISO 14001 Environmental Management Systems at key sites, adopting best-available technologies for emission control, and introducing advanced wastewater treatment and closed-loop water recycling systems. Proper chemical storage and handling procedures, spill prevention and containment measures, and regular environmental monitoring and employee training form part of a structured approach aimed at minimizing accidental releases and ensuring regulatory compliance. Moreover, Nidec Conversion promotes upstream control of potential sources of contamination by encouraging responsible practices among suppliers.

Regarding hazardous substances, Nidec Conversion confirms the current absence of Substances of Very High Concern (SVHCs) at its sites and has set a target to reduce the use of substances of concern. Where hazardous substances remain necessary, Nidec Conversion ensures their safe use through rigorous internal management systems, comprehensive training programs, and careful handling, storage, and disposal procedures. These efforts are supported by substitution initiatives, supplier disclosure requirements, and regular audits to verify compliance and progress. This policy and the ESG Improvement Plan are fully aligned with the CSR Declaration of the Nidec Group, the parent company of Nidec Conversion, which outlines a clear commitment to pollution prevention and chemical safety. Through this integrated and group-aligned policy, Nidec Conversion aims to reduce its environmental footprint, improve chemical safety, and contribute to a cleaner, safer, and more sustainable industrial ecosystem.



2.2.2 Measures against pollution: actions and targets

E2-2
Actions and resources related to pollution

As defined in the ESG Policy adopted at the beginning of FY 2025, Nidec Conversion has set future targets to reduce environmental pollution and limit the use of hazardous substances. The table below outlines and describes them.

E2-3
Targets related to pollution



■ Dimension

Nidec Conversion acts against climate change and guarantees a clean environment along the value chain.

■ Commitment

Nidec maintains the deep commitment to minimizing our environmental impact and promoting sustainability across all our operations and supply chain. Nidec dedication to environmental stewardship is reflected in our comprehensive approach to resource management and waste reduction. We actively work to implement innovative technologies and sustainable practices. In alignment with the European Sustainability Reporting Standards (ESRS), we ensure transparency and accountability in our environmental reporting.

■ Goals

- 80% supply chain pollutants assessed and under control
- 80% production sites certified ISO 14001

Area of development	Actions	FY 2028 Targets	Reference SDGs
Hazardous substances management	• Keep the absence of substances of very high concern (REACH) in the products and processes • Lowering the presence of substance of concern	• Zero substances of very high concern • Less 30% the presence of substance of concern	12.4 12.4
Air, water and soil pollution	Define pollution reduction targets in the Company Operations	100% discharge water quality under control	6.3
	Certify the environmental management system to ISO 14001	80% manufacturing sites certified ISO 14001	14.1
	Push suppliers to keep under control all potential sources of pollution and contamination.	100% Main Tier 1 Suppliers Pollution management checked	14.1
Customers awareness	Further improve communication and monitoring of environmental impacts of our products through environmental analysis and certification (e.g., EPD, product LCA).	50% LCA and EPD of our main products lines	12.2
	Develop awareness initiatives for the customers and the community on the environmental impact of our products and their responsible use (i.e. how many ton CO ₂ the Customer will not emit by using our products for the planned life)	100% customers informed on ESG topics of the product	12.6
		100% Products with usage-phase carbon footprint	12.2

2.2.3 Emissions of air and water pollutants

E2-4

Pollution of air, water and soil

As defined in the ESG Policy adopted at the beginning of FY 2025, Nidec Conversion monitors and reports both atmospheric and wastewater emissions. The pollutants are listed in the table below.

Atmospheric emissions

Type of atmospheric pollutant	u.m.	FY 2023	FY 2024
Particulate matter	kg	916.00	545.00
VOC	kg	11,699.74	10,938.70
Acetone	kg	56.70	51.80
Isocyanates	kg	6.00	9.00
Glycols	L	19,502.00	6,431.00

Wastewater emissions

Type of wastewater pollutant	u.m.	FY 2023	FY 2024
BOD5	kg	827.86	803.29
COD	kg	2,068.64	2,175.50
Total Suspended Solids	kg	1,001.49	950.52
Ammoniacal Nitrogen	kg	50.00	46.00
Nitrous Nitrogen	kg	1.30	1.30
Nitric Nitrogen	kg	1.30	1.30
Total Nitrogen	kg	34.00	35.00
Chlorides	kg	95.00	81.50

Sulfates	kg	57.00	48.80
Aluminium	kg	14.41	15.71
Arsenic	kg	4.12	4.44
Cadmium	kg	0.82	0.91
Total Chromium	kg	4.12	4.61
Iron	kg	8.24	8.56
Nickel	kg	4.12	4.20
Lead	kg	4.12	4.65
Copper	kg	4.42	4.75
Organotin Compounds	kg	8.24	9.14
Zinc	kg	14.00	14.75
Animal and Vegetable Fats and Oils	kg	7.00	8.50
Total Hydrocarbons	kg	112.02	112.16



Significant reduction in air pollutant emissions confirms the effectiveness of mitigation measures. For wastewater pollutants, some indicators increased while others decreased, but overall values remained consistent year-over-year, reflecting solid management practices.

Between FY 2023 and FY 2024, a general reduction in atmospheric and wastewater emissions from production activities was observed, indicating a growing commitment to managing environmental impacts and improving process efficiency.

Regarding atmospheric emissions, there is a significant decrease in the main pollutants, particularly particulate matter and volatile organic compounds (VOCs). Synthetic chemicals such as acetone and glycols also show a downward trend, reflecting greater care in the selection and use of chemical substances. Isocyanates are an exception, with a slight increase. Overall, the data reflects a positive trajectory toward reduced atmospheric emissions.

Similarly, the data on wastewater emissions show a trend of stabilization or slight reduction across several monitored parameters. COD and BOD5 values, which measure the chemical and biological oxygen demand respectively, remain high but consistent with the characteristics of industrial wastewater. Slight improvements are noted in total suspended solids and ammoniacal nitrogen, indicating effective containment of organic and nitrogenous pollutants.

Heavy metals such as cadmium, lead, nickel, and chromium remain generally well below thresholds and stable over the two years. Some specific compounds, including total hydrocarbons, organotin compounds, and animal and vegetable fats and oils, show a slight increase.

It is important to emphasize that, regardless of the absolute values and trends observed, all reported data are estimated starting from periodic sampling data, which are then used to calculate total annual emissions. In both reporting years, the legal limits for atmospheric and wastewater emissions were always respected, confirming the effectiveness of the measures in place and compliance with current environmental regulations.

Overall, the combined analysis of atmospheric and wastewater emissions provides a coherent picture of a structured and progressively improving environmental management system.



2.2.4 The use of substances of concern and of very high concern

E2-5
Substances of concern and substances of very high concern

As defined in the ESG Policy adopted at the beginning of FY 2025, Nidec Conversion monitors and reports both substances of concern and substances of very high concern according to REACH. The substances are listed in the tables below



Hazard Class (H)	FY 2023	FY 2024
317	36.46	35.88
420	0.00	0.00



Hazard Class (H)	FY 2023	FY 2024
334	0.36	0.26
340	0.09	0.45
341	0.00	0.00
350	0.08	0.44
351	9.83	11.23
360	0.27	0.23
361	0.35	0.27
372	0.10	0.17
373	24.08	28.40



Hazard Class (H)	2023	2024
410	0.17	0.13
411	24.19	26.41

Hazard Class (H)	FY 2023	FY 2024
412	12.29	11.05
413	0.20	0.13

In the two-year period FY 2023 - FY 2024, Nidec Conversion handled limited quantities of substances or mixtures classified as substances of concern, without using any substances of very high concern (SVHC) as defined by the REACH Regulation. Overall quantities remain low and are restricted to specific hazard classes. The most relevant hazard classes in quantitative terms include:

- H317 (may cause an allergic skin reaction), with over 35 tons used in both years;
- H351 (suspected of causing cancer) and H373 (may cause damage to organs), with 11.23 and 28.40 tons respectively in FY 2024;
- H411 and H412 (toxic to aquatic life with long-lasting effects), which represent a significant share of substances used.

A comparison between the two years shows a slight increase in the use of substances classified under H340, H350, H351, and H373, while the use of irritants (H317) and acutely toxic substances (H334) decreased. Substances classified as H420 (long-term adverse effects on human health or the environment) were not used in either year.



No SVHC are used, nor substances classified as H341 or H420. For other hazardous classes, some consumption increased while others decreased, with overall stability.



2.3 Water

Water is a fundamental and irreplaceable resource for life on Earth. It plays a crucial role in maintaining ecological balance, supporting biodiversity, and sustaining human health and economic activities. Despite its apparent abundance, only a small fraction of the planet's water is accessible and suitable for human use, making its sustainable management a global priority.

In recent years, water consumption has gained increasing relevance due to the convergence of demographic growth, accelerating urbanization, and the impacts of climate change. Shifting precipitation patterns, rising temperatures, and more frequent extreme weather events have significantly affected the availability and distribution of freshwater resources, increasing the risk of scarcity in many regions.

Against this backdrop, organizations across all sectors are called to take an active role in protecting water resources, both by minimizing their direct consumption and by managing their broader environmental impact. Responsible and efficient water use, combined with robust monitoring systems, became a key component of corporates' sustainability strategies.

In line with this responsibility, Nidec Conversion uses water resources in a limited manner at its production sites, resulting in a low level of direct environmental impact. Nidec Conversion's operations do not involve intensive water use in core processes, but rather in auxiliary activities such as the testing of equipment, technical cleaning of facilities, and civil services. These uses are monitored and managed in compliance with applicable environmental regulations and, where relevant, within the framework of a certified environmental management system. In addition, Nidec Conversion doesn't use water resources from saline water bodies, limiting the impacts of Nidec Conversion on marine resources and ecosystems.

At the same time, Nidec Conversion acknowledges its indirect influence on water consumption along the value chain, particularly through the use of its solutions by clients operating in water-intensive sectors, such as metallurgy, chemicals, oil & gas, water treatment, and utilities. In these contexts, Nidec Conversion plays a crucial role in enabling processes that involve water usage.



SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

2.3.1 Policies related to the use of water

E3-1
Policies related
to water and
marine resources

Nidec Conversion is strongly committed to sustainable development, integrating environmental, social, and governance principles across all areas of its operations. Nidec Conversion’s ESG policy and ESG Improvement Plan, introduced at the beginning of FY 2025 cover the full spectrum of activities, applies to all Nidec Conversion and its subsidiaries production sites worldwide and extends throughout the entire value chain. The policy also encompasses all geographic areas where Nidec Conversion operates or maintains business partnerships. Equally, it includes all stakeholder groups: employees, suppliers, customers, and shareholders.

The implementation of the ESG policy and the ESG Improvement Plan is overseen by the CEO of Nidec Conversion together with the Management Team, which acts as Nidec Conversion’s Sustainability Committee that ensures that sustainability objectives are embedded into strategic and operational decision-making processes.

The policy and the ESG Improvement Plan dedicate particular attention to the responsible management of water resources. Nidec Conversion monitors its direct water consumption and pursues reduction targets through efficiency measures, in line with its sustainability objectives. To achieve this, Nidec Conversion is committed to implementing water recycling systems at its manufacturing sites and to conducting water risk assessments across all operations and Tier 1 key suppliers.

Implementation strategies include the adoption of water efficiency technologies and practices, the installation of advanced wastewater treatment and recycling systems, and supplier engagement activities to promote water stewardship throughout the supply chain. In addition, Nidec Conversion supports projects dedicated to the conservation of marine ecosystems, aligning with the broader objective of preserving water resources.

Also, Nidec Group makes all possible efforts to promote sustainable water management. Nidec Conversion’s ESG Policy and ESG Improvement Plan adhere to these principles, ensuring consistency with group-wide environmental policies. In this perspective, approximately 50% of Nidec Conversion’s production sites are certified under ISO 14001, demonstrating the commitment to structured environmental management systems.

As mentioned in sub-chapter 2.1.1 concerning the climate change strategy and policy, Nidec Conversion is committed to ensuring transparency by sharing the policy and the ESG Improvement Plan with relevant stakeholders through various means. Through this inclusive and transparent approach, Nidec Conversion ensures that its ESG commitments are integrated into day-to-day operations, fostering a culture of accountability and long-term value creation for all stakeholders.

2.3.2 Water consumption: actions and targets

In line with the commitments set out in the ESG Policy and the ESG Improvement Plan, approved in FY 2025, Nidec Conversion has defined a set of actions and targets aimed at reducing its direct environmental impact related to water resource consumption as well as the indirect impacts that occur in the value chain. Although this sustainability report covers data for the Fiscal Years 2023 and 2024, the table below outlines the forward-looking framework of the commitments related to water resources formalized.

E3-2
Actions and
resources related
to water and
marine resources

E3-3
Targets related
to water and
marine resources



Dimension

Nidec Conversion acts against climate change and guarantees a clean environment along the value chain.

Commitment

Nidec maintains the deep commitment to minimizing our environmental impact and promoting sustainability across all our operations and supply chain. Nidec dedication to environmental stewardship is reflected in our comprehensive approach to resource management. In alignment with the European Sustainability Reporting Standards (ESRS), we ensure transparency and accountability in our environmental reporting, covering key areas such as water management.

Goals

- Less 30% Water consumption within FY 2028 (compared to FY 2022)
- Water management compliance verified for 100% of Tier 1 Suppliers within FY 2028

Area of development	Actions	FY 2028 Targets	Reference SDGs
Water and marine resources	Define water reduction targets in the Company Operations	Reduce water consumption by 30%	6.4
	Engage suppliers on water stewardship	100% Main Tier 1 Suppliers water management checked	6.5
Customers awareness	Further improve communication and monitoring of environmental impacts of our products through environmental analysis and certification (e.g., EPD, product LCA)	50% LCA and EPD of our main products lines	12.2
	Develop awareness initiatives for the customers and the community on the environmental impact of our products and their responsible use (i.e. how many ton CO ₂ the Customer will not emit by using our products for the planned life)	100% customers informed on ESG topics of the product	12.6
		100% Products with usage-phase carbon footprint	12.2

2.3.3 Water management: withdrawals, discharges and consumption

As defined in the ESG Policy adopted at the beginning of FY 2025, Nidec Conversion monitors and reports water withdrawals, discharges, and consumption. The related data are presented in the tables below.

E3-4
Water consumption

Water withdrawals

Subcategory	u.m.	FY 2023	FY 2024	Δ FY24-FY23
Total water withdrawals	m³	102,624	93,849	-8.55%
Total water withdrawals - water risk areas	m³	3,042	3,273	7.59%
Surface waters	m³	11,990	12,943	7.95%
Of which: Surface waters - water risk areas	m³	3,042	3,273	7.59%
Groundwater	m³	90,634	80,906	-10.73%
Of which: Groundwater - water risk areas	m³	0	0	0.00%

Water discharges

Subcategory	u.m.	FY 2023	FY 2024	Δ FY24-FY23
Total water discharges	m³	100,696	92,319	-8.32%
Total water discharges - water risk areas	m³	2,737	2,945	7.60%
Surface waters	m³	18,595	20,717	11.41%
Of which: Surface waters - water risk areas	m³	2,737	2,945	7.60%
Groundwater	m³	82,101	71,602	-12.79%
Of which: Groundwater - water risk areas	m³	0	0	0.00%

Water consumption

Subcategory	u.m.	FY 2023	FY 2024	Δ FY24-FY23
Total water consumption	m³	1,928	1,530	-20.65%
Total water consumption - water risk areas	m³	305	328	7.54%

Other indicators

Subcategory	u.m.	FY 2023	FY 2024	Δ FY24-FY23
Total volume of water stored at the beginning of the year	m³	262	262	0.00%
Total volume of water stored at the end of the year	m³	262	262	0.00%
Variation in total volume of stored water	m³	0	0	0.00%

Water intensity

Subcategory	u.m.	FY 2023	FY 2024	Δ FY24-FY23
Water intensity per mln € of net revenue	m³/mlin €	123.78	93.22	-24.69%
Net Revenues	mlin €	663.26	768.08	15.80%
Water intensity per 1,000 working hour	m³/kh	0.52	0.40	-22.77%
Working hours	kh	3,717.54	3,819.72	2.75%



Significant improvement in water efficiency: total withdrawals dropped by 8.55%, consumption by 20.65%, and water intensity per revenue and per working hour fell by over 20%, despite increases in both net revenues and working hours.

In the two-year period under review, Nidec Conversion recorded an overall decrease in water withdrawals, from 102,624 m³ in FY 2023 to 93,849 m³ in FY 2024 (-8.55%). This improvement is mainly due to the reduction in groundwater withdrawals (-10.73%), while withdrawals from surface waters increased (+7.95%), particularly at sites in China, France, and Italy. The water withdrawals from areas under water stress are referred to the Chinese site, which accounts for a limited amount of the total water withdrawals, and faced a slightly increased (+7.59%) in the two years.

Water discharges also decreased, following a similar trend: discharges into surface waters increased (+11.41%), while groundwater discharges declined (-12.79%). Discharges in water-stressed areas are marginal and remained stable in the two years. Regarding the discharges, it should be noted that none of the Nidec Conversion sites are equipped with water discharge meters, therefore, the reported discharge values are based on estimates, obtained by subtracting consumption percentages from withdrawals, calculated according to the activities carried out at each site.

The net water consumption, the difference between withdrawals and discharges, remains very low in absolute terms and significantly decreases compared to the previous year. This indicates a predominantly non-consumptive use of water resources, with almost all water returned to the environment after use.

No water is currently recycled or reused within internal processes. However, a volume of water is stored in two of Nidec Conversion’s Italian sites and this amount remained constant in the two years (262 m³).

Lastly, there was a notable reduction in water intensity per 1,000 working hours, despite the slight increase in total working hours, reflecting an improvement in water efficiency in relation to production activity. A similar trend was observed in water consumption per million euro of net revenue, which decreased by 24.69%, while net revenues rose by 15.80%. These results indicate a consistent enhancement in water efficiency, both from an economic and operational standpoint, confirming the company’s ability to decouple resource use from business growth.



2.4 Biodiversity

Biodiversity is the variety of life on Earth, from genes to species and ecosystems and it is essential to the health and stability of the planet. It provides critical ecosystem services such as pollination, climate regulation, soil fertility, water purification, and natural disease control, which sustain not only the resilience of the natural world but also the foundations of human well-being, including food security, public health, and economic development.

In recent years, global biodiversity loss has accelerated due to a combination of human-driven pressures: land use change, pollution, overexploitation, invasive species, and climate change. Consequently, companies are increasingly expected to recognize their role in both contributing to and addressing these trends, by identifying their dependencies and impacts on biodiversity, taking preventive action, and integrating nature into their decision-making processes.

Although biodiversity has only recently been included in the sustainability strategy, Nidec Conversion recognizes that its operations and value chain may produce indirect or localized pressures on ecosystems and species.

One of the first elements to consider is land use. While Nidec Conversion operates primarily within industrial zones, the construction or expansion of production sites can result in land transformation, potentially affecting local habitats. Even in areas that are already urbanized, the occupation of land may contribute to the fragmentation of ecosystems and reduce the connectivity of natural habitats, which is a key factor in species survival.

Industrial activities may also be a source of light and noise pollution that disturb local fauna, particularly bird species, amphibians, and pollinating insects that are sensitive to changes in environmental conditions.

In addition, although Nidec Conversion does not directly extract or process raw materials, its supply chain relies on components and materials, such as metals, electronic parts, and rare earths, that may be sourced from areas with high ecological sensitivity. The extraction and processing of these resources, if not adequately controlled, can lead to deforestation, soil degradation, and habitat loss in countries of origin, often outside Nidec Conversion’s immediate visibility.

Finally, logistics and transportation activities associated with inbound and outbound flows can also exert pressure on biodiversity. The movement of goods via road, sea, or air may contribute to habitat disruption, noise and emissions. Moreover, international logistics chains may unintentionally facilitate the spread of invasive alien species, which can outcompete native flora and fauna, disrupt ecosystem balances, and cause long-term ecological damage.

All these considerations highlight the importance of biodiversity within Nidec Conversion’s newly implemented ESG strategy, which now explicitly includes this topic among its areas of environmental responsibility. In fact, while concrete initiatives are still in their early stages, Nidec Conversion has started to lay the foundation for a more structured approach.

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

2.4.1 Nidec Conversion’s policy for biodiversity and ecosystems

E4-2
Policies related
to biodiversity
and ecosystems

Nidec Conversion recognizes the crucial role that biodiversity plays in ensuring the resilience of natural ecosystems and the long-term sustainability of economic and social systems. In line with its broader commitment to sustainable development, Nidec Conversion has formally integrated biodiversity into its new ESG Policy and in the ESG Improvement Plan, acknowledging both the potential dependencies and impacts linked to its activities and value chain.

This policy and the ESG Improvement Plan apply to all Nidec Conversion and its subsidiaries operations and extend to every production site globally. They also encompass the entire value chain, from raw material sourcing to end-of-life product management, and include all geographies and stakeholder groups: employees, suppliers, customers, local communities, and shareholders.

The ESG Policy and the ESG Improvement Plan are overseen by the CEO of Nidec Conversion and the Management Team, acting as Nidec Conversion’s Sustainability Committee. This governance model ensures that biodiversity-related objectives are progressively embedded into strategic and operational decision-making.

Nidec Conversion is committed to raise awareness among clients and suppliers who may have a high impact or dependence on biodiversity. Nidec Conversion also intends to exclude stakeholders that demonstrate significant impacts on ecosystems if no credible remediation plans are in place. Internally, it promotes the adoption of measures within its own operations that actively support biodiversity protection, and it aims to reduce pressures on ecosystems resulting from land use changes, resource overexploitation, soil artificialization, pollution, invasive species, and other environmental disruptions, including those potentially linked to the activities of clients, suppliers, and surrounding communities.

To give operational substance to these commitments, Nidec Conversion is developing a structured approach that includes monitoring and controlling its exposure to partners with unmanaged biodiversity impacts. At the same time, Nidec Conversion fosters engagement with stakeholders to encourage more responsible biodiversity practices throughout the value chain. It also supports regulatory initiatives aimed at enhancing corporate responsibility for biodiversity protection. Lastly, biodiversity is being progressively integrated into internal evaluation and design processes, ensuring that ecological considerations are taken into account from the earliest phases of product and project development.

As outlined in sub-chapter 2.1.1 regarding climate change strategy and policy, Nidec Conversion ensures transparency by making both the policy and the ESG Improvement Plan available to relevant stakeholders through multiple communication channels. The policy and the ESG Improvement Plan are fully aligned with the Corporate Social Responsibility Declaration of the Nidec Group, of which Nidec Conversion is part. The Group explicitly states its commitment to biodiversity by giving importance to the conservation of endangered animal and plant species and reinforcing a shared responsibility across all subsidiaries.

By embedding biodiversity into its ESG approach, Nidec Conversion seeks to align with evolving international expectations, contribute to the protection of ecosystems in the areas where it operates, and strengthen the long-term resilience of its business model.



2.4.2 Biodiversity: actions and targets

E4-3
Actions and resources related to biodiversity and ecosystems

Although for the Fiscal Years 2023 and 2024 Nidec Conversion did not have structured programs or specific actions in place regarding biodiversity protection, the topic has been recognized as an area of growing relevance within the broader ESG policy and ESG Improvement Plan approved in FY 2025. The table below provides an outline of Nidec Conversion’s approach to biodiversity, that will serve as the foundation for developing a more systematic integration of biodiversity considerations into business processes.

E4-4
Targets related to biodiversity and ecosystems

■ Dimension

Nidec Conversion acts against climate change and guarantees a clean environment along the value chain.

■ Commitment

Nidec maintains the deep commitment to minimizing our environmental impact and promoting sustainability across all our operations and supply chain. In alignment with the European Sustainability Reporting Standards (ESRS), we ensure transparency and accountability in our environmental reporting.

■ Goals

- 100% of Products LCA redacted will include Biodiversity Assessment within FY 2028
- Biodiversity impacts management compliance verified for 100% of Tier 1 Suppliers within FY 2028

Area of development	Actions	FY 2028 Targets	Reference SDGs
Biodiversity and Ecosystems	Define partnerships to support local communities biodiversity projects	At least 3 partnerships developed	15.a
	Include biodiversity assessment in the product LCAs	100% Products LCA include Biodiversity Assessment	15.5
	Evaluate suppliers' selection processes that consider their impacts on biodiversity	100% Main Tier 1 Suppliers evaluated for their Biodiversity impacts	15.5
Customers awareness	Further improve communication and monitoring of environmental impacts of our products through environmental analysis and certification (e.g., EPD, product LCA)	50% LCA and EPD of our main products lines	12.2
	Develop awareness initiatives for the customers and the community on the environmental impact of our products and their responsible use (i.e. how many ton CO ₂ the Customer will not emit by using our products for the planned life)	100% customers informed on ESG topics of the product	12.6
		100% Products with usage-phase carbon footprint	12.2



Sustainable sweetness – Inclusion & Biodiversity with Cascina Biblioteca

In December 2024, Nidec Conversion launched Dolcezza Sostenibile, an initiative designed to integrate environmental sustainability with social inclusion. Developed in collaboration with Cascina Biblioteca, a Milan-based social cooperative, the project aligns responsible procurement with biodiversity protection and inclusive employment, reinforcing the company’s broader ESG commitments.

Safeguarding Ecosystems by Protecting Pollinators

Bees play a fundamental role in preserving ecosystems and ensuring food security, pollinating around 75% of flowering plants and more than 130 types of fruits and vegetables. However, their populations are increasingly threatened by habitat loss, pesticides, climate change, and unsustainable beekeeping practices. By supporting organic, non-intensive apiculture, Nidec Conversion contributes to the conservation of pollinators and, consequently, to the resilience of entire ecosystems. This approach not only reduces environmental impact but also empowers vulnerable communities through ethical and inclusive work models.

A Purposeful Corporate Gift

For Christmas 2024, Nidec Conversion replaced traditional corporate gifts with 5,200 jars of organic honey produced and packaged by Cascina Biblioteca. The initiative created two full-time jobs for individuals from protected categories, directly involving them in the full beekeeping cycle. Each jar symbolizes a concrete contribution to biodiversity protection and inclusive employment, transforming a seasonal gesture into a vehicle for sustainable impact.

ESG Impact Analysis

- **Environmental:** The project supports pollinator preservation through sustainable beekeeping methods that avoid chemical treatments and reduce stress on bee colonies. By prioritizing organic agriculture and using local, recyclable materials, it contributes to biodiversity, soil health, and circular economy principles.
- **Social:** Dolcezza Sostenibile enabled the creation of two stable, inclusive jobs and supported training programs to enhance the long-term employability of vulnerable individuals. Distributing the honey to employees also raised awareness on key social and environmental issues, fostering a culture of responsibility within the company.
- **Governance:** Through its partnership with a certified social cooperative, the initiative guarantees ethical sourcing and transparent reinvestment of funds into social goals. It exemplifies Nidec Conversion’s commitment to “profit with purpose” and reinforces its ESG Strategy and Sustainability Policy.

Future Outlook

With its strong impact and replicable structure, Dolcezza Sostenibile lays the foundation for future expansion. The initiative may be extended to include additional bee-derived or organic products and can serve as a model for similar programs in other regions. By promoting biodiversity and inclusion in parallel, Nidec Conversion continues to demonstrate how sustainability can be embedded into everyday business practices.



This Christmas gift initiative perfectly embodies our values—every jar of honey represents both a job created for someone from a vulnerable community and a commitment to protecting the bees that are essential to our ecosystem. When our employees received these gifts, they weren't just getting honey; they were becoming part of a story that connects social inclusion with environmental stewardship. It's proof that corporate gifts can be a powerful tool for positive change, supporting both people and planet simultaneously.

Paola Giordano
Nidec Energy platform Vice President,
Human Resources



2.5 Circular Economy

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

The responsible use of natural resources and the reduction of waste are key challenges for companies operating in industrial sectors. Raw material extraction and inefficient production models are among the main drivers of environmental degradation, biodiversity loss, and climate change. In this context, transitioning towards a circular economy model, based on the principles of reduction, reuse, recycling, and product longevity, has become essential to build more sustainable and resilient value chains.

As a manufacturer, Nidec Conversion inevitably consumes a wide range of resources, including for example metals, electronic components, polymers, and packaging materials. These inputs are necessary for product performance, but also carry environmental impacts across their lifecycle, from mining and processing, to manufacturing and end-of-life disposal. In parallel, Nidec Conversion generates various types of waste, such as for example packaging and residual materials. While a portion of this waste is non-hazardous and recyclable, others require careful handling and proper disposal in accordance with applicable environmental regulations.

Nidec Conversion recognizes that moving towards a more circular production model is not only a responsibility, but a strategic priority. This may involve, for example selecting more durable materials, improving production efficiency to reduce material losses, extending product life through modular design and repairability, and promoting the recovery and recycling of waste streams. Special attention is also given to the management of electrical and electronic equipment waste, which often contains valuable but critical or hazardous materials that must be recovered and treated appropriately.

In addition, Nidec Conversion is aware of the social and environmental risks associated with the sourcing of raw materials, especially minerals used in electronic components. As part of its due diligence responsibilities, Nidec Conversion is committed to avoiding the use of so-called conflict minerals, such as tin, tungsten, tantalum, and gold, that contribute to human rights violations in high-risk areas. To this end, Nidec Conversion promotes transparency and responsible sourcing practices throughout its supply chain.

2.5.1 Policies related to circular economy

E5-1
Policies related to resource use and circular economy

Nidec Conversion places sustainable development at the heart of its operations, embedding environmental, social, and governance (ESG) priorities into all aspects of business management. This commitment was formalized through the Sustainability Policy and ESG Improvement Plan adopted at the beginning of FY 2025, which serves as a framework for integrating sustainability into both strategic direction and daily practices.

The policy and the ESG Improvement Plan are comprehensive in scope: they apply to all Nidec Conversion and its subsidiaries activities, covering every production site worldwide and the entire value chain, from sourcing raw materials to product end-of-life management. They also extend to every geographical area where Nidec Conversion operates or holds business partnerships, and it addresses all stakeholder groups, including employees, suppliers, customers, and shareholders.

The implementation of the ESG Policy and the ESG Improvement Plan is overseen by the CEO and the Management Team, who together act as Nidec Conversion’s Sustainability Committee. Their role ensures that sustainability objectives are systematically embedded into corporate governance, operational activities, and Nidec Conversion’s continuous improvement processes. To ensure full transparency, as mentioned in sub-chapter 2.1.1 on climate change strategy and policy, Nidec Conversion will share its policy and ESG Improvement Plan with relevant stakeholders through a variety of accessible formats and channels.

As part of its commitment to responsible resource use, Nidec Conversion acknowledges the environmental impact associated with the extraction, processing, and disposal of materials used in its products. Through the policy and the ESG Improvement Plan, Nidec Conversion promotes circular economy principles across its operations and value chain, with the goal of reducing resource consumption, minimizing waste generation, and extending product longevity. Nidec Conversion requires both itself and its suppliers to demonstrate how they address resource use and circularity, and to have systems in place for the proper storage, reuse, recycling, and disposal of waste. In addition, Nidec Conversion is committed to extend the durability of its products and to reduce their environmental impact throughout the entire life cycle.

These commitments are supported by design strategies aimed at reducing product-related environmental burdens, the implementation of revamping programs to extend product life, and the definition of waste reduction targets combined with the promotion of circular solutions wherever feasible.

Furthermore, Nidec Conversion is firmly committed to the responsible sourcing of raw materials by fully supporting all initiatives aimed at preventing the use of so-called “conflict minerals”, that may directly or indirectly finance armed groups or contribute to human rights violations. Nidec Conversion will enforce specific procedures, due diligence processes, and management systems to ensure that all sourced minerals are “Conflict Free”. This commitment will be implemented through a due diligence framework aligned with the OECD Guidelines, and an ongoing evaluation of its supply chain, including smelters, refiners, and mines from which the minerals originate.

This approach is fully aligned with the sustainability policy of the Nidec Group, and through it, Nidec Conversion seeks to reduce the pressure on natural resources, minimize environmental externalities, and contribute to a circular and ethical industrial sector.



Interview with Danilo Firpo

Nidec Conversion Vice President Service



Introduction

We asked Danilo Firpo, Vice President, Genoa Site Leader and Global Service Leader at Nidec Conversion, how the services offered by Nidec Conversion are strategic both for business development and for reducing clients' environmental impact.

How do maintenance services (preventive and digital monitoring) contribute to reducing the environmental impact of industrial plants, both in terms of energy efficiency and asset lifecycle extension?

Our maintenance services represent a fundamental pillar of our environmental sustainability strategy. The main goal is to keep machines operating as close as possible to their original design conditions, and this approach delivers three substantial benefits.

First, we ensure operational continuity for our clients' plants, drastically minimizing the risk of unplanned downtime that could compromise productivity. Second, we optimize environmental impact by maximizing energy efficiency, making sure each machine operates within its original nameplate parameters. This means lower energy consumption and reduced emissions. The third and equally important benefit concerns the significant extension of asset lifespans. Through accurate and scheduled maintenance, we avoid premature decommissioning of equipment that could otherwise operate effectively for many more years. This approach greatly reduces the need for purchasing new materials for complete replacements or extraordinary repairs.

The massive implementation of digital technologies and remote monitoring systems is revolutionizing our approach. These tools provide a dual environmental advantage: on the one hand, we significantly reduce emissions from clients' plants through more precise and timely control; on the other, we minimize the environmental impact of our technical staff's travel, as many diagnostics and optimization tasks can now be performed remotely.

What actions are you taking to ensure operator safety and the continuous training of technical personnel, both internal and external, in the context of increasing digitalization of services?

Safety is a non-negotiable value for us. All our products are designed to meet, and often exceed, the minimum regulatory safety requirements. However, we know that true safety starts with people and their awareness.

Our approach focuses on continuous training and raising awareness among personnel. We firmly believe that a culture of safety must begin with the individual and permeate every aspect of our operations. In this context, digitalization has proven to be a valuable ally: it allows us to monitor the training status of every operator in real time and deliver comprehensive and effective training programs, even to personnel working offsite or at remote locations. One figure we are particularly proud of is that 100% of our field service personnel are trained in First Aid and Fire Safety, exceeding the legal requirements under Legislative Decree 81/08. This choice reflects our commitment not only to regulatory compliance but to a higher standard of preparedness.

Digitalization also helps us keep the qualifications of Nidec Conversion personnel up to date on clients' platforms, ensuring transparency and traceability of competencies. One of our most significant initiatives has been training project managers according to CEI 11-27 standards, turning them into true ambassadors of safety culture. These professionals not only manage the training of their teams but also act as spokespersons and champions of safety throughout the organization, creating a positive ripple effect.

■ To what extent do revamping and retrofit activities regenerate value in existing plants? How do you assess the sustainability of these solutions compared to full system replacement?

Revamping and retrofit activities lie at the heart of our circular economy philosophy applied to the industrial sector. These services allow clients to modernize and upgrade their equipment to the latest technological standards without full-scale replacements, bringing substantial sustainability benefits.

The positive impact is multiple: we avoid generating tons of industrial waste, significantly reduce the consumption of virgin raw materials, and minimize the environmental footprint and costs associated with disposing of still-functional equipment. When we upgrade a control system to a next-generation platform or carry out a repowering, we help clients optimize their investment while avoiding the risks associated with component and spare parts obsolescence.

A concrete example is our medium-voltage drives, specifically designed to enable control system upgrades while preserving the power

section, which is already consolidated and fully functional. This solution allows clients to avoid full machine replacement, elegantly bypassing the issue of obsolescence that could otherwise result in sudden operational disruptions.

Digital transformation also plays a key role in this area. Systems installed even just ten years ago lacked remote connectivity. Today, in compliance with the strictest cybersecurity requirements, we integrate native tools that enable remote connectivity, opening new possibilities for diagnostics and optimization.

■ How do you ensure transparency, quality, and traceability throughout the after-sales cycle, particularly in spare parts management and on-site service delivery in critical or regulated industrial environments?

Transparency and traceability are fundamental elements of our after-sales service approach, especially when operating in critical or highly regulated industrial environments. That's why we have invested significantly in implementing a state-of-the-art ticketing system based on Salesforce Service Cloud.

This system represents a real revolution in how we manage customer requests. It's not just an internal tool, but a shared platform where clients have direct access to monitor the status of their requests in real time—from spare parts management to on-site interventions. Every phase of the process is documented and traceable, ensuring maximum operational transparency. The system is already fully operational in Italy, where clients are already benefitting from this new level of visibility and control. Our plan is to complete the rollout across all Nidec Conversion

regions by the end of FY25, extending these benefits globally.

When operating in particularly regulated contexts or with specific requirements, our strength lies in flexibility and customization capabilities. We have developed tailored procedures to meet the needs of clients with especially high standards, such as the Italian Navy or ENEL, who require periodic audits and personalized safety and quality protocols. Our ability to adapt to these stringent requirements, while maintaining operational efficiency and service quality, represents a key value for our most demanding clients.



Closing

In closing, I would like to extend a sincere thank you to the entire Service team for their constant commitment and effort, with particular reference to the Safety area, to ensure the highest safety standards. The results speak for themselves: comparing the hours worked on-site in FY24 with the absence of accidents and injuries, a picture of operational excellence emerges.



Smart repowering for Hydro Power

Nidec Conversion's approach to sustainability combines technical innovation with responsible resource use. One of the most significant contributions in this field is the smart repowering of power plants, an engineering solution that enhances green energy generation while minimizing environmental impact. Through reverse engineering and selective refurbishment, Nidec Conversion enables customers to extend the operational life of aging assets, boost performance, and reduce the material footprint associated with plant renewal.

Smart Powering: A New Life for Older Technologies

Smart repowering projects allow customers to increase energy production from renewable sources by reutilizing significant portions of existing hydropower equipment, such as generators and civil infrastructure, thereby reducing the need for new materials and minimizing environmental disruption. Thanks to cutting-edge reverse engineering techniques and a deep understanding of electromechanical systems, Nidec Conversion upgrades older power units, replacing only critical components while refurbishing the rest to improve performance, reliability, and sustainability at the same time.

Two exemplary projects demonstrate this approach:

- **Lana Hydropower Plant:** Originally equipped in the 1950s with three horizontal DC generators, each with a capacity of 42 MVA, the plant underwent a full redesign of the live parts and complete refurbishment of the rest of the machines. After the intervention, each generator now delivers 50 MVA.
- **San Floriano Hydropower Plant:** Similarly, three 70 MVA generators from the 1950s were upgraded through reverse engineering. With a complete refurbishment and new live parts, each unit now reaches 75 MVA output.

These interventions not only avoided the environmental cost of full replacements but also significantly increased renewable energy production. In total, the repowered plants are now able to supply an additional 270 GWh/year, equivalent to the annual energy needs of approximately 15,000 households. This energy is 100% renewable, contributing directly to greenhouse gas emission reductions and improved air quality.



ESG Impact Analysis

- **Environmental:** Smart repowering dramatically lowers material use by preserving and upgrading existing equipment, avoiding the need for replacement and additional civil works. It increases renewable energy output, reduces CO₂ emissions and limits natural resource extraction.
- **Social:** These solutions extend plant life with minimal downtime, ensuring continuity in clean energy supply for local communities. They also reduce operational costs, improve energy affordability, and promote knowledge transfer through sustainable innovation.
- **Governance:** The adoption of smart repowering enhances corporate ESG performance, aligning with regulatory expectations, reducing risks linked to environmental impact, and strengthening stakeholder trust through transparent and forward-looking engineering strategies.

Future Outlook

Building on the success of our FY2024 smart repowering projects, Nidec Conversion continues to offer tailored solutions to meet the rising demand for sustainable energy. As hydropower resources and suitable sites are inherently limited, our approach enables customers to maximize existing assets by boosting plant efficiency. This not only supports the transition to renewable energy but also delivers cost-effective, low-impact upgrades. Through smart repowering, we reaffirm our commitment to innovation and environmental responsibility, helping our clients meet future energy needs sustainably.

At Nidec Conversion, we believe in giving new life to existing hydro power plants through reverse engineering and strategic refurbishment. By reusing and upgrading key components, we help our customers boost efficiency, extend asset lifecycles, and minimize environmental impact. This solution supports a true circular economy and makes clean energy more accessible and reliable. Together, we transform legacy assets into greener, more resilient systems for communities and the planet, today and for generations to come.

Massimo Baret
Motortecnica General Manager



2.5.2 Circular Economy: actions and targets

E5-2
Actions and resources related to resource use and circular economy

As part of the ESG Policy and the ESG Improvement Plan adopted at the beginning of FY 2025, Nidec Conversion has defined a set of targets to improve resource efficiency, promote circular economy principles, and integrate ecodesign criteria into product development. The following table outlines the objectives planned to reduce the environmental impact of materials use, waste generation and product life cycles.

E5-3
Targets related to resource use and circular economy

Dimension

Nidec Conversion acts against climate change and guarantees a clean environment along the value chain.

Commitment

Nidec maintains the deep commitment to minimizing our environmental impact and promoting sustainability across all our operations and supply chain. Nidec dedication to environmental stewardship is reflected in our comprehensive approach to resource management and waste reduction. In alignment with the European Sustainability Reporting Standards (ESRS), we ensure transparency and accountability in our environmental reporting, covering key areas such as climate change.

Goals

- Achieve full implementation of circular economy principles across all product lines by FY2028.
- Increase recovery and reconditioning programs by 20% within FY 2028 (compared to FY 2025).
- Improve upgrade activities by 20% within FY 2028 (compared to FY 2025), reducing full component replacement

Area of development	Actions	FY 2028 Targets	Reference SDGs
Circular Economy at Consumers' Sites	Increase the number of component recovery and reconditioning programs in the Service Activities.	20% increase compared to FY25 baseline of recovery and reconditioning programs	12.5
	Continue to upgrade Services Activities instead of completely replacing products.	20% increase over FY25 baseline in upgrade activities instead of component replacement	12.5
	Promote preventive maintenance at customers sites/equipments.	20% increase from LTSA's FY25 baseline	12.5
Green Product Design Roadmap	Improve the Resource Use / Circular Economy Management, formalizing R&D goals on eco/circular design for our products lines	Full circular economy principles across all product lines	12.5
		Reduce carbon footprint by at least 10% for LCA assessed products	12.2
	Create modular designs enabling easier repair and component replacement	100% reparability index assessed for our main products lines	12.2
	Reduce raw material consumption through advanced design and recycling techniques	30% reduction raw material consumption	12.2
	Establish zero-waste-to-landfill targets	100% energy efficiency enhanced in our products	7.3
	Support our customers to improve their environmental performance with our products.		
Conflict minerals	Prevent the use of conflict minerals that finance armed groups, ensuring all sourced minerals are Conflict Free	100% 3TGs Minerals Suppliers mapped as Conflict Free	12.2
Durability of our products		25% increase durability	12.5
	Extend life of our products implementing a dedicated revamping strategy	Develop second-life battery applications	12.5
		Establish and support battery recycling ecosystem	12.5
Customer awareness	Further improve communication and monitoring of environmental impacts of our products through environmental analysis and certification (e.g., EPD, product LCA)	50% LCA and EPD of our main products line	12.2
	Develop awareness initiatives for the customers and the community on the environmental impact of our products and their responsible use (i.e. how many ton CO ₂ the Customer will not emit by using our products for the planned life)	100% customers informed on ESG topics of the product	12.6
		100% Products with usage-phase carbon footprint	12.2



Power Converter Technical Spaces: A sustainable solution for a greener future

The construction of technical rooms for housing electrical components has traditionally relied on reinforced concrete due to its strength, fire resistance, thermal inertia, and acoustic insulation. While effective, this method carries notable environmental and operational drawbacks. Cement production alone accounts for the vast majority of emissions from concrete, with a single technical room generating up to 16 tons of CO₂. Additionally, construction demands large quantities of raw materials, cement, sand, gravel, water, and generates significant waste during both building and demolition phases.

Beyond its environmental impact, concrete construction is labour-intensive, time-consuming, and associated with high safety risks, particularly in the civil works sector. In response, and aligned with its sustainability strategy, Nidec Conversion proposes the use of metal containers—either new or repurposed—as a lower-impact and more efficient alternative. These solutions cut emissions to around 4.2 tons of CO₂ per unit, benefit from up to 70% recycled steel content, and support reuse and recyclability throughout their lifecycle.

Containers also allow for faster deployment, reduced on-site work, and improved safety. Compared to concrete, they require fewer resources, generate less waste, and significantly lower the energy and carbon footprint of technical room construction. Through these solutions, Nidec Conversion offers a more sustainable, flexible, and cost-effective alternative, achieving reduced environmental impact without compromising functionality or performance.

Sustainable technical premises

As part of its commitment to innovation and sustainability, Nidec Conversion is rethinking how technical spaces for power electronics are designed and built. Traditional methods, while reliable, are increasingly unsustainable in terms of environmental impact, resource use, and safety. By introducing alternative construction solutions and integrating advanced electronic technologies, Nidec Conversion aims to deliver more efficient, flexible, and eco-friendly infrastructures that meet the evolving needs of the energy sector.



Power Converter Topology: increase the density of electronic solutions

Nidec Conversion develops advanced technological solutions aimed at maximizing the efficiency and functionality of technical rooms. Our approach focuses on designing high-performance components that not only improve energy efficiency but also allow for more compact and streamlined installations. Thanks to reduced heat generation, our systems require less cooling infrastructure, which translates into lower energy consumption, operational cost savings, and a smaller environmental footprint.

Space optimization is another key element of our design philosophy. Our modular components can be easily configured and reconfigured to fit within the available area, offering flexibility for both initial installation and future upgrades. We also make use of vertical storage strategies to increase capacity without expanding the footprint, enabling more efficient use of space in constrained environments.

One of our most innovative solutions is the Power Converter Topology, which allows for the seamless integration of supercapacitors with power electronics. This eliminates the need for separate dedicated rooms, further reducing space requirements while enhancing performance and simplifying overall system architecture.

ESG Impact Analysis

- **Environmental:** The use of prefabricated metal containers, made from recycled steel, significantly reduces carbon emissions compared to reinforced concrete structures. Additionally, the integration of high-efficiency electronic components lowers the overall energy consumption of technical rooms.
- **Social:** Prefabricated solutions reduce on-site construction activities, improving worker safety and minimizing exposure to hazardous conditions. The “Safe Design” approach for components also protects workers during installation and maintenance phases.
- **Governance:** By adopting these solutions, customers create long-term value for stakeholders, supporting sustainable growth and business resilience. Moreover, the technical rooms comply with applicable regulations, reducing legal risks and ensuring responsible practices.

Future Outlook

In FY2025, Nidec Conversion plans to complete a feasibility study on the application of thermoreflective paints for metal containers. This innovative solution is designed to improve the thermal performance of technical rooms by enhancing heat dissipation and reducing energy consumption from cooling systems. If the preliminary findings are confirmed, this initiative would represent a further step in our ongoing commitment to sustainability and innovation in infrastructure design.



Our R&D mission is to drive sustainability through innovative product design and resource efficiency. By replacing traditional concrete technical rooms with repurposed metal containers and developing advanced, energy-efficient power converters, we significantly reduce carbon footprints and material waste. These solutions not only support circular economy principles but also enhance operational safety and space utilization—demonstrating how cutting-edge technology and sustainable design go hand in hand to build a greener future.



Gianluca Postiglione
Nidec Conversion Chief Technology Officer



2.5.3 Resources management: inflows, outflows and waste

The analysis of the inflows focused on those materials that represent a significant volume or cost for Nidec Conversion. In cases where precise quantities were not available, an estimate was made by dividing the total expenditure by the average market price of the material, providing a reasonable approximation consistent with the company’s procurement practices. Given the approximate nature of the analysis, this assessment was carried out only for the year FY 2024, with the aim of progressively improving the accuracy and completeness of material flow reporting in the coming years.

Regarding the products, Nidec Conversion stands out for the high quality and durability of its solutions, which is already a positive aspect in terms of circular economy. As for recyclability, it largely depends on how the products are disposed of by the end users and the processes they undergo at the end of their life cycle. Nevertheless, the predominant use of metallic components makes the products inherently recyclable, at least to a significant extent.

In terms of waste generated, the share of waste actually sent for recycling remains relatively low (around 2% in both years). However, the overall recovery rate, including recycling, is remarkably high, reaching 97.54% in FY 2023 and 98.81% in FY 2024. This highlights the company’s strong ability to direct its waste toward recovery processes, significantly reducing the need for disposal.

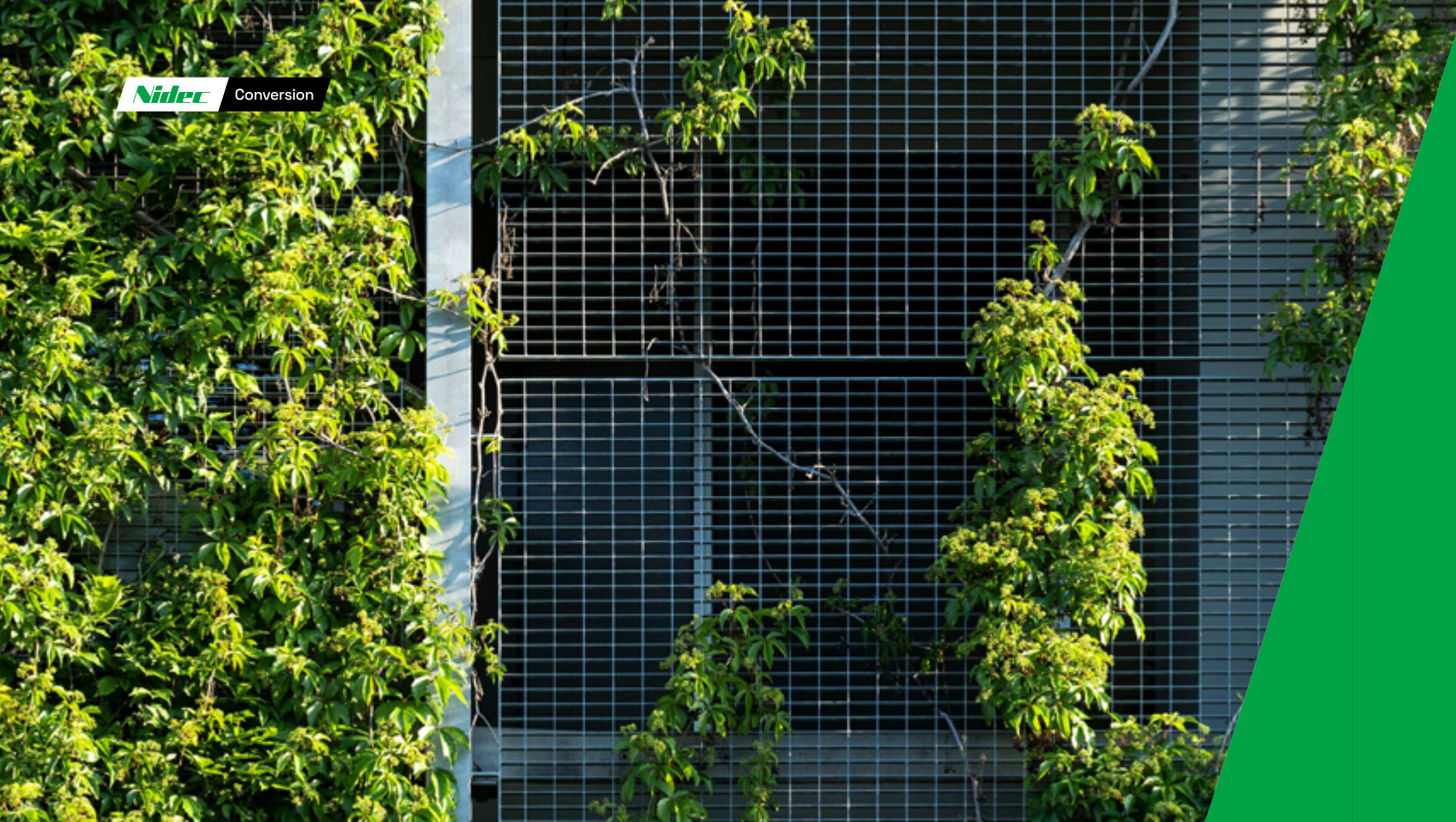
E5-4
Resource
inflows

E5-5
Resource
outflows

Materials purchased	u.m.	FY 2024
Copper	kg	6,953,506
Aluminum	kg	71,455
Steel	kg	4,252,145
Epoxy resins	kg	24,378
Lithium cells	kg	184,762
Total materials purchased	kg	11,486,246

Waste Type		u.m.	FY 2023	FY 2024
Hazardous + non-hazardous	Total waste produced	kg	2,819,178	3,076,087
Hazardous	Preparation for re-use (R2; R6-R9)	kg	0	0
Hazardous	Recycling (R3-R5)	kg	3,700	3,700
Hazardous	Other recovery operations (R1; R10-R13)	kg	410,644	336,600
Hazardous	Hazardous waste NOT sent for disposal	kg	414,344	340,300
Non-hazardous	Preparation for re-use (R2; R6-R9)	kg	1,200	600
Non-hazardous	Recycling (R3-R5)	kg	56,187	52,401
Non-hazardous	Other recovery operations (R1; R10-R13)	kg	2,278,097	2,646,116
Non-hazardous	Non-hazardous waste NOT sent for disposal	kg	2,335,484	2,699,117
Hazardous + non-hazardous	Total waste sent for preparation for re-use	kg	1,200	600
Hazardous + non-hazardous	Total waste sent for recycling	kg	59,887	56,101
Hazardous + non-hazardous	Total waste sent for other recovery operations	kg	2,688,741	2,982,716
Hazardous + non-hazardous	Total waste NOT sent for disposal	kg	2,749,828	3,039,417
Hazardous + non-hazardous	Share of waste NOT sent for disposal	%	97.54%	98.81%
Hazardous	Incineration (D10; D11)	kg	5,480	200
Hazardous	Landfilling (D1)	kg	0	0
Hazardous	Other disposal operations (D2-D9; D12-D15)	kg	19,540	5,270
Hazardous	Hazardous waste sent for disposal	kg	25,020	5,470

Waste Type		u.m.	FY 2023	FY 2024
Non-hazardous	Incineration (D10; D11)	kg	0	0
Non-hazardous	Landfilling (D1)	kg	0	0
Non-hazardous	Other disposal operations (D2-D9; D12-D15)	kg	44,330	31,200
Non-hazardous	Non-hazardous waste sent for disposal	kg	44,330	31,200
Hazardous + non-hazardous	Total waste sent for incineration	kg	5,480	200
Hazardous + non-hazardous	Total waste sent to landfill	kg	0	0
Hazardous + non-hazardous	Total waste sent for other disposal operations	kg	63,870	36,470
Hazardous + non-hazardous	Total waste sent for disposal	kg	69,350	36,670
Hazardous + non-hazardous	Total non-recycled waste	kg	2,759,291	3,019,986
Hazardous + non-hazardous	Share of non-recycled waste	%	97.88%	98.18%
Non-hazardous	Total non-hazardous waste	kg	2,379,814	2,730,317
Hazardous	Total hazardous waste	kg	439,364	345,770
Radioactive	Total radioactive waste	kg	0	0



Driving electronic efficiency to a sustainable future: advanced power electronics innovation

At Nidec Conversion, we believe that sustainability and innovation must go hand in hand. Our commitment to advancing power electronics technologies reflects a broader ambition: to enable cleaner energy systems, optimize resource efficiency, and support our customers in building more resilient, future-proof infrastructures. The recent enhancements to our AD7000E power module and our patent-pending innovation in capacitor design are a testament to this vision, demonstrating how technical progress can drive measurable ESG benefits.

Our Innovation: Redesigning for Efficiency and Longevity

We re-engineered our flagship power module, the AD7000E, by introducing a new IGBT utilization strategy and a redesigned PCB (MODPAR Gen2, TPIL6CA). Crucially, we maintained the same mechanical and hydraulic interfaces, allowing for seamless upgrades and retrofits. The revised design enables the AD7000E to consistently deliver its full rated current of 980A at 1500VDC, a performance the original version could not achieve, thereby eliminating a key barrier to the adoption of next-generation battery technologies. This also reduces stress on components, extending their lifespan and improving system reliability. In parallel, we developed and filed a patent for an innovative approach to managing flying capacitors. By using a refined current modulation strategy (DPWM with homopolar signal injection), we significantly limit the RMS current through capacitors, enabling a reduction of up to 30% in the number of capacitors per module. This achievement lowers material use without compromising performance or reliability.

ESG Impact Analysis

- **Environmental:** The AD7000E’s full-current operation at 1500VDC facilitates the use of advanced, energy-dense batteries, boosting system efficiency and supporting clean energy storage. The capacitor innovation reduces material consumption by 25–30%, cutting demand for raw materials. Additionally, extended component lifespans reduce electronic waste and environmental impacts over the product lifecycle.
- **Social:** These innovations empower customers to adopt cutting-edge battery technologies and deliver more reliable services. Enhanced product durability reduces maintenance and downtime, ensuring consistent energy supply. Internally, our R&D process has contributed to the development of advanced skills within our engineering teams.
- **Governance:** The two projects reinforce our leadership in sustainable innovation, strengthen our intellectual property portfolio, and improve supply chain resilience by enabling component diversification. By ensuring mechanical compatibility with existing installations, we also support customer retention through cost-effective upgrade pathways.

Future Outlook

These innovations demonstrate our commitment to sustainable engineering, offering not only technical improvements but also tangible environmental and social value. The principles and technologies behind the AD7000E and our capacitor breakthrough are now being applied to future products such as the AD9000 and AD50000, reinforcing our vision of technology as a key enabler of global sustainability.



At Nidec Conversion, innovation is at the heart of our R&D efforts. By optimizing the use of electronic components in our power converters and developing advanced technologies such as flying capacitor solutions, we have achieved new levels of efficiency and reliability. These breakthroughs not only enhance the performance of our products but also support our customers' sustainability and competitiveness. For us, every challenge is as an opportunity to lead by example in our industry. By embedding eco-design and circular-economy principles into every stage of development and manufacturing, we drive both technological leadership and environmental stewardship. Together, we power a cleaner, smarter future.



Gianluca Postiglione
Nidec Conversion Chief Technology Officer

3. Social



SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

Nidec Conversion places social responsibility at the core of its operations, beginning with its own workforce and extending to all workers in the value chain. Nidec Conversion is firmly committed to ensuring workplace safety, aiming to eliminate work-related fatalities and serious injuries, but also a work environment that is respectful, fulfilling, and can bring out the ability of each employee. This goal is pursued through the promotion of a proactive safety and respectful culture, built on continuous employee engagement and awareness, encouraged through structured feedback mechanisms such as surveys and direct interaction with HR representatives.

The protection of human and labor rights is another cornerstone of Nidec Conversion's approach, which includes a strong focus on preventing modern slavery and child labor. To this end, the company implements rigorous processes for supplier verification and ongoing monitoring.

Another core pillar of Nidec Conversion's social approach is community engagement. Nidec Conversion is committed to respecting the rights of local communities and contributing meaningfully to their development priorities. Community investments are directed primarily toward education, skills development, and environmental protection in the areas where the company operates.

For consumers and end users, Nidec Conversion ensures product safety, robust data protection, and responsible marketing. This includes product testing that exceeds regulatory standards and transparent communication about product characteristics and performance. Nidec Conversion is equally committed to promoting equal opportunity in all aspects of employment, operations, and service delivery. Nidec Conversion strictly prohibits discrimination and harassment based on race, color, religion, gender, gender identity, age, national origin, disability, sexual orientation, or any other characteristic protected by law, ensuring an inclusive and respectful environment for all. Nidec Conversion safeguards that all stakeholder groups, including employees, suppliers, customers, local communities, and shareholders are actively considered in its responsibility framework.



3.1 Own workforce

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

S1-1
Policies related to own workforce

S1-2
Processes for engaging with own workers and workers’ representatives about impacts

Nidec Conversion has adopted a comprehensive and rigorous approach to managing its own workforce, in fact the company actively identifies and evaluates risks and impacts affecting employees through internal analysis and monitoring, ensuring these findings contribute to its strategic decision-making. Nidec Conversion implements fair and transparent recruitment practices and guarantees equal access to training, mentoring, and advancement opportunities based on individual performance and potential. Nidec ensures that all employees receive fair and adequate pay in line with legal standards and market benchmarks. Nidec Conversion also facilitates access to social protections, including pension and healthcare systems, ensuring equity in benefits regardless of geographic location.



3.1.1 The characteristics of Nidec Conversion’s own workforce

Our workforce is the foundation of our success and a key driver of sustainable growth. We strive to create an environment where stability, inclusion, and professional development go hand in hand. By valuing diverse skills and perspectives, Nidec Conversion promotes collaboration and innovation across all roles and functions. This approach ensures that every individual can contribute meaningfully while growing within a culture that respects people and supports long-term employability.

In the reporting year, Nidec Conversion had **1,958 employees** hired on **permanent contracts (94.3%)** or **fixed-term contracts (5.7%)**, certifying Nidec Conversion’s commitment to guaranteeing its employees a stable employment contract.

Almost all employees had **full-time contracts (98.5%)**. The workforce is predominantly **male (85.5%)**, with women accounting for **14.5%** of the total.

 Employees

Total employees by employment contract and gender	FY 2024
Total	1,958
Total women	284
Total men	1,674
Permanent contract	1,846
Women	272
Men	1,574
Temporary contract	112
Women	12
Men	100

S1-6
Characteristics of the undertaking’s employees

S1-7
Characteristics of non-employee workers in the undertaking’s own workforce

S1-9
Diversity metrics

S1-11
Social protection

S1-12
Persons with disability

S1-13
Training and skills development metrics

S1-14
Health and safety metrics

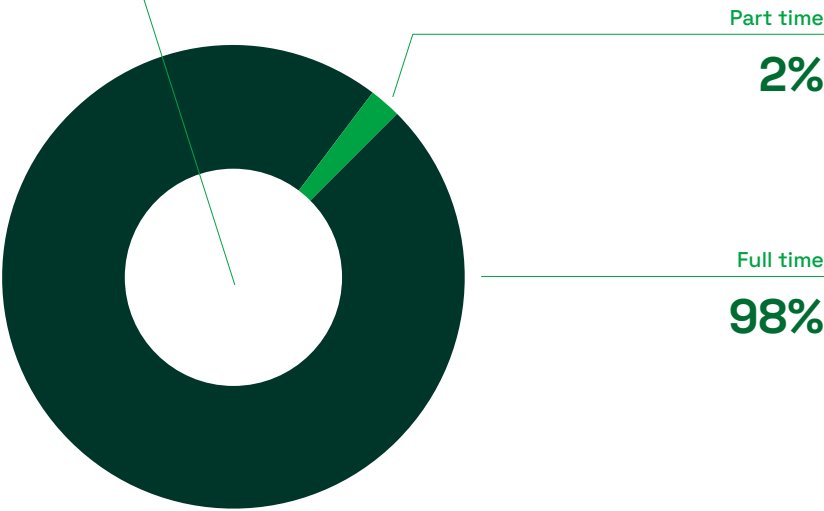
S1-15
Work-life balance

S 1-17
Incidents, complaints and severe human rights impacts

Total employees
by employment contract and gender

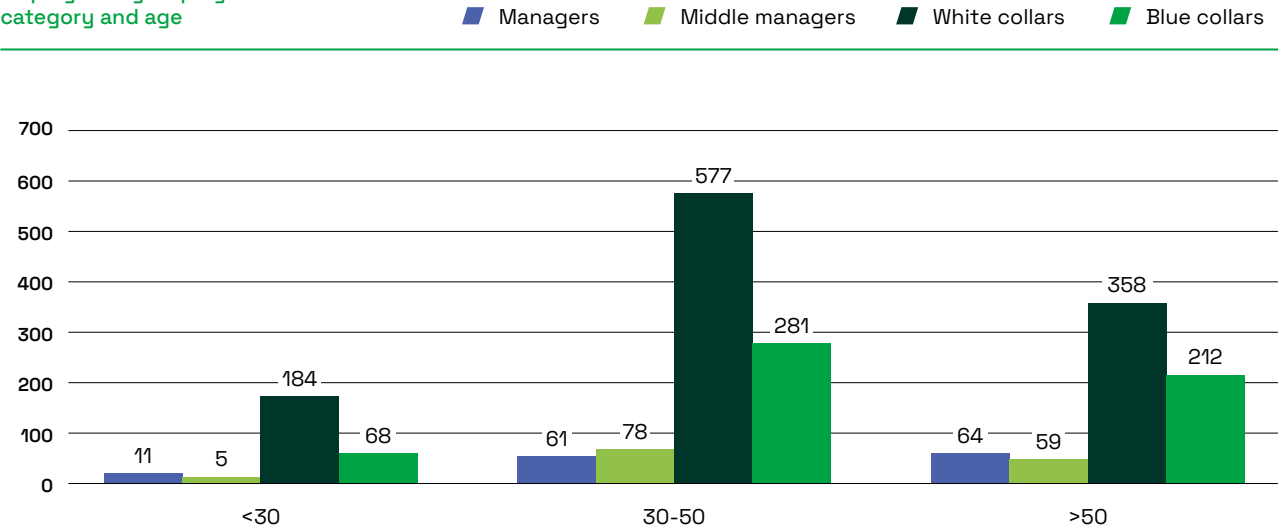
FY 2024	
Full time	1,928
Women	265
Men	1,663
Part time	30
Women	19
Men	11
Tot. Employees	1,958

Employees
by employment contract



13.7% of the workforce is under the age of 30, with the remainder divided increasingly between those over 50 (35.4%) and those between 30 and 50 (50.9%), who account for half of the human resources of all companies.

Employees by employment
category and age



White-collar employees make up 57.2% of the company's workforce and are mainly in the 30-50 and over-50 age groups. Blue-collar workers represent 28.7% of the workforce, while managers and middle managers make up 14.2%.

Percentage of employees
by age group and category

FY 2024	
Under 30	13.7%
Managers	0.6%
Middle managers	0.3%
White collars	9.4%
Blue collars	3.5%
30-50	50.9%
Managers	3.1%
Middle managers	4.0%
White collars	29.5%
Blue collars	14.4%

Percentage of employees by age group and category	FY 2024
Over 50	35.4%
Managers	3.3%
Middle managers	3.0%
White collars	18.3%
Blue collars	10.8%
Total employees	100.0%
Managers	6.9%
Middle managers	7.3%
White collars	57.2%
Blue collars	28.7%

A minority of Nidec Conversion’s workforce is made up of non-employees. Specifically, the largest category is **agency workers**, with **120 employees**, followed by **7 agents**.

Total not employees by contract type and gender	FY 2024
Total not employees	127
Total women	27
Total men	100
Agency workers	120
Women	27
Men	93
Autonomous workers	0
Women	0
Men	0
Project collaborators	0
Women	0
Men	0
Agents	7
Women	0
Men	7
Trainees	0
Women	0
Men	0





Work-life balance

Promoting a more equitable distribution of care responsibilities between men and women is a fundamental step toward removing one of the main obstacles to women’s presence in senior roles.

In this sense, family leave is a strategic measure for inclusion and gender equality, as it allows all employees, regardless of gender or professional level, to **balance family and work responsibilities**. By promoting the equitable use of **family leave**, the company helps to overcome cultural stereotypes and organizational models that are still heavily skewed, strengthening a more just and inclusive work environment that is oriented toward valuing talent in all its forms.

93.1% of Nidec Conversion employees are **entitled** to take leave for family reasons. In FY 2024, **7.0%** of those eligible used it, namely **127 employees** (4.0% women and 7.5% men).

Family leave	FY 2024		
	Women	Men	Total
Number of employees entitled to take leave for family reasons	273	1,549	1,822
Number of eligible employees who took family leave	11	116	127
Percentage of employees entitled to take leave for family reasons	96.1%	92.5%	93.1%
Percentage of eligible employees who took family leave	4.0%	7.5%	7.0%





Persons with disability

Nidec Conversion is compliant with the national regulations in force at its site; while the company strives to achieve the required percentage of employees with disabilities, it is taking proactive measures to promote inclusion, including monitoring regulatory requirements, engaging in dialogue with targeted placement agencies, and evaluating new employment opportunities compatible with the skills required and the characteristics of the candidates. When Nidec Conversion is unable to directly hire people with disabilities due to its production processes, it enters into a specific agreement with an external supplier that hires them.



Nidec Conversion is a company that cares about inclusion and promoting integration into the workplace and the expression of everyone’s abilities. For this reason, its workforce includes **39 employees with disabilities**, 12 women and 27 men.

Percentage of employees with disabilities	FY 2024
Women	4.23%
Men	1.61%
Total	1.99%





Turnover rate

At the end of the fiscal year, there were **176 terminations**. The **turnover rate** is therefore very low, standing at **9.0%**. The main reasons were voluntary termination of employment (119), dismissal (31), retirement (14), and natural termination of contract (12).

Turnover rate	FY 2024
Number of employees who left the company during the reporting period	176
Turnover rate	9.0%



Training and skills development

Training and skills development are a cornerstone for Nidec Conversion, as they are key elements in ensuring the quality of its offering and consolidating its leadership in its target markets.

Average hours of training provided to employees by gender	FY 2024
Women	11.1
Men	17.3
Total	16.4

In FY 2024 employees received an average of **16.4 hours of training each**, for a total of more than **32,000 hours** overall, certifying Nidec Conversion’s attention and commitment to skills development and personal growth.

Nidec Conversion considers dialogue and performance evaluation of its employees to be extremely important, as it is seen as an opportunity for discussion and growth. During the reporting year, 86.0% of employees participated in a formal periodic evaluation (at least once a year). In particular, almost all managers, middle managers, and white-collar workers participated in a formal periodic evaluation (at least once a year). For blue-collar workers, feedback often takes place but is not formalized.

Percentage of employees who participated in periodic reviews	FY 2024
Managers	100.00%
Middle managers	100.00%
White collars	99.80%
Blue collars	47.20%
Total	86.00%
Total women	96.50%
Total men	84.20%





Our People are the real driving force behind the energy transition we are leading globally. Over the last two years, our “High Potential Leadership Program 2022-2024” has involved 16 people in specialized training programs, professional development courses on leadership and communication, and cross-training initiatives, for a total of more than four weeks of training. We are investing heavily in the skills of the future because we believe that only with the right people can we accelerate the decarbonization of the economy and ensure the success of our Company. Our commitment to future generations goes beyond simple internal training. We have launched a structured program that brings our engineers directly into STEM schools and universities, sharing their experience with students and inspiring the talents of tomorrow. A striking example is our commitment in India, near our production site in Chennai, where we supported the development of more than 600 young students, but in Italy alone, for example, we have reached 680 students from prestigious universities such as Padova, Pavia, and Trieste, as well as the same number of technical colleges during 12 dedicated events. These initiatives not only feed the pipeline of technical skills that our sector needs but also demonstrate in concrete terms how sustainability also comes through education and the transmission of knowledge. Today, we are training the innovators who tomorrow will design solutions for a fully electrified and carbon-neutral world.

Paola Giordano
Nidec Energy platform Vice President,
Human Resources



Health and safety

Nidec Conversion promotes a **culture of safety** based on training, information, and constant awareness, requiring all personnel - from managers to employees - to comply with regulations, use protective equipment correctly, and report any hazardous situations. The active involvement of everyone is considered essential to ensuring safe and compliant work environments.



In FY 2024, only **12 accidents were recorded**, resulting in the **loss of 171 working days**, confirming the effectiveness of the prevention measures put in place. The rate of recordable accidents at work is very low, standing at **3.3 as number of events per 1,000,000 hours worked**. No cases of work-related illnesses were recorded.

Calculation
of injury rates

FY 2024

Workplace injury rate,
as number of events
per 1,000,000 hours worked

3.3

100% of Nidec Conversion employees are covered by an effective Health and Safety Management System (86% certified according to ISO 45001).



Incidents and discrimination

No cases of Incidents, complaints and severe human rights impacts were reported during the reporting year.

3.1.2 Own workforce: actions and targets

S1-4
Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

S1-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

■ Dimension

Nidec Conversion for continuous improvement of working conditions and satisfaction of its workforce.

■ Commitment

Nidec’s commitment to social responsibility is evident in the efforts to promote health and safety, diversity, equity and inclusion within the own workforce, ensuring a supportive and respectful environment for all employees.

■ Goals

- 100% Employees witnesses of our Nidec Culture
- Zero injuries (FY 2028)



Area of development	Actions	FY 2028 Targets	Reference SDGs
Equal opportunities	Reinforce the policy for valuing diversity (gender identity, ethnicity, religion, etc.) and protecting equal opportunity	100% D&I and Equal Opportunity procedure application	5.5
Engagement	Create corporate welfare initiatives to attract and retain talents Increase ESG awareness and skills to all employees: • Develop an internal awareness campaign to reduce energy consumption and to promote proper recycling • Review and update business travel policies • Promote Smart Working adoption • Promote environmentally friendly Mobility Management • Introducing a awarding system connected to ESG topics Respect of dignified working conditions according to SA 8000	• 100% Employees feedback collected and analyzed • 100% Employees ESG aware • 50% Manufacturing sites certified SA 8000 /PAS 24000	8.8 4.7 8.5
Health & Safety	Certify the occupational health and safety management system to ISO 45001 Introducing Safety performance into the management evaluation Continue safety training programs for all the employees both at sites and field service activities Promote workplace health initiatives	• 80% of manufacturing sites certified ISO 45001 • 100% Nidec People engaged on Safety • 100% continuously trained and kept up to date employees (both sites and field service personnel) • 100% Nidec People engaged on Health initiatives	3.9 8.8 8.8 3.9

3.2 Workers in the value chain

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

Nidec Conversion has developed a forward-looking sustainability strategy that applies across all of its global operations. This integrated approach embraces the entire value chain, from product design and manufacturing to marketing and end-of-life product management. Nidec Conversion has established a structured approach to identifying and managing risks, opportunities, and impacts on workers in its value chain. Nidec Conversion has mapped both upstream and downstream actors, including component manufacturers, on-site contractors, field service providers, and other external personnel. The behavior and actions of the company aligns with international frameworks and outlines principles on human and labor rights, grievance mechanisms, and ethical sourcing. It includes the requirement for all suppliers to accept a Supplier Code of Conduct and adhere to contract clauses promoting ethical behavior; these are enforced by the CEO and Sustainability Committee, with a review campaign planned for FY 2025. In case of violation of its standards, the company disqualifies suppliers who have broken such rules, as trust has broken down and ethical differences in business management have become evident.

3.2.1 Workers in the value chain: strategy and policy

S2-1

Policies related to value chain workers

Nidec Conversion maintains a strict zero-tolerance policy for human trafficking, forced labor, and child labor across its entire value chain. Nidec Conversion conducts comprehensive risk assessments to identify potential instances of modern slavery and implements rigorous supplier verification and monitoring systems. In cases where forced or child labor is identified, Nidec Conversion ensures prompt and appropriate remediation. Nidec Conversion is committed to transparent reporting on both the risks associated with modern slavery and the actions taken to mitigate them. These efforts are reinforced through supply chain mapping and transparency initiatives, mandatory supplier certification, regular audits in high-risk regions, and the establishment of worker voice mechanisms and anonymous reporting channels.

S2-2

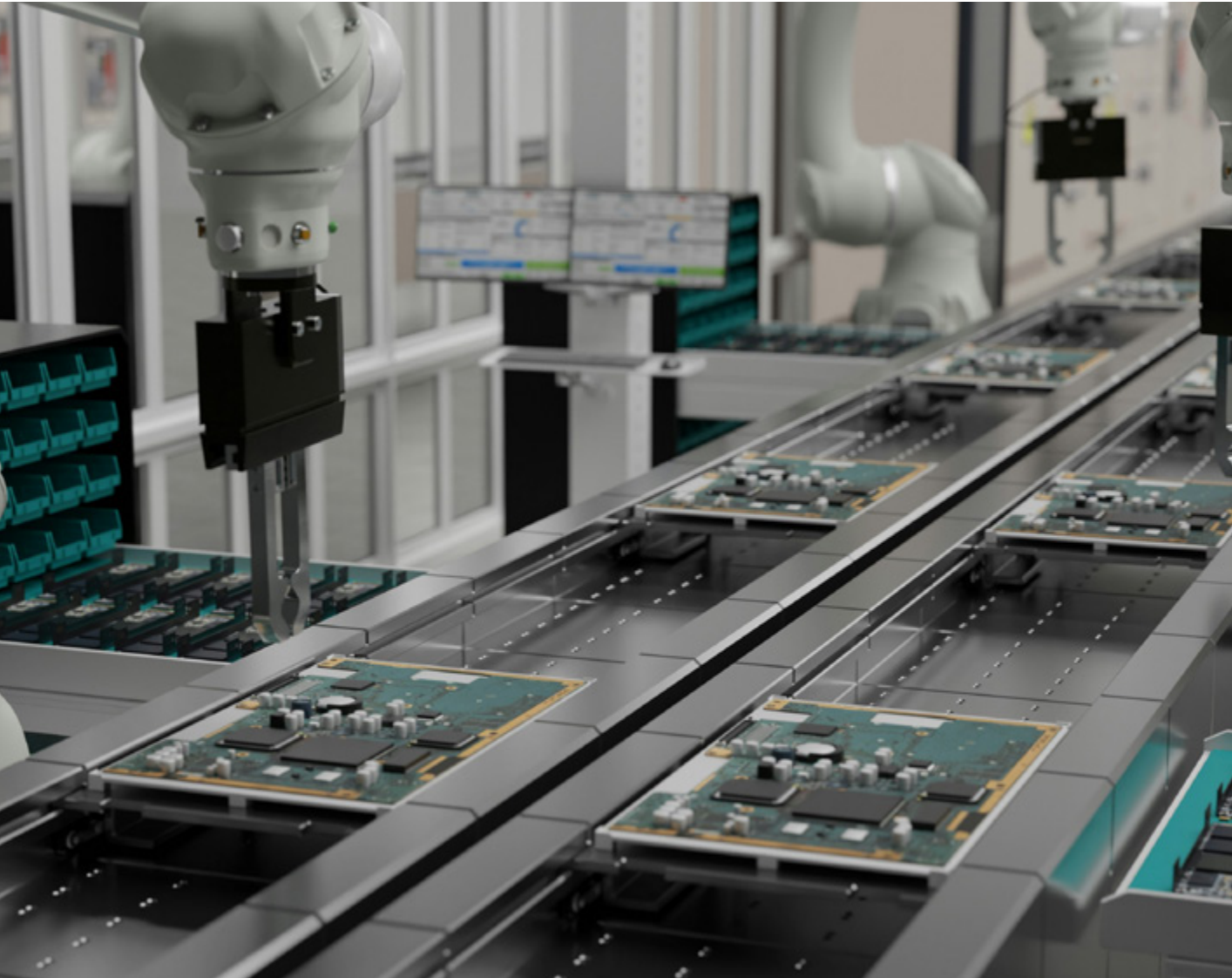
Processes for engaging with value chain workers about impacts

S2-3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Nidec Conversion engages value chain workers through structured processes such as audits, interviews, and regular meetings, aiming to understand their perspectives and ensure alignment with the company’s standards; the responsibility for these engagements lies with the HSE, ESG, and Quality teams. Nidec Conversion is strongly committed to responsible sourcing, with a particular focus on preventing the use of conflict minerals that may finance armed groups. For example, to ensure that all sourced 3TGs minerals are conflict-free, Nidec Conversion applies rigorous due diligence and traceability practices throughout its supply chain, fully aligned with the OECD Guidelines. Moreover, particular attention is given to vulnerable groups such as women and trade union members, while no instances of migrant or underage labor have been reported.

The company’s ESG Policy and ESG Improvement Plan span all operational and production sites worldwide and are aligned with major international standards: they set clear environmental, social, and governance targets and promote shared responsibility across the entire value chain. Nidec Conversion is committed to respecting and upholding the human and labor rights of all workers within its supply chain, ensuring fair wages, working conditions, and reasonable working hours. Risk assessments are systematically carried out to identify and prevent modern slavery, while effective and accessible grievance mechanisms are made available to all workers across the value chain.





In FY 2023, Nidec Corporation performed self-assessments with over 800 major suppliers in Asia (including the ones for Nidec Conversion), evaluating their adherence to the standards outlined in the Supply Chain CSR Promotion Guidebook. These efforts confirmed a high level of awareness and compliance among partners. Moreover, Nidec Conversion conducted also human rights due diligence on about 300 suppliers of the entire group (including the ones from Nidec Conversion), with no cases of forced labor or child labor identified.

Employees involved in supply chain management received targeted training to enhance their understanding and vigilance on the risks of slavery and trafficking. Nidec Conversion's internal procedures are designed to maintain a high level of ethical behavior and continuous oversight across all procurement and operational activities.

The statement was approved by the Board of Directors and signed by the Chief Compliance Officer, reinforcing the company's commitment to ethical business practices and the protection of human rights throughout its value chain.

Providing innovative solutions for power and systems control

Nidec Conversion operates globally with over 1,900 employees in 7 different countries, and the company leverages its wide international presence to promote ethical practices through corporate policies, supplier engagement, audits, and employee training.

To ensure responsible business conduct, Nidec Conversion has established a robust framework consisting of:

- the Supplier Code, which mandates compliance with standards on ethical behavior, working conditions, child labor, and freedom of association;
- the Basic Policy on Human Rights, applicable to employees and suppliers alike;
- the Compliance Code, which includes a Code of Conduct, an Ethics Handbook, and purchasing terms that empower Nidec to terminate contracts in case of non-compliance.





Nidec Conversion apply rigorous ESG standards across our entire supply chain, ensuring that our partners align with our high environmental, social and ethical values. Through continuous monitoring and collaboration, we not only reduce risks but also drive positive change - many of our suppliers have improved their own ESG practices thanks to our encouragement and shared goals. Together, we raise the bar for a more responsible, sustainable and resilient value chain.

Riccardo Cercone
Nidec Conversion Director,
Procurement



In addition, Nidec Conversion promotes transparency through supply chain mapping initiatives and requires that all suppliers comply with the same ESG standards it applies internally. As said before, the ultimate goal is for 100% of the supply chain to adhere to and respect Nidec Conversion’s Supplier Code of Conduct.

Nidec Conversion ensures ongoing oversight of its supply chain sustainable performances through existing monitoring practices, while progressively enhancing its policy framework with structured targets and measurable indicators, raising the bar and fully implementing the continuous improvement.



3.2.2 Workers in the value chain: actions and targets

■ Dimension

Nidec Conversion for continuous improvement of working conditions and workforce satisfaction along the value chain.

■ Commitment

Nidec’s commitment to social responsibility is evident in the efforts to promote health and safety, diversity, equity and inclusion within the value chain workforce, ensuring a supportive and respectful environment for all employees.

■ Goals

- Workforce engagement in using Nidec Conversion’s Whistleblowing Platform achieved for 100% of Tier 1 suppliers by FY2028
- Workforce management compliance verified for 100% of Tier 1 Suppliers within FY 2028

S2-4

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

S2-5

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Area of development	Actions	FY 2028 Targets	Reference SDGs
Human Rights, Labor Rights, Modern Slavery and Child Labor	Promote a sustainable qualification process of our supplier’s workforce	100% Main Tier 1 supplier qualified workforce	8.5
	Keep Human rights, Labor Rights Policy alive also introducing a due diligence process, with no tolerance for modern slavery and child labor	100% audit scheme respected for the Main Tier 1 suppliers	8.8
	Engage suppliers’ workers on our whistleblowing procedure and Near Misses reporting	100% Main Tier 1 supplier workforce engaged for the use of whistleblowing procedure	8.8

3.3 Affected communities

SBM-3
Material impacts,
risks and
opportunities
and their
interaction with
strategy and
business model

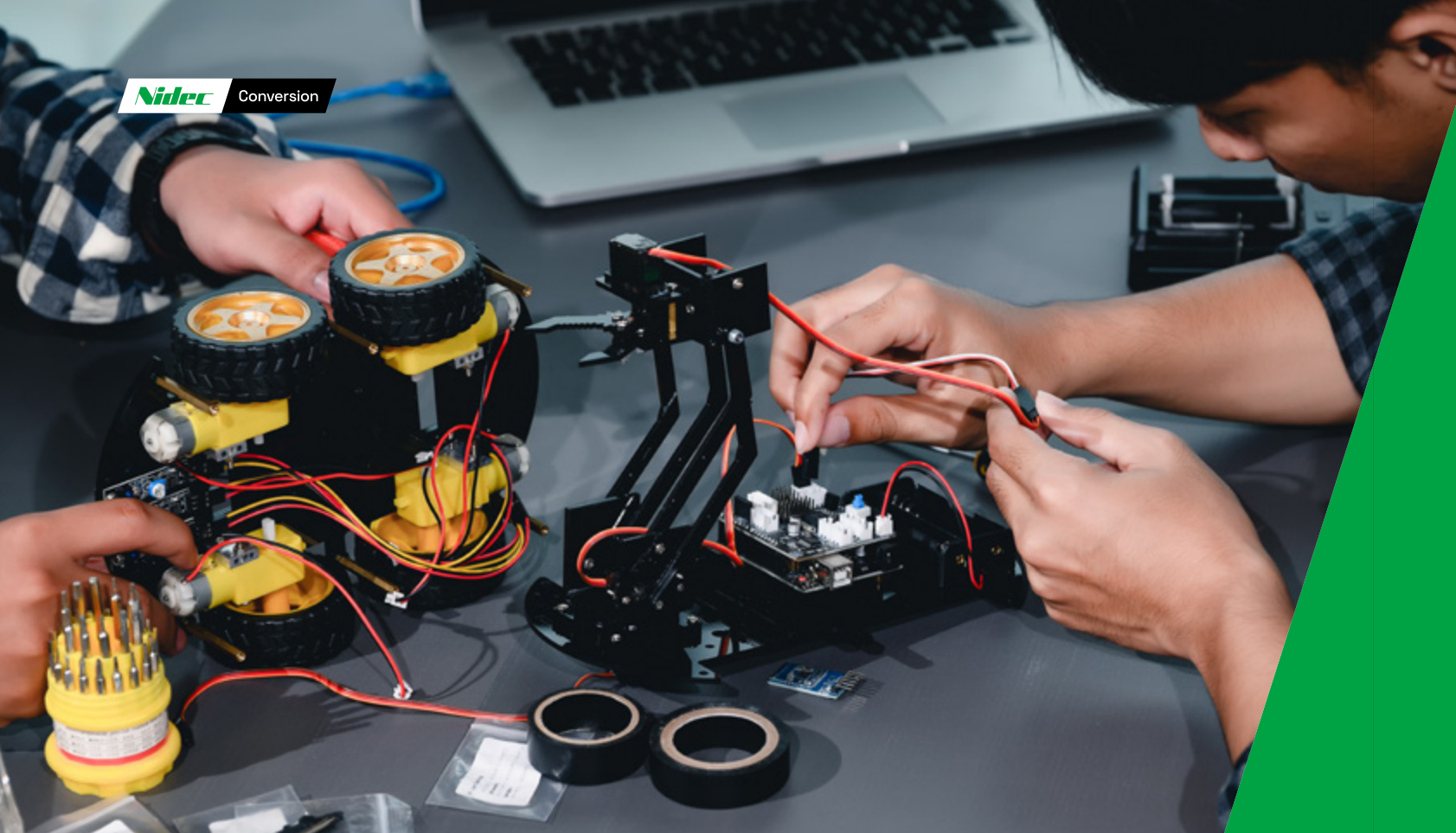
Nidec Conversion is dedicated to supporting the communities in which it operates by focusing on education, skills development, and environmental protection. The company promotes local economic development and supplier diversity and works closely with local stakeholders to design effective community investment strategies. Employee involvement is also encouraged through volunteering in local initiatives. These commitments are implemented through partnerships with local organizations, skills transfer and capacity-building programs, support for STEM education in nearby schools, environmental restoration efforts, and initiatives aimed at developing local suppliers.

In 2024, Nidec Conversion organized 12 meetings with schools and universities, involving a total of 680 students.

The activities included company presentations, visits to production facilities, and opportunities for direct interaction with Group professionals and managers, with the aim of introducing young people to the world of work and promoting technical and industrial culture. The meetings took place in various Italian cities, including Milan, Monfalcone, Cini-sello Balsamo, Massa, and San Cipriano Picentino, reflecting the Group's territorial presence.

The initiatives involved both universities and technical and vocational institutes, with a proposal tailored to the target audience. Among the most significant events were Innovation Day with the University of Padova, the meeting with the Polytechnic University of Milan as part of the "Engineers in Business" program, and the career day at the University of Salerno. With technical institutes, an important role was played by orientation courses and PCTO (Pathways for Transversal Skills and Orientation), such as those activated with the IIS Barsanti in Massa and the IIS Rolando da Piazzola in Padova.





Nidec Conversion India: Empowering Young Generations Through Sustainable Education Initiatives

In Fiscal Year 2024, Nidec Conversion’s Chennai site in India implemented three transformative Corporate Social Responsibility (CSR) projects focused on STEM education and youth empowerment. With a total investment of USD 30,231, these initiatives directly impacted over 790 young people across rural and underserved communities. The company’s sustainability strategy places significant emphasis on empowering young generations through education, particularly in STEM fields that align with the company’s expertise and future industry needs.

Project 1: Support for Robotics Workshops in Schools and Colleges

Nidec Conversion partnered with Agni Siragugal Social Service Trust (ASISST) and Lambda Robotics to organize robotics workshops for college and school students in the Kovilpatti region. Held at the Unnamalai Institute of Technology, the 6-day program combined theoretical, practical, and demonstration sessions, benefiting 501 college students and 190 school students from nearby government institutions. The workshops focused on foundational skills in robotics, programming, and automation, using real robotics kits to enhance hands-on learning. This initiative aimed to promote STEM education, especially in rural areas, by fostering critical thinking, creativity, and problem-solving.

Project 2: Stem Education training on Satellite Launch

Nidec Conversion supported the Women’s League Foundation in Chennai to empower 50 underprivileged girls through a pioneering satellite-making project. The project provided girls from disadvantaged backgrounds with STEM skills, boosting confidence, critical thinking, and teamwork. Beyond individual impact, the DSVL satellite serves as a tool for education in rural and remote areas, creating a legacy of empowerment and opportunity in technology and engineering.

Project 3: Support towards Rural Youth Health care Training

Nidec Conversion partnered with the Women’s League Foundation in Chennai to implement a comprehensive healthcare training program aimed at empowering 50 underprivileged girls from rural areas. The initiative provided participants with practical healthcare education, including the use of mannequins, lab furniture, and medical training equipment. Beyond vocational outcomes, the project also contributed to raising awareness and improving healthcare capacity in underserved communities.

Conclusion

These projects not only enhanced youth employability, but also promoted social inclusion, with particular attention to girls’ education. Overall, Nidec Conversion’s strategy exemplifies how CSR can drive multi-dimensional impact, address several sustainability goals while foster equitable community development.



I'm incredibly proud of what we've accomplished through our CSR initiatives this fiscal year. With an investment of just over \$30,000, we've directly impacted nearly 800 young people across Tamil Nadu, focusing on those who need it most – students in rural communities and underprivileged girls who traditionally have limited access to STEM education. What excites me most is how these projects align perfectly with our core business expertise. We're not just writing checks; we're leveraging our knowledge in battery energy storage, electric vehicle charging infrastructure, and automation to create real pathways for these young people. When I see 50 girls successfully launching a satellite, they built themselves, or watch rural students programming their first robots, I know we're building India's future workforce while staying true to our sustainability commitments. This is how corporate responsibility should work – strategically aligned with business objectives, measurably impactful, and sustainable in the long term. We're not just meeting our SDG commitments; we're actively building the skilled talent pipeline that will drive India's clean energy transition forward.

Edakkattu Kapuppal Sudeep
Nidec Conversion MD & NC India Leader



3.3.1 Involving local communities: strategy and policy

S3-1

Policies related to affected communities

S3-2

Processes for engaging with affected communities about impacts

Community engagement represents a fundamental pillar of Nidec Conversion’s social responsibility strategy. Nidec Conversion is committed to respecting the rights of the communities where it operates and to making a meaningful contribution to their development priorities. This commitment translates into targeted investments that focus primarily on education, skills development, and environmental protection, tailored to the specific needs of the regions in which the company is present.

Nidec Conversion actively engages with local stakeholders through consultation sessions and community engagement forums, ensuring that the voices of the communities are heard and integrated into decision-making processes.

Prior to implementing any significant operational changes, the company carries out thorough assessments of potential community impacts, with the aim of identifying and mitigating any negative consequences. To date, no serious human rights incidents have been reported. Although no measurable targets have yet been formalized, Nidec Conversion acknowledges the need for them and intends to develop qualitative and quantitative indicators in the near future.

In parallel, Nidec Conversion has committed to reducing pressure on local biodiversity—its own and that of its clients and suppliers—by addressing challenges related to land use change, marine and soil degradation, overexploitation of biological resources, climate change, pollution, and the spread of invasive species.





Understanding Cold Ironing: A Cornerstone of Port Decarbonization

Cold ironing, also known as shore power or shore connection, allows docked vessels to shut down diesel generators and draw electricity directly from the port's grid, significantly reducing emissions and noise pollution in densely populated urban ports. Our systems feature high-efficiency IGBT-based Power Conversion Stations that adapt 15–20 kV/50 Hz grid power into formats suitable for ships (6.6 or 11 kV/60 Hz), supported by safety systems compliant with IEC/IEEE 80005-1 and advanced control platforms that ensure real-time monitoring and secure, transparent energy exchange. The environmental benefits are substantial: during an eight-hour berthing, a cruise ship can avoid up to 24,000 kg of CO₂, 1,600 kg of NO_x, 160 kg of PM₁₀, and 800 kg of SO_x emissions. These quantifiable results support ESG reporting for port operators and shipping lines. With 28 projects underway, including active systems in Genoa Prà and La Valletta and 26 more in commissioning, we are leading cold ironing deployment in the Mediterranean, with scalable systems from 3.5 to 20 MVA for ferries and cruise vessels up to 12 MW. Beyond infrastructure, we promote community participation through public health briefings, air quality monitoring, technician training, and cooperation with municipalities to align with urban sustainability goals. In Genoa, a community advisory panel of residents, educators, and health professionals supports project implementation, now a standard for our future installations.

Transforming mediterranean ports through shore-to-ship Power Systems

As the global maritime industry accelerates its transition toward sustainability, ports play a pivotal role in reducing emissions and improving environmental performance. Cold ironing, or shore-to-ship power supply, has emerged as a key enabler in the decarbonization of port operations. By replacing the need for ships to burn diesel while docked, this technology directly contributes to cleaner air, quieter harbors, and healthier coastal communities. Nidec Conversion is at the forefront of this transformation, delivering tailored cold ironing solutions across the Mediterranean.



Malta's La Valletta Cruise Port

In FY 2023 - FY 2024, we completed the cold ironing project at Malta's La Valletta Cruise Port. This installation includes four 16 MVA systems built with our advanced SVTN 17K8 W30 DFE converters, providing capacity to power multiple large cruise vessels simultaneously. The system is integrated into Malta's grid with future capabilities to connect to renewable energy sources. Monitoring data shows a 35% air quality improvement in nearby residential zones, benefiting over 25,000 citizens. The project is now a benchmark for Mediterranean ports aiming to decarbonize cruise operations.

ESG Impact Analysis

- **Environmental:** Cold ironing reduces local CO₂, NO_x, SO_x, and PM emissions, supports renewable energy integration and improves marine water quality by avoiding diesel exhaust discharge. It also reduces the disturbances to marine species which combined with cleaner waters positively impacts biodiversity.
- **Social:** Cleaner air improves public health and working conditions. Our projects generate local employment, foster technical skills, and engage with educational institutions to grow expertise in green maritime systems.
- **Governance:** Our solutions ensure compliance with EU Directive 2023/1804 and other global standards. Ports using our systems lead on sustainability, with verifiable data strengthening ESG disclosures.

Future Outlook

Building on our FY 2024 achievements, we are accelerating the expansion of cold ironing across Mediterranean ports with an ambitious roadmap that includes integrating Battery Energy Storage Systems for enhanced grid resilience, advancing Smart Grid solutions, developing Digital Twins to optimize energy performance, and promoting common standards through regional alliances. Our goal is to equip over 90% of major ports by FY 2030, establishing a sustainable infrastructure network that reduces emissions, supports clean energy, and enhances the quality of life in coastal communities—reinforcing our commitment to driving port decarbonization forward through innovation and collaboration.

Our cold ironing solutions aren't just about cutting emissions—they're about transforming communities. In La Valletta alone, we've seen a 35% improvement in air quality indicators, directly benefiting over 25,000 residents. By collaborating with local advisory panels and investing in workforce development, we're ensuring that maritime decarbonization creates lasting value for port cities. This isn't just environmental compliance; it's about building sustainable relationships between ports and people that will define the future of the Mediterranean maritime sector.

Giorgio Farina
Nidec Conversion Manager,
Engineering



3.3.2 Involving local communities: actions and targets

S3-4
Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

S3-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

■ Dimension

Nidec Conversion commitment to make a tangible contribution to the communities in which it operates.

■ Commitment

Nidec is dedicated to fostering positive social impact through community engagement. Nidec actively engages with local communities through various initiatives, including educational programs, sponsorships, and partnerships.

■ Goals

- Launch at least 5 annual social investment projects that benefit local communities
- Ensure that at least 20% of the workforce in new industrial projects comes from local communities

Area of development	Actions	FY 2028 Targets	Reference SDGs
Community development and investment	Develop strong community partnerships and impact activities like educational programs for new generations, collaborations with local technical institutes and Universities, community renewable energy projects, support to local innovation centers, corporate volunteer initiatives	• Support innovation centers • STEM education programs • Community renewable energy projects • 100% of employees invited to volunteer initiatives • 100% Employees witness to our Culture	4.4 4.5 7.2 4.7 4.7
	Hire and train local technicians for field service activities	20% increase of technicians hired locally	11.a
	Create a tool for dialogue with the local community (i.e. webpage tool)	100% community engaged to open dialogues with Nidec	11.a



3.4 Consumers and end users

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

For consumers and end users, Nidec Conversion places strong emphasis on product safety, data protection, and responsible communication.

Nidec Conversion implements rigorous product testing procedures that go beyond regulatory compliance, ensuring that its solutions meet the highest quality and safety standards.

Nidec Conversion guarantees that all products are accompanied by clear safety information and user instructions and has established prompt and effective recall procedures to be activated when necessary. Product safety is continuously enhanced by incorporating customer feedback and by applying a precautionary approach when introducing new technologies. These commitments are supported by comprehensive product risk assessments, robust quality management systems, and post-market surveillance programs. In addition, Nidec Conversion extends product labelling to include detailed sustainability information and maintains advanced testing facilities at all its manufacturing sites to uphold the highest levels of safety and performance.



3.4.1 Consumers and end users: strategy and policy

Nidec Conversion maintains a commitment to transparent marketing practices, providing clear and honest information about product features and environmental performance. Marketing materials are designed to be accessible to diverse audiences, and appropriate consent is always obtained for marketing communications.

Customer satisfaction, especially regarding sustainability attributes, is a key area of focus; the company actively integrates customer feedback into its continuous improvement processes, particularly in relation to product safety and functionality.

Consumers are given access to dedicated channels for submitting feedback, complaints, or inquiries, all of which are managed with efficiency and care. In fact, Nidec Conversion engages actively with consumers and end users to assess and manage the impacts, risks, and opportunities associated with its products and services. The company utilizes ESG surveys, public disclosures on platforms like ECOVADIS and OPEN-ES and incorporates ESG requirements into client qualification processes. These tools not only identify risks and opportunities but also help align strategic and operational decisions with consumer expectations. Additionally, mechanisms are being developed to allow consumers to voice concerns: a multilingual grievance channel, including a whistleblowing mechanism, will ensure transparency and provide follow-up on issues raised.

S4-1

Policies related to consumers and end-users

S4-2

Processes for engaging with consumers and end-users about impacts

S4-3

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns



Privacy and data protection represent another critical dimension of Nidec Conversion’s approach. Nidec Conversion maintains transparency in its data collection, usage, and sharing practices, and ensures that customers retain control over their personal information. All operations are conducted in strict compliance with global data protection regulations.

To support these commitments, Nidec Conversion conducts privacy impact assessments for all products that collect data and provides clear, accessible privacy policies to inform users. Secure data storage and transmission protocols are implemented, alongside regular security testing and system updates.

Nidec Conversion takes robust measures to protect customers’ personal data and intellectual property, implementing information security protocols aligned with ISO 27001, and providing comprehensive training to employees to uphold the highest standards of data protection. Currently, there are no fixed quantitative targets related to consumers and end users, but the company monitors the effectiveness of its approach through the ESG Plan and continuous internal review processes.

3.4.2 Consumers and end users: actions and targets

■ Dimension

Nidec’s continued effort to create and commercialize products that have a positive impact.

■ Commitment

Nidec is dedicated to fostering a positive social impact through its operations and products.

■ Goals

- Increasing smart label products
- Zero critical events due to cyberattacks
- Initiate awareness campaigns on issues such as sustainability and the right to access electricity

S4-4
Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

S4-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Area of development	Actions	FY 2028 Targets	Reference SDGs
Increase dialogue with costumers	Extend labeling and traceability to disclose all sustainability information through digital channels (related to product, raw materials, supply chain) to more products Facilitate technology diffusion for the benefit of all segments of Society (e.g., combating energy poverty-participating in Renewable Energy Communities)	50% of our products with a smart label 100% of customers engaged in combatting lack of electricity	12.6 7.b
Customer Privacy and data protection	Respect and protect customer privacy, personal data and intellectual property, implementing robust cybersecurity measures according to ISO 27001	100% company certified ISO 27001	12.6



Customer ESG Awareness: our solutions to support Customers’ Decarbonization Journey

Nidec Conversion offers electric-driven compression systems specifically designed for Oil & Gas companies. A prime application of this technology is in the natural gas compression process at refineries, which traditionally relies on mechanical drive systems powered by gas turbines. The Nidec Conversion solution replaces this conventional setup with a high-speed electric motor combined with a variable frequency drive (VFD), offering a cleaner, more efficient, and sustainable alternative.

ESG Impact Analysis

- **Environmental:** This solution offers a significant environmental advantage by eliminating on-site combustion, which results in a substantial reduction of Scope 1 CO₂ emissions compared to traditional gas turbines. Furthermore, the system also has the potential to reduce Scope 2 emissions: with an energy efficiency typically exceeding 95%, this solution not only lowers greenhouse gas emissions but also enhances overall operational performance.
- **Social:** Electric systems contribute to significant health and safety improvements by reducing emissions and noise levels, creating healthier working conditions for plant operators and a healthier environment for local communities. Additionally, electric systems provide enhanced energy security and operational stability, ensuring greater reliability and responsiveness.
- **Governance:** Electric solutions align seamlessly with established sustainability frameworks, supporting customers in meeting internal ESG targets, maintaining ISO 14001 certification, and complying with climate-related disclosure standards. Additionally, this technology positions companies to be regulatory-ready and contributes to improving ESG ratings and facilitates access to green finance instruments and sustainability-linked loans.

Future outlook

Nidec Conversion is committed to scaling this solution through strategic partnerships enabling the delivery of fully integrated, turnkey packages tailored for the energy and industrial sectors. Additionally, the Group will actively pursue retrofit opportunities, particularly in regions where emissions regulations are becoming increasingly stringent.

Conclusion

Nidec Conversion enables a substantial reduction in greenhouse gas emissions by eliminating the on-site combustion process inherent in gas turbines. Additionally, it enhances energy efficiency, reduces maintenance requirements, and offers superior operational flexibility. This transition aligns with the Group’s decarbonization goals and supports the broader industry shift toward electrification and cleaner energy processes.



At Nidec Conversion, we are proud to support our customers on their decarbonization journey by providing advanced electric solutions for gas compression. High-efficiency electric motors and drives help reduce CO₂, NO_x and SO_x emissions, improve energy efficiency, and lower maintenance needs. This approach not only benefits our clients' operations but also contributes to cleaner air for nearby communities and a more sustainable future. Our commitment is to partner with customers and communities, standing behind rapid scale-up of these systems worldwide, building a pathway to a low-carbon industry.

Boiteau Ghislain
Nidec Energy platform Vice President,
Sales Area





4. Governance

4.1 Integrity and Transparency

Nidec Conversion embraces the guidelines for ethical business conduct outlined in the parent company's CSR Declaration. This commitment is structured around six core areas: corporate integrity, human rights and labor, environment, health and safety, community relations, and implementation mechanisms. The principles and actions described in the CSR Declaration are based on internationally recognized regulations and voluntary standards such as the UN Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises.

In line with the contents of this document, Nidec Conversion is committed to conducting its operations in accordance with the principles of integrity, fairness, and transparency, drawing on internationally recognized guidelines and complying with all legal, regulatory, ethical, and social standards in the countries in which it operates.

In particular, NC adopts a strict zero-tolerance stance toward any form of corruption. To this end, all executives, officers, and employees must comply with Nidec Japan's anti-corruption policy, which strictly prohibits the direct or indirect offering or acceptance of money, gifts, hospitality, travel or accommodation expenses, donations, or other benefits from and to public officials, customers, and suppliers.

With regard to competition, the Nidec Group rejects all unlawful or unethical business practices, including extortion, embezzlement, and any association with anti-social forces. It also opposes unfair practices such as the abuse of a dominant position toward supply chain partners or any form of collusion with competitors that could undermine fair competition.

Nidec Conversion has implemented procedures to ensure that incidents related to business conduct, including corruption and bribery, are investigated promptly, independently, and with impartiality.

To comply with all applicable laws and regulations and to act based on high standards of business ethics, the principles followed by Nidec Conversion are:

1. Commitment to producing high-quality, defect-free products
2. Ensuring that information released by Nidec Conversion is accurate and timely
3. Commitment to properly managing and using Nidec Conversion's information and assets
4. Maintaining a safe working environment and good working conditions
5. Commitment to fully respecting free and fair competition, and refraining from engaging in anti-competitive behavior
6. Establishing and maintaining the necessary control systems to ensure compliance with the Nidec Group Code of Conduct.

The actions established by Nidec Conversion's ESG Improvement Plan relating to Integrity and Transparency are recalled below.

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

G1-1
Corporate culture and business conduct policies and corporate culture

G1-3
Prevention and detection of corruption and bribery

G1-4
Confirmed incidents of corruption or bribery

G1-5
Political influence and lobbying activities

■ Dimension

Nidec Conversion maintains exemplary corporate governance through transparency, accountability and compliance to build stakeholder trust and deliver long-term value.

■ Commitment

Nidec uphold the highest standards of corporate governance to ensure transparency, accountability, and ethical conduct in all our operations. Our governance framework is designed to foster trust and confidence among our stakeholders, including shareholders, employees, and customers. We adhere to the principles of good governance by maintaining a robust board structure, implementing effective risk management practices, and ensuring compliance with all relevant regulations. We provide comprehensive and transparent reporting on our governance practices, covering areas such as diversity, executive compensation, and stakeholder engagement.

■ Goals

- 100% transparency with a standardized reporting framework
- Full stakeholder trust by implementing feedback-based actions with 15% measurable improvement.



Actions	Description	FY 2028 Targets	Reference SDGs
Code of Conduct	Keep on operating according to the current Code of Conduct Obtain an organization's legality rating	High legal rate	16.5
	Improve the adotion of anti bribery management system according to ISO 37001	80% sites certified ISO 37001	16.5
Whistleblowing and grievance mechanism	Maintain the existing Whistleblowing System pushing its disclosure with external stakeholders	100% Customers engaged to use Whistleblowing platform	16.5
Transparency and reporting	Conduct annual sustainability performance reviews. Keep on reporting yearly the Sustainability figures, accordigly to ESRS, disclosing the Sustainability Report	Yearly Sustainability Report published externally	16.7 / 16.10

The ESG Improvement Plan is therefore the tool that will help strengthen the ethical framework in which Nidec Conversion operates.



Whistleblowing

Nidec Conversion has adopted a formal procedure for the reporting and management of violations, aimed at safeguarding its integrity and the public interest. This procedure is based on an integrated system of protections for whistleblowers, designed to promote legality, transparency, and the prevention of unlawful conduct, while guaranteeing protection from retaliation and ensuring the confidentiality of all parties involved.

The procedure is addressed to a broad range of individuals: not only employees of Nidec Conversion, but also collaborators, consultants, suppliers, self-employed workers, directors, shareholders, and anyone operating in a work-related context with Nidec Conversion may submit qualified reports. Protections also extend to individuals indirectly involved in the reporting process, such as facilitators, the whistleblower's family members or colleagues, and the entity with which the whistleblower collaborates.

Reports may concern facts, conduct, or omissions that harm the public interest or the integrity of Nidec Conversion, and that constitute violations of European or national laws in areas such as public procurement, financial services and markets, environmental protection, public health, consumer protection, product safety, data protection, and anti-corruption. Reports must be based on concrete, specific, and consistent elements and may refer to past, potential, or attempted violations, including actions aimed at concealing them.

Nidec Conversion provides a primary internal reporting channel accessible through the EthicsPoint digital platform, also available via the company's website. This system ensures maximum confidentiality and allows for anonymous reporting by separating the reporter's identifying information from the content of the report. Reports can be submitted in written form via a web form or orally, either through voice messaging systems or in direct interviews with the Reporting Manager, an independent and trained figure appointed to receive and handle reports.

Once a report is received, the Reporting Manager conducts a preliminary assessment to classify it as irrelevant, inadmissible, prohibited, or relevant and actionable. In the latter case, a verification phase is initiated, possibly with the support of Nidec Conversion departments or external consultants, while fully respecting confidentiality. The outcome of the investigation is communicated to the reporter within three months from the receipt of the report, and the actions to be taken are shared with the relevant departments.

Specific confidentiality safeguards are in place for the whistleblower, the person reported, and other individuals mentioned in the report. The whistleblower's identity cannot be disclosed without their explicit consent, except in cases provided for by applicable law. In judicial and disciplinary contexts, confidentiality is maintained, except under strictly regulated exceptions. If the whistleblower is found to be criminally or civilly liable for reports made with malicious intent or gross negligence, protection is forfeited. Particular attention is given to protection against retaliation, including dismissal, demotion, discrimination, or changes to working conditions. Nidec Conversion considers such acts to be null and void and is committed to preventing them, including through disciplinary actions against those responsible. Support mechanisms are also available to whistleblowers through ac-

credited third-sector entities offering free assistance and advice.

The processing of personal data is carried out in accordance with Regulation (EU) 2016/679 (GDPR), ensuring that only relevant information is processed, with appropriate technical and organizational measures in place to ensure security and minimize data dissemination. Data are retained for a maximum period of five years.

The system also provides for periodic monitoring of reports, with semi-annual updates to the Board of Directors and the Board of Statutory Auditors. Special precautions are adopted for reports involving senior management, to ensure independence and avoid conflicts of interest.

Finally, the procedure, which is reviewed annually, is aligned with the reporting system already adopted by the Nidec Group, which enables anonymous and confidential reporting of violations of the Code of Conduct. Reports received at the Group level are handled in accordance with the same principles of confidentiality, protection, and transparency.

Political influence and lobbying activities

During FY 2023 - FY 2024, no cases of corruption (active or passive) were reported by public authorities. Nidec Conversion is not engaged in any lobbying or political influence activities.



SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

G1-2
Management of relationships with suppliers

G1-6
Payment practices

4.2 Management of the relationship with suppliers

NC considers collaboration with its supply chain a fundamental element of its success and is therefore committed to operating as an integrated team with its suppliers. The selection of business partners is based not only on the quality and competitiveness of their products and services but also on their adherence to social, ethical, and environmental principles. Nidec Conversion’s Supplier Code of Conduct is the tool through which Nidec Conversion selects partners that share these values. The provisions of the Code apply to all of Nidec Conversion’s global suppliers, who are also expected to ensure that their subcontractors comply with these principles. Failure to comply with this Code may result in the termination of the business relationship by Nidec Conversion.

Nidec Conversion requires the highest level of ethical integrity from its suppliers. Suppliers must act in compliance with all applicable laws and contractual obligations, adopting lawful and truthful business practices in all communications with Nidec Conversion. Any form of bribery, kickbacks, or improper payments is strictly prohibited, even if permitted under local law. Employees, suppliers, and agents operating on behalf of Nidec Conversion are not allowed to offer or accept money, gifts, or other benefits to influence business or governmental decisions. Conflicts of interest between supplier employees and their professional responsibilities are also deemed inappropriate.

To support the reporting of unethical behavior, Nidec Conversion provides an Ethics Hotline available in more than 80 countries. Reports can be made anonymously, and no form of retaliation is tolerated. Suppliers are required to promote the principles of the Supplier Code of Conduct among their own employees, subcontractors, and suppliers.

Nidec Conversion requires also its suppliers to maintain appropriate working conditions, including reasonable working hours and compliance with laws on minimum wages, overtime, and legally mandated benefits. Forced labor, bonded labor, slavery, or human trafficking in any form is strictly prohibited. Suppliers must be able to certify that materials used in their products comply with anti-slavery and anti-trafficking laws in the countries in which they operate.

Discrimination and harassment of employees or candidates based on race, color, religion, sex, sexual orientation, age, disability, national origin, or any other unlawful factor are forbidden. Suppliers must ensure fair hiring and employment practices, verify legal work eligibility, and promote diversity and equal opportunity in the workplace. They must also respect the rights of workers to freely associate and seek representation, in accordance with local law.

Nidec Conversion rejects any form of harsh or inhumane treatment, including sexual harassment, physical or verbal abuse, or coercion. Suppliers must guarantee a work environment where employees can voice concerns without fear of retaliation, including through anonymous channels where legally allowed. Child labor is strictly prohibited in any facility or business activity of suppliers. Working and living conditions, when provided, must be safe and healthy, in full compliance with applicable laws. Furthermore, suppliers must respect human rights, must not knowingly contribute to human rights violations or benefit from such abuses, and must not remain silent in the face of violations.

From an environmental standpoint, Nidec Group requires suppliers to operate in compliance with all applicable environmental laws and to adopt practices that reduce energy use and waste. Nidec Conversion encourages innovation in products and services that enhance energy efficiency and minimize environmental impact.

Suppliers must adopt management systems that ensure compliance with the principles of the Code and with all applicable laws and regulations. They are also expected to extend these principles to their own suppliers and agents involved in the supply of goods and services to Nidec Conversion.

Regarding confidentiality, suppliers must safeguard all of Nidec Conversion’s proprietary information, technologies, and data. Any sharing of confidential information must be authorized and protected through confidentiality agreements. Suppliers may not use Nidec Conversion trademarks, images, or copyrighted materials without express authorization.

Nidec Conversion promotes diversity in its supplier network and expects its partners to do the same, both in their employment practices and in the selection of their own suppliers and subcontractors. Lastly, suppliers must comply with international regulations on chemical substances and materials, such as REACH, RoHS, and Conflict Minerals, and may be required to declare the content and origin of products delivered to Nidec Group.

The actions established by Nidec Conversion’s ESG Improvement Plan relating to Supply Chain Management are highlighted below.

Dimension

Nidec Conversion maintains exemplary corporate governance through transparency, accountability and compliance to build stakeholder trust and deliver long-term value.

Commitment

Nidec uphold the highest standards of corporate governance to ensure transparency, accountability, and ethical conduct in all our operations. Our governance framework is designed to foster trust and confidence among our stakeholders, including shareholders, employees, and customers. We adhere to the principles of good governance by maintaining a robust board structure, implementing effective risk management practices, and ensuring compliance with all relevant regulations. We provide comprehensive and transparent reporting on our governance practices, covering areas such as diversity, executive compensation, and stakeholder engagement.

Goals

- 100% transparency with a standardized reporting framework



Actions	Description	2028 Targets	Reference SDGs
Supply Chain Management	Monitor suppliers compliance with environmental and social sustainability criteria, pushing their participation to rating agencies and platforms and conducting regular sustainability audits on them	• 100% CSDDD compliance • 100% Main Tier 1 suppliers qualified	17.10 17.10
	Support local supplier ESG development programs	100% supplier engaged in training programs	17.14

Payment practices

Nidec Conversion has not a formalized procedure about payment. Nidec Conversion’s policy is to pay the invoice once it is due, unless the payment is blocked by Nidec (e.g. due to Non Conformities). Average time to pay an invoice:

- 90 days if paid directly (45% of Suppliers), as stated in the order/Contract
- 150 days if paid through Nidec Conversion’s Supply Chain Finances (Orbian and Morgan Stanley) for 55% of suppliers.





Building a Foundation of ESG management

As a global leader in advanced electrical systems, we recognize that strong governance forms the foundation of sustainable business practices. Our commitment to environmental, social, and governance (ESG) principles is embedded throughout our operations and corporate structure, demonstrating how we integrate these values into our daily operations and long-term strategy.

Robust Ethical Framework

Our governance structure is built upon a comprehensive Code of Ethics that guides all business operations across our global footprint. This code serves as the cornerstone of our organizational culture, establishing clear expectations for ethical behavior and decision-making at all levels. The Code of Ethics is complemented by our dedicated Sustainability Policy, which articulates our commitments to environmental stewardship, social responsibility, and transparent governance. A significant focus of this policy is our explicit commitment to human rights protection and respect for local communities in all regions where we operate.

Human Rights and Community Relations

We are proud to report zero incidents related to human rights violations throughout our extensive supply chain network. Through rigorous supplier screening, ongoing assessments, and collaborative partnerships, we ensure that all entities in our value chain uphold our high standards for human rights protection. Our commitment extends beyond our direct operations to embrace local communities, where we actively engage with stakeholders to understand their needs and concerns. This proactive approach has contributed to our strong record of positive community relations and absence of conflicts related to our operations.

Fostering an Inclusive Workplace

Our dedication to creating a respectful and inclusive workplace environment is reflected in our perfect record of zero formal reports of harassment or discrimination. This achievement stems from our proactive approach to promoting diversity and inclusion through policies, training, and awareness programs.

Transparent Reporting and Accountability

A cornerstone of our governance framework is our comprehensive whistleblowing system, implemented across all operational sites and accessible to our entire company population of employees, contractors, and customers. This system ensures that any ethical concerns can be raised safely and confidentially, reinforcing our culture of transparency and accountability.

Comprehensive Ethics and Compliance Training

In FY2024, we significantly invested in employee training on ethics, compliance, and human rights. Our comprehensive training program reached 1,900 employees globally, delivering specialized instruction, for a total maximum amount of 6 hours per person, across multiple critical areas like, Anti-Corruption and Conflicts of In-

terest, Financial Reporting, Fraud Prevention, Competition and Information, Privacy and Personal Data Protection, Anti-harassment and Discrimination, Ethics and Compliance Basics, Production Ethics and Compliance Training, Trade Compliance, Human Rights and Supply Chain Risks. Beyond these standardized training modules, our commitment to ethics and compliance is further demonstrated through personalized training sessions delivered by senior members of our legal and finance departments in China and Dubai. These in-person sessions provided valuable opportunities for dialogue, addressing region-specific challenges and reinforcing our global ethical standards.

Recognized Excellence in Anti-Corruption Systems

Our commitment to ethical business practices is externally validated through ISO 37001 certification, the international standard for anti-bribery management systems. We have successfully obtained this prestigious certification for 50% of our global facilities (5 out of 10 sites), with plans for expansion to the remaining sites in the coming year. This certification demonstrates our systematic approach to preventing, detecting, and addressing bribery and corruption risks throughout our operations.

Continuous Improvement

While proud of our achievements, we recognize that effective governance requires continuous improvement. We regularly review and enhance our policies, procedures, and training to address emerging risks and align with evolving global standards. Our governance committee conducts quarterly assessments of our ESG performance, identifying opportunities for advancement and ensuring alignment with strategic objectives.

Conclusion

Our comprehensive approach to ESG governance reflects our unwavering commitment to conducting business with integrity, transparency, and respect for all stakeholders. By establishing strong ethical foundations, investing in employee awareness, and implementing robust accountability mechanisms, we have created a governance framework that not only ensures compliance but drives sustainable value creation for our customers, employees, communities, and shareholders.

As we look to the future, we remain dedicated to leading by example in ethical business practices, continuously raising the bar for responsible corporate governance in our industry and beyond.

Strong ESG governance is the foundation of sustainable success. By embedding ethics, transparency, and respect for human rights into every aspect of our operations, we not only uphold our commitments but also build lasting trust with our employees, partners, and communities. Our products are designed with the green economy in mind, driving innovation that supports climate change mitigation and a low-carbon future. Through ongoing investment in comprehensive training and robust accountability systems, we continuously evolve and lead with integrity in a complex global landscape.

Simone Augusto Cascioli
Nidec Conversion Director, HSE & ESG



5. ESRS Content Index

The ESRS content index has been reported because, although the Sustainability Report is “inspired” by the requirements of the new ESRS Standards, Nidec Conversion has decided to carry out a voluntary reporting exercise according to the new European Standards.

ESRS 2 - General Disclosure		Reference	
BP-1	General basis for preparation of sustainability statement	1.5	The Criteria for Drafting the Sustainability Report
BP-2	Disclosures in relation to specific circumstances	1.5	The Criteria for Drafting the Sustainability Report
GOV-1	The role of the administrative, management and supervisory bodies	1.2	Corporate Governance
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2	Corporate Governance
GOV-5	Risk management and internal controls over sustainability reporting	1.2	Corporate Governance
SBM-1	Strategy, business model and value chain	1.1	A Legacy of Innovation and Excellence
SBM-2	Interests and views of stakeholders	1.3	Nidec Conversion's Stakeholders
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.1	Material impacts, risks and opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4	Materiality Assessment

ESRS E1 – Climate Change		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2 2.1	Environment Energy and Climate Change
E1-1	Transition plan for climate change mitigation	2.1.1	Climate change mitigation and adaptation: strategy and policy
E1-2	Policies related to climate change mitigation and adaptation	2.1.1	Climate change mitigation and adaptation: strategy and policy
E1-3	Actions and resources in relation to climate change policies	2.1.2	Climate change mitigation and adaptation: action and targets
E1-4	Targets related to climate change mitigation and adaptation	2.1.2	Climate change mitigation and adaptation: action and targets

E1-4	Targets related to climate change mitigation and adaptation	2.1.2	Climate change mitigation and adaptation: action and targets
E1-5	Energy consumption and mix	2.1.3	Energy consumption
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.1.4	GHG emissions Scope 3 not calculated
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.1.4	GHG emissions
E1-8	Internal carbon pricing	2.1.4	GHG emissions

ESRS E2 – Pollution		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2 2.2	Environment Pollution
E2-1	Policies related to pollution	2.2.1	Policies related to pollution
E2-2	Actions and resources related to pollution	2.2.2	Measures against pollution: action and targets
E2-3	Targets related to pollution	2.2.2	Measures against pollution: action and targets
E2-4	Pollution of air and water	2.2.3	Emissions of air and water pollutants
E2-5	Substances of concern and substances of very high concern	2.2.4	The use of substances of concern and of very high concern

ESRS E3 – Water and Marine Resources		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2 2.3	Environment Water
E3-1	Policies related to water and marine resources	2.3.1	Policies related to the use of water
E3-2	Actions and resources related to water and marine resources	2.3.2	Water consumption: actions and targets
E3-3	Targets related to water and marine resources	2.3.2	Water consumption: actions and targets
E3-4	Water consumption	2.3.3	Water management: withdrawals, discharges and consumption

ESRS E4 – Biodiversity and Ecosystems		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2 2.4	Environment Biodiversity
E4-2	Policies related to biodiversity and ecosystems	2.4.1	Nidec Conversion's policy for biodiversity and ecosystems

E4-3	Actions and resources related to biodiversity and ecosystems	2.4.2	Biodiversity: action and targets
E4-4	Targets related to biodiversity and ecosystems	2.4.2	Biodiversity: action and targets
ESRS E5 – Resource use and Circular Economy		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2 2.5	Environment Circular Economy
E5-1	Policies related to resource use and circular economy	2.5.1	Policies related to circular economy
E5-2	Actions and resources related to resource use and circular economy	2.5.2	Circular economy: action and targets
E5-3	Targets related to resource use and circular economy	2.5.2	Circular economy: action and targets
E5-4	Resource inflows	2.5.3	Resources management: inflows, outflows and waste
E5-5	Resource outflows	2.5.3	Resources management: inflows, outflows and waste
ESRS S1- Own Workforce		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1	Own workforce
S1-1	Policies related to own workforce	3.1	Own workforce
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	3.1	Own workforce
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	4.1	Integrity and Transparency
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.2	Own workforce: actions and targets
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.2	Own workforce: actions and targets
S1-6	Characteristics of the Undertaking's Employees	3.1.1	The characteristics of Nidec Conversion's own workforce
S1-7	Characteristics of non-employees in the undertaking's own workforce	3.1.1	The characteristics of Nidec Conversion's own workforce
S1-9	Diversity Metrics	3.1.1	The characteristics of Nidec Conversion's own workforce
S1-11	Social protection	3.1.1	The characteristics of Nidec Conversion's own workforce

S1-13	Training and skills development metrics	3.1.1	The characteristics of Nidec Conversion's own workforce
S1-14	Health and Safety Metrics	3.1.1	The characteristics of Nidec Conversion's own workforce
S1-15	Work-life balance	3.1.1	The characteristics of Nidec Conversion's own workforce
S1-17	Incidents, complaints and severe human rights impacts	3.1.1	The characteristics of Nidec Conversion's own workforce
ESRS S2 – Workers in the Value Chain		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.2	Workers in the value chain
S2-1	Policies related to value chain workers	3.2.1	Workers in the value chain: strategy and policy
S2-2	Processes for engaging with value chain workers about impacts	3.2.1	Workers in the value chain: strategy and policy
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2.1	Workers in the value chain: strategy and policy
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	3.2.2	Workers in the value chain: actions and targets
ESRS S3 – Affected Communities		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.3	Affected communities
S3-1	Policies related to affected communities	3.3.1	Involving local communities: strategy and policy
S3-2	Processes for engaging with affected communities about impacts	3.3.1	Involving local communities: strategy and policy
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	3.3.2	Involving local communities: actions and targets
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.3.2	Involving local communities: actions and targets
ESRS S4 – Consumers and end-users		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.4	Consumers and end users
S4-1	Consumer and end-user policies	3.4.1	Consumers and end users: strategy and policy

S4-2	Consumer and end-user engagement processes on impacts	3.4.1	Consumers and end users: strategy and policy
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.4.1	Consumers and end users: strategy and policy; 3.4.2 Consumers and end users: actions and targets
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.4.2	Consumers and end users: actions and targets
ESRS S2 – Workers in the Value Chain		Reference	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	4.1 4.2	Integrity and Trasparenacy Management of the relationship with suppliers
G1-1	Corporate culture and business conduct policies and corporate culture	4.1	Integrity and Transparency
G1-2	Management of relationships with suppliers	4.2	Management of the relationship with suppliers
G1-3	Prevention and detection of corruption and bribery	4.1	Integrity and Transparency
G1-4	Confirmed incidents of corruption or bribery	4.1	Integrity and Transparency
G1-5	Political influence and lobbying activities	4.1	Integrity and Transparency
G1-6	Payment practices	4.2	Management of the relationship with suppliers

ESG Core Team

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