About this report

This is Nidec Global Appliance’s 2019 Simplified Sustainability Report. In July 2019, Embraco was acquired by Nidec Global Appliance, a division of Nidec Corporation. Since then, several organizational changes took place, and the next pages are reflecting the new chapter of this enhanced organization.

For purposes of context and transparency, reporting was conducted as follows:

- **CEO’s Statement** (p. 3)
- **A new chapter of development** (p. 4)
- **Our Culture and Purpose** (p. 8)
- **Governance & Strategy** (p. 11)

Information updated until July/2020, after the consolidation of Nidec Global Appliance division. In these chapters, information about the transition process and its impacts on the organization will be made available.

**Material topics performance** (from page 15 to 36)

Consolidated results from January 1st to December 31st, 2019 with data referring only to compressors and cooling solutions production units, which were formerly Embraco’s plants.
Statement by the CEO

As society is increasingly relying on business from different segments to use its powers of change in solving major global challenges, Nidec Global Appliance keeps its focus on where it believes to have the greatest potential to transform lives for the better which is by giving life to essential appliances that offer well-being.

In this sense, our sustainability strategy aims to build sustainable partnerships and operations that enable the delivery of sustainable solutions for our customers. At this aspect, when it comes to our refrigeration portfolio, energy efficiency and miniaturization are determinant concepts on the journey of reducing the consumption of natural resources. Combined to it, there is a deep commitment to the use of natural refrigerants in a set of products adapted for climate-friendly alternatives with lower global warming impact.

We believe that the collective efforts of our workforce - that start in the hands of our Research and Development experts to then pass through Operations and support functions - may result in significant changes today and broader positive impacts not only to the future of our business but also to our customers and partners as well as society by the creation of shared value opportunities.

In the next pages, you will have the chance to better understand how we are acting in the fields we can make a difference in. Notice that, at this edition, we are still covering in detail only the refrigeration business since the Embraco’s acquisition by Nidec Corporation was completed in July 2019. For the next report, I hope to have the chance to share with you how the other business units from Nidec Global Appliance are also following the United Nations (UN) Global Compact principles and contributing to the 17 Sustainable Development Goals.

Have a good reading!

Sincerely,
Valter Taranzano
CEO
Nidec Global Appliance
A new chapter of development
In 2019, Embraco was acquired by Nidec Global Appliance, a division of Nidec Corporation – global leader in manufacturing small precision motors for a wide variety of applications, headquartered in Japan. This movement strengthened Nidec Global Appliance’s market position and broadened its presence worldwide, taking the company to a new chapter of growth.

Embraco has become a portfolio brand within Nidec Global Appliance’s structure. This enhanced Nidec Global Appliance, which began merging existing synergies among brands and products for home and commercial applications, including cooling solutions, motors for washing machines, dryers and dishwashers, as well as components for heating, ventilation, air-conditioning and refrigeration systems (HVAC).

Considering that the acquisition took place in the middle of the year, for this edition, the Sustainability Report will highlight the results and achievements of compressors and cooling solutions production plants focused on manufacturing Embraco’s products.

### Nidec Global Appliance’s Timeline

**2010**
- Acquisition of ACC’s household motors business (Appliances Components Companies)

**2014**
- Qingdao Wet is integrated into the Global Appliance division

**2016**
- Acquisition of ANA IMEP, manufacturing plant located in Romania

**2017**
- First compressor business is acquired
- Reynosa plant integrated into the Global Appliance division

**2019**
- Acquisition of Embraco
- New logo, brand architecture and brand portfolio

**2020**
- Incorporation of HVAC
- Acquisition of Delta’s (AU) compressors product line
- Launch of the 2025 strategy
Brand Architecture and Product Portfolio

Nidec Global Appliance’s focus is to deliver a comprehensive portfolio with high standards of quality, reliability, and energy efficiency, generating innovation that anticipates trends in the home and commercial appliances industries.

To better serve its customers, Nidec Global Appliance manufactures and commercializes the following brands:
Nidec Global Appliance’s footprint

Nidec Global Appliance has an annual production capacity of approximately 65 million units of motors and compressors, distributed among a pool of 14 manufacturing plants.

- Duluth (USA) - Sales Office
- Saint Louis (USA) - R&D, Sales Office
- Monterrey (Mexico) - R&D, Manufacturing
- Monterrey (Mexico) - Manufacturing
- Reynosa (Mexico) - Manufacturing
- Joinville (Brazil) - Global Headquarters, R&D, Manufacturing
- Pirabeiraba (Brazil) - Foundry
- Itáipópolis (Brazil) - Manufacturing
- Fürstenfeld (Austria) - R&D, Manufacturing
- Spišská Nová Ves (Slovakia) - R&D, Manufacturing
- Košice (Slovakia) - Global Business Support center
- Moscow (Russia) - Sales Office
- Beijing (China) - R&D, Manufacturing
- Qingdao (China) - Manufacturing, R&D
- Qingdao (China) - Electronics Manufacturing, R&D
- Pitești (Romania) - Manufacturing
- Changzhou (China) - Manufacturing
- Pordenone (Italy) - Global Headquarters, R&D, Manufacturing
- Chieri (Italy) - R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing
- Global Headquarters, R&D, Manufacturing

Communication on Progress 2019
Our culture and purpose
During this transition, Nidec Global Appliance’s organizational governance structure went through a period of changes, guided by the company’s long-term vision, commitment to sustainable performance, and responsibility for its impact on society.

Launched in 2020, the company’s identity is organized as follows:

**Our purpose:** Why we exist

To give life to essential appliances, turning people’s day-to-day lives into healthier and more comfortable experiences.

**Our vision:** What we aim for

To be the leading partner in Home & Commercial Appliances and Air Conditioning industries by 2025.
A global team of experts dedicated to solve customer’s most challenging expectations.

Our Culture: How we do it everyday

• Challenge cost & grow for the future
• Collaborate without barriers
• Act with agility & correctness
• Innovate ourselves for differentiation
• Be active learners & developers
Governance & strategy
Nidec Global Appliance’s governance structure is composed by the CEO and his staff. This sphere is responsible for making global decisions and is organized as follows:
The Nidec Group’s corporate vision is to stay competitive as a socially desirable business even 100 years from now.

Inspired by this, Nidec Global Appliance aims to be the leading partner in the Home & Commercial Appliances and Air Conditioning industries by 2025. Given this perspective, the evolution of corporate sustainability is one of the critical success factors that adds value to the organization’s tangible and intangible assets, as well as contributes to society’s new development chapter.

At Nidec Global Appliance, sustainability management is carried out based on the definition of material aspects, which are organized into four axes:

Compliance | Sustainable Solutions | Sustainable Operations | Sustainable Partnerships.

Execution of this strategy is integrated with the company’s management programs and strategic projects, monitoring performance indicators accordingly, to support their continuous improvement. In addition to complying with legislation and regulatory aspects, Nidec Global Appliance also adopts voluntary commitments to guide its business: the 10 Principles of the Global Compact and the Sustainable Development Goals.

Global Compact sets out integrity principles for businesses and encourages alignment of corporate policies and practices with internationally agreed upon values and standards. The Sustainable Development Goals point out the challenges that need to be overcome to build a sustainable society.
The company understands that, based on its core business, it has the potential to contribute effectively to the following global challenges:

<table>
<thead>
<tr>
<th>Axes / Strategy Dimensions</th>
<th>Material aspects</th>
<th>SDG</th>
<th>Nidec GA Indicator</th>
<th>2019 Results / Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>Ethics and Compliance</td>
<td>Leadership training</td>
<td>100% Leaders trained</td>
<td></td>
</tr>
<tr>
<td>Sustainable Solutions</td>
<td>Innovation</td>
<td>Energy Efficiency</td>
<td>Launch of VESG, a compressor 3.5% more efficient</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee’s training</td>
<td>Hours of training</td>
<td>85% increase in hours per employee</td>
<td></td>
</tr>
<tr>
<td>Sustainable Operations</td>
<td>Safety</td>
<td>Number of accidents</td>
<td>More than 30% reduction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>Energy consumption</td>
<td>5% reduction per compressor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustainable Procurement</td>
<td>Waste generation</td>
<td>5% reduction per compressor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality for Customers</td>
<td>Water withdrawal</td>
<td>2% increase per compressor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Private Social Investment</td>
<td>Emissions</td>
<td>7% reduction per compressor</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supplier code of conduct</td>
<td>100% suppliers aligned</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Perception Index</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Activities</td>
<td>100% of sites develop local activities with community</td>
<td></td>
</tr>
</tbody>
</table>
Compliance

Global Compact Principles
1, 2, 3, 4, 5, 6, 7 and 10
Committed to doing business in a fair, ethical, and transparent manner, Nidec Global Appliance has integrated strict compliance standards during the transition period, after acquiring Embraco.

Guidelines and commitments to achieve the Royal Road of Business

- Compliance Code of Conduct.
- Employees Ethics Handbook.

- **11 Global Compliance Policies (GCP)** including topics such as Competition, Antitrust, Diversity, Equal Opportunities and Respect to Laws in the Workplace, Environment, Health and Safety.
- Signatory of the Global Compact since 2004.

2019

main progress:

- Integration with Nidec’s Group directives.
- Review of Compliance Reporting System (hotline channel) to Nidec GA.
- During 2019, 33 complaints and inquiries were received **94%** have already been investigated and closed.
Nidec Global Appliance has an Ethics Committee, with representatives from different areas and the Legal department, which is responsible for training employees, updating policies, and managing Hotline Channel inquiries.

### Hotline Channel

Nidec Global Appliance Hotline Channel is available for anyone – from outside or within the company – who has a complaint or inquiry about the company or its employees’ behavior.

Reports are handled in strict confidence and persons registering an issue can remain anonymous, protected against retaliation.

The complete phone list and an online form can be found at [www.nidecgaethicshotline.ethicspoint.com](http://www.nidecgaethicshotline.ethicspoint.com).

<table>
<thead>
<tr>
<th>ETHICS TRAINING</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>1004</td>
<td>368</td>
<td>167</td>
</tr>
<tr>
<td>% of leaders trained</td>
<td>75%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

| ONLINE COMPLIANCE TRAINING | |
|-----------------------------|------|------|
| % of administrative employees | 100% | 100% | 100% |
Sustainable Solutions

Global Compact Principle

9
For Nidec Global Appliance, focusing on innovation is the way to deliver solutions that improve people’s well-being around the world, providing the best technology for essential appliances that are present in everyday life.

The innovation process at Nidec Global Appliance is supported by solid foundations:

- **500 researchers worldwide**
- **120 partner universities**
- **9 R&D centers**
- Over **1400** active patents
- More than **4000** patents registered throughout its history, of which 97 in 2019
- Investment of 3 to 4% of annual net revenue in R&D processes

**Innovation awarded**

- Most innovative company in Southern Brazil, according to the Champions of Innovation award, carried out by Amanhã Magazine. The company also won in the Electromechanical category.
- In the Nuevo León Competitiveness Award, awarded by the Government of the State of Nuevo León, Mexico, it won in the Companies category, large size.
Nidec Global Appliance understands its responsibility to lead the market in developing solutions that reduce energy consumption, emissions, and the use of materials. For this reason, within its compressors and cooling solutions production sites, the company works strongly on three drivers for sustainable products:

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**Energy Efficiency**

In a world of increasing energy demands, reducing consumption is essential. *Variable speed compressors*, a technology pioneered by the Embraco brand, save up to 40% energy, while reducing noise, vibration and improving food preservation.

**2019 main achievement:**

**VESG launch**

- Up to 3.5% more efficient than VESF, the most efficient model until now.
- 45% more efficient than a conventional compressor.

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**Natural Refrigerants**

Gradual reduction in hydrofluorocarbons (HFCs) in the refrigeration sector represents an important contribution towards international efforts to mitigate climate change. The investment in compressors that use refrigerants with low atmospheric impact started with Embraco, 25 years ago, and continues to be one of Nidec Global Appliance’s product development guidelines.

**2019 achievements:**

- 49% of compressors sold uses natural refrigerants (increase of 5% comparing to 2018)
- 100% of our plants can produce natural refrigerant compressors.

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**Miniaturization**

Delivering products with the same or better efficiency while using fewer materials is essential to reduce negative impacts on planetary boundaries. Smaller and lighter compressors reduce the consumption of raw materials during production, support intelligent design and benefit logistics and transportation.

**Achievements in the last 10 years:**

- 41% reduction in size
- 66% reduction in weight

*For compressors with the same application.*

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**2019 main achievements:**

**VESG**

2010

208mm 10.6kg

VESG

2020

123mm <3.6kg
## Sustainable Operations

### Global Compact Principles
1, 3, 6, 7 and 8
Operating safely, while respecting people and the environment is a commitment of Nidec Global Appliance which is grounded in World Class Manufacturing (WCM) methodology.

For the past seven years, WCM has been the main system to achieve zero breakdowns, waste, defects, and inventory inside compressors and cooling solutions production units. Divided in 10 different pillars, the methodology offers tools and procedures that allow the company to achieve world class standards in its production sites.

International Standards certifications

- ISO 14001: Environmental Management System
- ISO 9001: Quality Management System
- OHSAS 18001: Occupational Safety and Health Management System
- IECQ QC 080.000: Management of harmful products to the environment
- IATF 16949: Focused on the automotive industry (electronics)
Our people

One of Nidec Global Appliance's main assets is its team's high level of expertise. The diversity of backgrounds and competences, as well as the profound knowledge shared among its R&D engineers, are key to maintain the company in the vanguard of the industry. With a robust set of processes combined with highly skilled employees, Nidec Global Appliance creates a favorable environment for innovation to happen every day.

Employees’ profile

As of December 31st, 2019, Nidec Global Appliance's compressors and cooling solutions units had 9731 employees. The percentage of women remained the same (29%) in comparison to 2018.

<table>
<thead>
<tr>
<th>EMPLOYEES BY CATEGORY</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives (CEO, Vice-Presidents, Directors, Sr. Managers)</td>
<td>112</td>
<td>105</td>
<td>100</td>
</tr>
<tr>
<td>Leaders</td>
<td>384</td>
<td>358</td>
<td>193</td>
</tr>
<tr>
<td>Administrative, operations, and others</td>
<td>10017</td>
<td>9510</td>
<td>9438</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10513</td>
<td>9973</td>
<td>9731</td>
</tr>
</tbody>
</table>

Note: This data is referring only to compressors and cooling solutions units. As Nidec Global Appliance has global and integrated management, part of the company’s leadership is located in other plants and were not included in the calculation.
Respect with labor legislation

Currently, 93% of Nidec Global Appliance employees are under collective agreements.

### PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS

<table>
<thead>
<tr>
<th>UNIT</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil – Compressors, Foundry and Itápolis</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>China (compressors)</td>
<td>95.4%</td>
<td>99.4%</td>
<td>100%</td>
</tr>
<tr>
<td>Italy</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Mexico</td>
<td>72%</td>
<td>73%</td>
<td>73%</td>
</tr>
<tr>
<td>Slovakia – Compressors and Global Business Support</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>China (electronics), USA and Russia</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to local legislation, these units do not require a collective agreement.

Employee’s training

Through development programs such as Frontline Leaders, Preparing the Future and WCM Engineers Development, Nidec Global Appliance offers training for all levels of the organization. In 2019, an average of 17.8 hours of training was provided to employees, an increase of 85% compared to 2018.
Safety First

Nidec Global Appliance is committed to protecting life and providing a safe and healthy environment for its employees. Health and Safety management is structured based on WCM methodology, as well as international standards, such as ISOs and OHSAS.

The company has different spheres in its organizational structure that are responsible for safeguarding the health and safety of employees:

**Leadership**

They are the main guardians of the employees’ health and safety, closely watching and supervising activities with the aim of finding opportunities to improve performance while guaranteeing a healthy and safe workplace.

**Global health and safety team**

Is responsible for the development of policies, procedures, training and tools. They also seek to integrate plants, harmonize concepts and processes, and share best practices with local teams.

**Local Health and Safety teams**

(in each plant)

Ensure customization and implementation of policies and guidelines locally, in light of local laws and regulations. They are also responsible for mapping and mitigating local risks in addition to implementing preventive health and safety actions.
Indicators are monitored daily, where performance and possible deviations are shown and based on this information, corrective and preventive actions are taken.

As a result, in 2019 Nidec Global Appliance achieved the lowest number of accidents in the last five years: more than 30% reduction compared to the previous year.

Regarding the rates, in 2019 there was a 22% reduction in the Total Incident Rate and 21% in the Lost Time Rate compared to 2018.

Safety rates

Note 1: Total Incident Rate is measured by the total number of incidents (from First Aid to Fatality, and Ergonomic issues) in the period, multiplied by 200,000, divided by the total worked hours in the period. Lost Time Rate is calculated by the total amount of days lost (due to Lost Time Accident), multiplied by 200,000 and divided by the total worked hours in the period.

Note 2: In comparison to the last report, the "Occupational Disease Rate" indicator is no longer reported, as it is not used as a key metric in management. The topic remains covered in other aspects of WCM and health and safety systems.
Environment

Operational management, efficiency in using natural resources in addition to waste and effluent reduction are central issues in Nidec Global Appliance's commitment to reducing its environmental impact in production processes. The company’s units encompassed in this report have an Environmental Management System, aligned with ISO 14001 and WCM, which defines processes and guides employees’ actions with the aim of reducing risks and negative impacts.

Energy

Nidec Global Appliance continually seeks to improve the energy efficiency of its production processes, whether through preventive maintenance, machinery replacement, or by production facility and process improvements.

In 2019, energy consumption was 1,270,089 GJ, 1% lower than in the previous year, in absolute figures, even with the production increase. The energy consumed to produce each compressor has been showing a downward trend, being 5% less in comparison to 2018.

<table>
<thead>
<tr>
<th>FUEL COMBUSTION (GJ)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Power</td>
<td>900,353</td>
<td>814,490</td>
<td>831,118</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>512,685</td>
<td>456,710</td>
<td>438,971</td>
</tr>
<tr>
<td>Other*</td>
<td>16,370</td>
<td>7,909</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,429,406</td>
<td>1,279,872</td>
<td>1,270,089</td>
</tr>
</tbody>
</table>

Note: Other sources of energy, such as Liquefied Petroleum Gas (LPG), diesel and gasoline, are no longer reported, as they represent less than 1% of total consumption.
Emissions

The company’s main strategy for reducing greenhouse gases (GHG) emission in production processes is to consume less energy, related to scope 1 and 2.

Scope 1 includes direct GHG emissions from sources that belong to or are controlled by the organization, while scope 2 measures indirect GHG emissions from energy purchases, such as electricity.

Following WCM guidelines to decrease energy consumption in 2019 it reduced total emissions by 7% in comparison to 2018 (absolute figures). This result is mainly due to scope 1 emissions reduction, related to direct energy consumption.

When it comes to emissions per compressor electricity consumption represents almost a reduction in scope 2 comparing to the previous year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Total</th>
<th>Index (kg CO2eq/Compressor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>38,849</td>
<td>56,406</td>
<td>95,255</td>
<td>2.90</td>
</tr>
<tr>
<td>2018</td>
<td>31,087</td>
<td>49,314</td>
<td>80,401</td>
<td>2.58</td>
</tr>
<tr>
<td>2019</td>
<td>26,043</td>
<td>48,774</td>
<td>74,817</td>
<td>2.28</td>
</tr>
</tbody>
</table>

Note: For standardization purposes, Brazilian GHG Program’s calculation tool was used, adjusting the power generation emission factors for each country accordingly.
In 2019, waste generation remained stable compared to 2018, while waste generation per compressor showed a 5% decrease.

### Waste

Refuse, Reduce, Reuse, Recycle and Recover Energy – these are the 5Rs that guide waste management at Nidec Global Appliance. Using WCM as the foundation, the teams focus on production processes to achieve the zero-waste goal.

### Waste generation per compressor

- **2017**: Total landfill rate (kg/compressor) = 3.75, Total waste rate (kg/compressor) = 0.49
- **2018**: Total landfill rate (kg/compressor) = 3.39, Total waste rate (kg/compressor) = 0.391
- **2019**: Total landfill rate (kg/compressor) = 3.2, Total waste rate (kg/compressor) = 0.386

### Method of disposal

<table>
<thead>
<tr>
<th>Type of waste</th>
<th>Non-hazardous waste</th>
<th>Hazardous waste</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Landfilling</td>
<td>Recycling</td>
<td>Incineration or recovery</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>15,888</td>
<td>103,211</td>
<td>729</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td>11,956</td>
<td>89,459</td>
<td>861</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>12,377</td>
<td>88,457</td>
<td>989</td>
</tr>
</tbody>
</table>

### Innovating in waste recycling

Employees from Brazil were selected to participate in the SDG Young Innovators. This global acceleration program, part of the United Nations (UN) Global Compact, is aimed at young professionals who want to solve a business challenge and contribute to achieving the Sustainable Development Goals (SDGs).

Along 9 months, they developed a business case, aligned with SDG 12 – responsible consumption and production, to reuse production waste. The initiative brings environmental benefits and cost reduction.
Water

Water management is also guided by WCM. The methodology determines which processes and machines are critical to be acted upon to reduce consumption.

In 2019, 17.87 liters of fresh water were withdrawn per compressor produced. This figure represents an increase of 2% compared to 2018, due to tradeoffs in climatization processes that used water instead of energy.

<table>
<thead>
<tr>
<th>WATER WITHDRAWAL BY SOURCE (M³)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundwater</td>
<td>178,201</td>
<td>155,139</td>
<td>159,863</td>
</tr>
<tr>
<td>Municipal or utility water</td>
<td>428,446</td>
<td>387,867</td>
<td>427,244</td>
</tr>
<tr>
<td>TOTAL</td>
<td>606,647</td>
<td>543,006</td>
<td>587,107</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water recycled (m³)</td>
</tr>
<tr>
<td>Percentage reused (%)</td>
</tr>
</tbody>
</table>

Water withdrawal per compressor

- 2017: 18.45
- 2018: 17.44 (+2%)
- 2019: 17.87
Sustainable Partnerships

Global Compact Principles
1, 2, 4, 5, 8 and 10
Nidec Global Appliance understands the interdependency between itself and customers, suppliers and communities surrounding its factories. Therefore, the company promotes an active and positive partnership, establishing long-lasting relationships, rooted in trust. Cooperation and co-creation are increasingly relevant to deliver positive impacts along the entire value chain.

Customers

Nidec Global Appliance aims to be the leading partner in the home and commercial appliance and air conditioning industries by 2025.

To achieve this, robust, well-prepared sales and R&D teams conduct technical visits and surveys based on a co-development approach.

By listening to its customers, the company seeks to offer the most appropriate and strategic solutions for their needs and challenges.

Sharing knowledge

Supporting clients in their technical development and increasing their awareness about critical issues for the market are important measures in nurturing a close relationship. Nidec Global Appliance offers training sessions at trade and roadshows, for OEMs, distributors, and retailers, as well as contractors and refrigeration technicians.

2019 Results

+190 training sessions and roadshows / + 4,000 trained people

Topics covered:

Alternative refrigerants, system design guidance for better performance, compressor selection guidance, training for control routines of variable capacity compressors (VCC)
Quality

The company has a Quality Management System that aims to ensure maximizing customer satisfaction by delivering high quality products. Its policies and procedures, aligned with WCM and ISO 9001, were designed to guarantee quality in all links of the chain, from purchasing raw materials, to using the product, seeking to achieve the Zero Defect goal.

Since 2018, the company has adopted a global online system to manage customer complaints, which brought more speed in solving problems and implementing improvements related to quality.

In 2019, the Customer Perception Index had a slight decrease of 2%, achieving a score of 92%.

This means that 92% of customers are satisfied with the products purchased and the level of service delivered.

All information regarding points to improve has been taken into consideration and the company is working to implement them.
Suppliers

Nidec Global Appliance’s presence around the globe requires a solid supply chain that is aligned to the standards required in the company’s Compliance Code of Conduct.

2019

Considering direct material suppliers,

71% are in countries where Nidec Global Appliance has factories - Brazil, Mexico, Slovakia and China.
Respect for rules and regulations

Nidec Global Appliance believes that encouraging high standards of conduct in its supply chain is an important part of creating a fairer market.

All of its suppliers – direct and indirect – need to be in line with the Compliance Code of Conduct and accept the General Terms and Conditions, which include topics such as anti-corruption; non-tolerance to discrimination; non-tolerance to slave, forced and child labor; non-tolerance to deforestation or other environmental infractions; and compliance with labor laws in the country of operation.

In addition, the company conducts audits at raw material and component suppliers to ensure compliance with criteria related to quality, reliability, management of hazardous substances and social and environmental responsibility. In 2019, 52 audits were carried out worldwide.

Hazardous Substances and Conflict Minerals

The Hazardous Substances Policy establishes strict criteria for the protection of Nidec Global Appliance’s products and their users against substances that are not registered, prohibited, or banned by RoHS standard and REACH, European Union standard.

Nidec Global Appliance takes a firm stand against human rights violations stemming from mineral exploitation in the Democratic Republic of Congo and adjacent countries. To this end, it has mechanisms to prohibit its suppliers from buying from any company mentioned in the Responsible Minerals Initiative prohibition list.
Nidec Global Appliance's Social Responsibility actions reflect its commitment to being an integral and active member of the communities where it operates.

The company believes that these initiatives offer an opportunity for dialogue, to strengthen ties of interdependence between the community and the business in addition to contribute towards meeting the immediate needs of people and the environment.

**Community Cleaning**
Employees go to different areas in the community for support and cleaning.

**CCQ Campaigns**
Donation Campaigns to help families in need in Joinville and Itaipul.
5,960 items, including food, toys, and clothes.

**Event Bark for Life**
The American Cancer Society Bark for Life is a noncompetitive walk event for dogs and their owners to raise funds and awareness for the American Cancer Society's fight against cancer.
Bags were donated to distribute literature and giveaways during the event.

**River Alive**
Volunteers participated in cleaning Santa Catarina River to remove polluting waste and improve quality of life.
3 tons of waste and 1.7 tons of invasive plants were collected.

**Volunteer and Donation to Dorka Crisis Center**
Volunteers spent a lovely day full of fun, games and laughs with kids from Dorka crisis center, and arranged a donation campaign for Children’s Day.

**Inoveum**
Educational program for high school students in the region - innovative ideas for startups, with strong cooperation between R&D and Innovation Center.

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Communication on Progress 2019
Credits

General coordination
Nidec Global Appliance - Sustainability, Communication and Branding

Reporting, indicators, and graphic design
Nexus Consultoria em Sustentabilidade

Photos
Nidec Global Appliance

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