

# CSR Report 2014

Contributing to the world  
by making products that spin and move

## Cover photos and pictures

Featured on the front and back covers of this report are lively snapshots of Nidec employees' jolly-looking children and pictures drawn by them, capturing their happy little moments of harmonious contact with nature. The Nidec Group envisions a sustainable future where a harmonious balance between nature and human activities safeguards the interests of children and generations beyond.



## Taking on Challenges

# Looking Ahead 100 Years to Evolve as a Truly Indispensable Business

Since our establishment in 1973, Nidec Corporation has conducted business based on a corporate aim setting forth our philosophy for contributing to society. We also uphold three basic management creeds—creating employment opportunities, becoming the number one company in our chosen fields, and supplying products that are essential to the world—while our CSR Charter sets forth our aim to work with sincerity, honesty, and transparency.

In 2013, which marked our company's 40th anniversary, we resolved to become a business group that will be indispensable even 100 years from now. To become such a company, we believe, requires us to contribute to society through our business, ensure that our business activities are sincerely and honestly conducted in harmony with society and the environment, and play various roles as a member of society, in the same way that individuals do.

### Fulfilling our responsibility to society

So far, Nidec has contributed to society by providing highly environmentally-friendly brushless DC motors and other high-quality, high-efficiency products based on concepts such as energy-saving, durability, low noise, and compactness/lightness. We are proud to say that many of our products, such as our computer hard disk drive motors, boast the largest market share in the world, and our technological innovations have helped improve energy efficiency in the IT industry.

Environmentally superior motors and associated equipment are mission-critical components to modern-day automobiles, whose departure from petroleum dependence is universally sought after, and equally instrumental in raising the energy efficiency of mid- to high-power applications found elsewhere—from home appliances and commercial equipment to industrial machinery. The automobile industry is making a full-scale effort to improve vehicle efficiency through electrification, reduce CO<sub>2</sub> emissions, and enhance vehicle safety. Furthermore, many countries are making it mandatory to use motors with high energy efficiency, particularly where large motors are used in industrial applications, reflecting growing concerns over electric shortages on a global scale.

As we move to expand our business in our priority areas—automobiles, home appliances, commerce, and industry—we hope that motors and other Nidec products will play a key role in solving pressing problems in those fields. Our mission is to manufacture products that contribute to the solution of social issues, and to continually reinvest our profits to create the next generation of valuable products.

As our business grows, we forge relationships with new people in new places. We will ensure that our business is more committed than ever before to our management principles, and we will contribute to local communities based on their individual needs. These efforts to coexist harmoniously with local communities are a source of motivation for our employees, and have positive effects on our business itself.

By steadily following this path, we aim to grow into a business group that will be embraced by people and society as a truly desirable corporate citizen even 100 years from now.



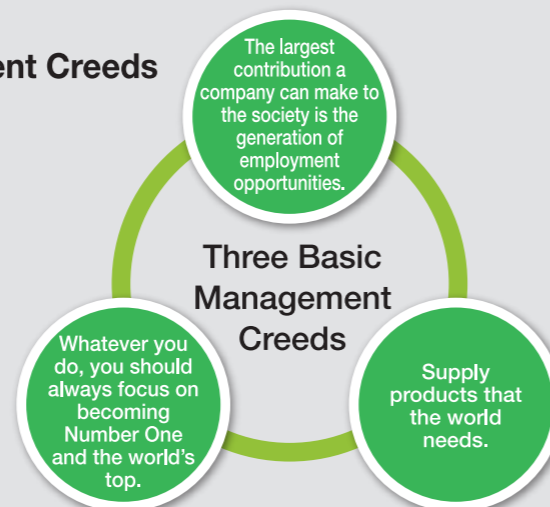
**Shigenobu Nagamori**  
Chairman of the Board,  
President & Chief Executive Officer

永年重信

### Corporate Aim and Three Basic Management Creeds

#### Corporate Aim

The aim of Nidec Corporation is to contribute to the development of our society and welfare of the general public all over the world by supplying them with the highest quality products with our sincere and enthusiastic dedication to the trinity of technology, skillfulness and modern science, and thus to promote the prosperity of our society, our company and all our employees.



### Action Principles

The “Three Challenges” have been held up as action principles for all employees together with the “Corporate Aim” since the establishment of Nidec Corporation. The path to a leading global company starts with the “Three Challenges.”

#### Three Challenges

**Passion, Enthusiasm and Tenacity**

**Intelligent Hard Working**

**Do it now, Do it without fail,  
Do it until it's completed**

### Corporate Slogan

On April 1, 2007, the Nidec Group established the corporate slogan “All for dreams” and the corresponding corporate statement. The Nidec Group pledges to all stakeholders that we will contribute to the building of a comforting society friendly to all its inhabitants.

The Nidec logo is a registered trademark or a trademark of Nidec Corporation in Japan, the United States and/or certain other countries. All for dreams logo is a trademark of Nidec Corporation in Japan and a trademark in the United States and/or certain other countries.

**Nidec**

**All for dreams**

We begin with dreams.  
Dreams drive our motivation.  
Dreams are our future.

The world's dreams, people's dreams, our dreams.  
Our passion creates ideas that make dreams come alive.  
Technology and products that were only dreams become reality.

**All for dreams**

Dreams challenge and the Nidec-Group will continue to meet the challenge.

For the world's and people's tomorrows,  
The world's first, the world's best technologies and products,  
We will continue our part in creating a better society.

# Nidec's Corporate Social Responsibility

Nidec's CSR activities include business activities to faithfully produce products and create technologies that contribute to society, and activities as a member of local communities for the future of those communities. With products that spin and move, it is Nidec's aim to support our society for an affluent and prosperous future.



## CSR Charter

- Work sincerely and honestly
- Coexist harmoniously with the environment
- Respect human rights
- Ensure occupational safety and hygiene
- Maintain good relations with society

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**Nidec**

**Business Activities**

**Management Creeds**

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**Activities as a Member of Local Communities**



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Automobile-oriented society

**Contributing to the world by making products that spin and move**

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Emerging nations

Clean energy

## CSR Report 2014

Editorial Policy	Nidec CSR Report has been published annually since 2004 to facilitate stakeholder understanding of the company's CSR stance. Nidec, which regards its customers, supply chain partners, local communities, employees, shareholders, and the global environment itself as important stakeholders, places importance on fulfilling its social responsibilities as a global company that engages in motor and other businesses, and on meeting all stakeholder expectations. Considering our CSR Report 2014 as a digest version of the social and environmental information on our website, we try to present in this report the progress of our CSR activities clearly to further deepen communications with our stakeholders and expand the circle of CSR activities.
Scope of Report	Our CSR Report 2014 mainly focuses on the CSR activities of the headquarters, domestic and overseas R&D facilities, and production sites of Nidec Corporation, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Copal Electronics Corporation, Nidec Tosok Corporation, Nidec-Shimpo Corporation, Nidec-Read Corporation, Nidec Servo Corporation, Nidec Seimitsu Corporation, Nidec Copal Corporation, Nidec Logistics Corporation, Nidec Machinery Corporation, and Nidec Global Service Corporation.
Reporting Guidelines	<ul style="list-style-type: none"> <li>Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan</li> <li>Sustainability Reporting Guidelines 2006 (Third Edition)</li> </ul>
Reporting Period	With a main focus on the company's activities during FY2013 (April 2013 – March 2014), this report includes activities ongoing from the past as well as information on latest activities.
Publication	June 2014 (Previous edition: June 2013; Next edition: scheduled for June 2015)
Publishing Office and Department	CSR Promotion Office and Public Relations, Advertising & IR Dept., Nidec Corporation

## Online Information Disclosure

Find more detailed, timely information about Nidec's CSR and environmental activities on our website.



<http://www.nidec.com/en-Global/sustainability/>

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# The Nidec Group

The Nidec Group engages in business covering a wide variety of motors, from small precision to super-large types, as well as related peripheral and application products, and many of our products enjoy a top global market share.

Nidec products are used in numerous different fields, including information communications equipment, office equipment, home appliances, automobiles, commercial and industrial equipment, and environment and energy, contributing to the improvement of people's lives and industrial progress.

(No. of companies)  
 Italy: 6 Spain: 1  
 Germany: 8 Hungary: 1  
 U.K.: 3 Poland: 1  
 France: 3 Romania: 1  
 Luxembourg: 3 Russia: 1  
 Netherlands: 1

Europe  
 Nidec Group  
**29 companies**  
 Employees:  
**2,981**

Japan  
 Nidec Group  
**28 companies**  
 Employees:  
**8,462**

North America  
 Nidec Group  
**30 companies**  
 Employees:  
**3,289**

(No. of companies)  
 U.S.: 28  
 Canada: 2

Asia/  
 Southeast Asia  
 Nidec Group  
**130 companies**  
 Employees:  
**80,791**

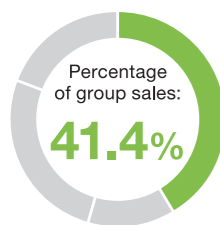
(No. of companies)  
 China: 55 South Korea: 5  
 Hong Kong: 13 Taiwan: 5  
 Vietnam: 11 Malaysia: 4  
 Thailand: 11 India: 2  
 Singapore: 7 United Arab Emirates: 1  
 Indonesia: 7 Cambodia: 1  
 Philippines: 7 Turkey: 1

Central and  
 South America  
 Nidec Group  
**13 companies**  
 Employees:  
**4,871**

(No. of companies)  
 Mexico: 10  
 Columbia: 1  
 Brazil: 1  
 Venezuela: 1

(Data as of March 31, 2014)

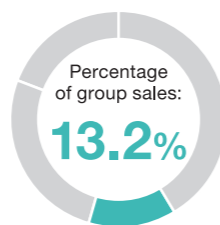
## Small Precision Motors



Nidec's various motors occupy the world's largest market share for many different applications, including hard disk drives (HDDs), optical disc drives (Blu-ray Disc, DVD, etc.), office equipment, and vibration units for mobile phones and smartphones. Our motors have also recently come to be used in home appliances such as hair dryers, DC electric fans, and cleaning robots.



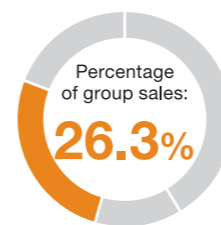
## Automotive Products



Nidec's automotive products, ranging from electric power steering motors (for which we hold the largest market share in the world), to dual clutch motors, engine cooling motors, and seat adjusting motors, as well as modules such as engine oil pumps and continuously variable transmission (CVT) control valves, and electronic control units (ECUs), are installed in automobiles to meet their electrification and automation needs.



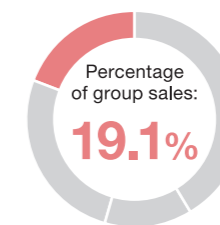
## Home Appliances, Commercial, and Industrial Products



In the area of home appliances, commercial, and industrial products, Nidec's motors are used in various applications including in washing machines, dryers, dishwashers, air conditioners, escalators, elevators, factory automation, and encoders.



## Other Products



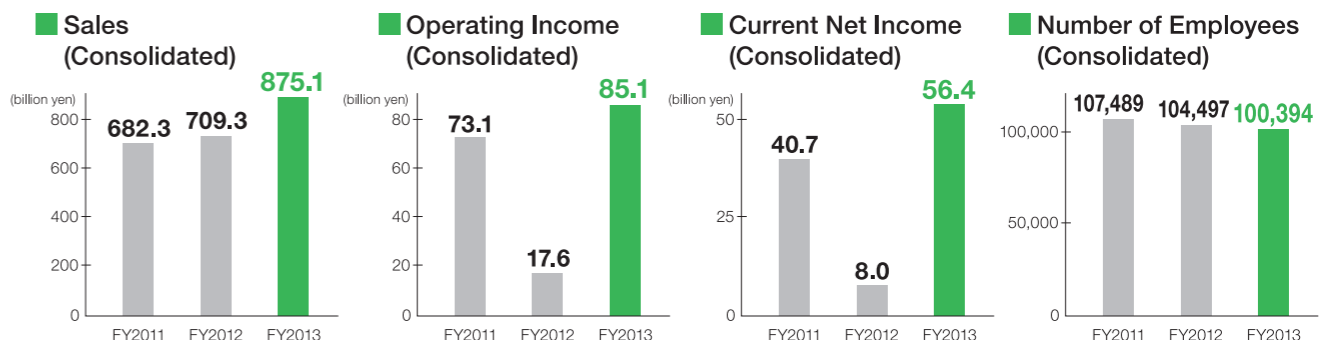
In addition to motors, Nidec Group companies offer a multitude of other products and services, ranging from mechanical equipment, electronic and optical components, and music boxes, to logistical and other services. We furthermore market liquid crystal glass substrate handling robots and camera shutters, each of which respectively occupies a large global market share.



### Company Profile

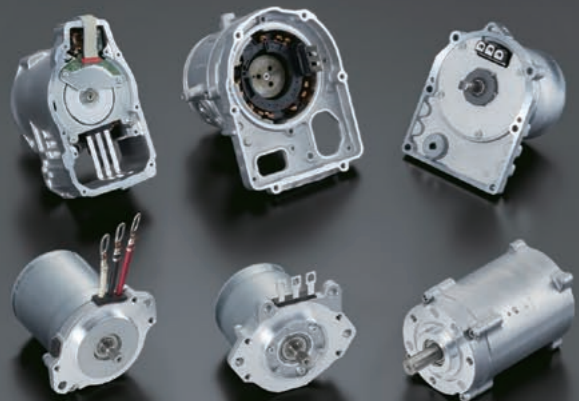
Name:	NIDEC CORPORATION	Founded:	July 23, 1973
Brand name:	<b>Nidec</b>	Paid-in capital:	JPY66,551 million (as of March 31, 2014)
Representative:	Shigenobu Nagamori (Chairman of the Board, President & CEO)	Total shares issued:	145,075,080 (as of March 31, 2014)*
Address:	338 Tonoshiro-cho, Kuze, Minami-ku, Kyoto-shi 601-8205 Japan	Stock listings:	First Section, Tokyo Stock Exchange (Code: 6594) New York Stock Exchange (Code: NJ)

\*On April 1, 2014, Nidec Corporation carried out a stock split of its common stock on a 2-for-1 basis. As a result, the total number of the Company's shares issued were 290,150,160 as of the same date.



**– Special Feature –**  
**Taking on Challenges**

**Nidec's Contributions as the World's No. 1 Comprehensive Motor Manufacturer**



**Nidec's CSR Is Based on Its Three Basic Management Creeds**

It is the responsibility of Nidec, the world's No. 1 comprehensive motor manufacturer, to continue to tackle and overcome problems and issues that the world faces. It is the Nidec Group's belief that engaging in business based on our Three Basic Management Creeds is the way for us to fulfill our responsibilities to society. This special feature shows the Nidec Group's inexhaustible challenging spirit based on the creeds.

**Taking on Challenges**

1. Solving the World Power Shortage
2. Toward Zero Traffic Accidents
3. Employing a Diverse Group of People Around the World

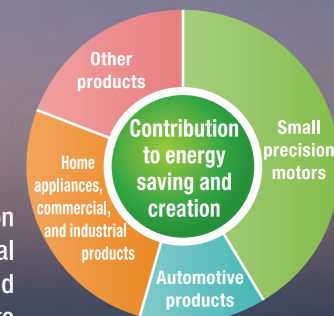


**– Article 1 – Taking on Challenges**

**Solving the World Power Shortage**

**Nidec contributes to energy saving and energy creation**

In each of the four pillars that represent its core business fields (small precision motors; automotive products; home appliances, commercial, and industrial products; and other products), the Nidec Group offers high-efficiency motors and related products, while furthermore entering into the power generation business to help save and create more energy.



**Electric motors consume approximately half of electricity generated over the world**

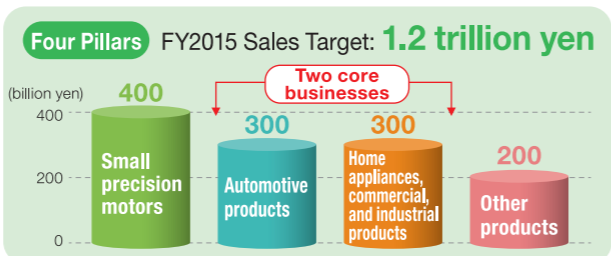
As newly emerging economies and other countries consume power at an explosively rapid pace, securing oil and other sources to generate power is becoming increasingly difficult, and the world now faces a serious power shortage. The amount of power consumed by motors is believed to be 40–50% of total power used in the world (55% in Japan),\*1 and the spread of high-efficiency motors is essential in solving the power shortage. A movement has already been initiated in Europe and the U.S. to restrict the sale of motors which fail to meet the IE2\*\*2 (high efficiency) and IE3\*\*2 (premium efficiency) international standards. Japan too has decided to introduce a “Top Runner” system to ensure the compliance of industrial motor efficiency to the IE3 standard from 2015, in preparation for the promotion of nationwide adoption of high-efficiency, energy-saving motors.

\*1. Source: The Japan Electrical Manufacturers' Association, “Top Runner Motor”  
\*2. Standard set by the IEC (International Electrotechnical Commission)

**Widespread adoption of high-efficiency and energy-saving products decreases world CO<sub>2</sub> emissions, and leads us away from fossil fuels**

**“Vision 2015” for areas of higher demand**

The Nidec Group aims to contribute to solving the world power shortage and reducing CO<sub>2</sub> emissions through its business activities. In our mid-term business management target, “Vision 2015,” we are striving to expand our business based on self-sustaining growth and M&A, with a focus on the automotive, home appliance, commercial, and industrial



sectors, where motors are required in particular to be highly efficient and energy-saving.

**Encouraging the spread of high-efficiency industrial and home appliance motors**

**Industrial and SR motors**

The power consumed by industrial motors is estimated to be approximately 66% of that annually consumed by motors in Japan.\*1 Despite this large power consumption rate, almost all industrial motors used in Japan currently operate at the IE1 (standard efficiency) level. Preliminary calculations suggest that IE3 (premium efficiency)-level motors represent an annual saving of as much as 7%\*1 per motor, which would be a significant contribution to energy-saving efforts. The U.S. has in place the world's strictest standard—NEMA\*\*2 (equivalent to the IE3 level)—and Nidec has sold NEMA premium motors for industrial applications, which meet this standard, since 2011.

Furthermore, Nidec has been working to develop switched reluctance (SR) motors that achieve a higher level of efficiency. SR motors are highly energy-efficient and have a simple yet robust structure. This demand is increasing in large heavy construction equipment, such as excavators, and agricultural machinery. Nidec intends to encourage the spread of both IE3-compliant motors and SR motors across the world, and help reduce industrial power consumption.

\*1. Source: The Japan Electrical Manufacturers' Association, “Top Runner Motor”  
\*2. NEMA: The National Electrical Manufacturers Association

**Brushless DC motors for home appliances and air conditioners**

Suppressing the level of peak power usage is equally important in reducing total power consumption. In Japan, the power consumed by air conditioners exceeds 50% of total household power consumption during the summer season (July–September), when the country's aggregate electricity demand peaks.\* Improving the efficiency of air conditioners is clearly conducive to curbing peak power usage.

In Japan, where highly energy-saving inverter air conditioners are already used in almost all households, brushless DC motors are essential in achieving even higher levels of efficiency. Currently, Nidec's brushless DC fan

motors are used in approximately half of inverter air conditioners in Japan and are also increasing their presence in the global air conditioner market, the majority of which is represented by major Chinese manufacturers. In countries with underdeveloped electricity infrastructure, we seek to contribute to energy savings and better living conditions by supplying high-efficiency module products combining a fan motor with a compressor. Our first step in this direction is the construction of air conditioner motor factories now underway in China and India.

\*Source: Estimate by the Agency for Natural Resources and Energy of Japan



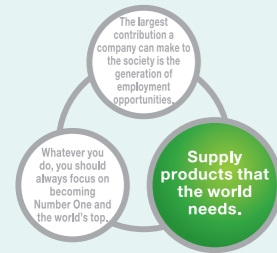
Industrial motor      SR motor      Brushless DC motor for air conditioner

**From energy saving to infrastructure development**

**From power generation to power distribution: Taking on challenges in the smart grid business**

Tackling the issue of global power shortage takes more than just reducing dependence on fossil fuels; it extends to utilizing “future energies” including renewable sources, such as sunlight and wind. The Nidec Group, taking one step beyond the energy savings offered by high-efficiency motors, wishes to help solve the power shortage through the creation of electricity.

In June 2012, Italy's Ansaldo Sistemi Industriali S.p.A. (now Nidec ASI S.p.A., “ASI” hereinafter) joined our Group. Over the past 150 years, ASI has been developing power generation, transmission, and distribution systems mainly for ships and railroad vehicles while improving its efficiency technologies. ASI is currently building solar power plants for the most part in Europe, a region advanced in the field of photovoltaic generation. ASI will continue making smart grids possible, handling all stages from generation to transmission of natural energies.



# Toward Zero Traffic Accidents

## Nidec's mission-critical technologies making automobiles safer, greener, and more comfortable

Today's automobiles are increasingly required to be safer, more eco-friendly, and more comfortable than ever before. The Nidec Group offers a wide variety of automotive modules to help make cars crash-free, fuel-efficient, eco-friendly, and comfortable to ride.

### Autonomous driving systems now under development to protect human lives

Eliminating traffic accidents is the ultimate hope for anyone living in car-reliant society. With an eye toward a crash-free future, many automobile manufacturers are working to develop automated driving systems, with which a car will safely take you to your destination without passenger inputs. The pace of developing automatically operated cars is accelerating, with test driving on public roads starting in Japan, following in the footsteps of the U.S. and Europe. One of the key features enabling autonomous driving is the automatic braking system, which ensures effective braking upon detection of an imminent crash even if the driver does not press the brake pedal.

### Nidec's automotive products to automatically stop cars and save people's lives

#### 3 key technological strengths

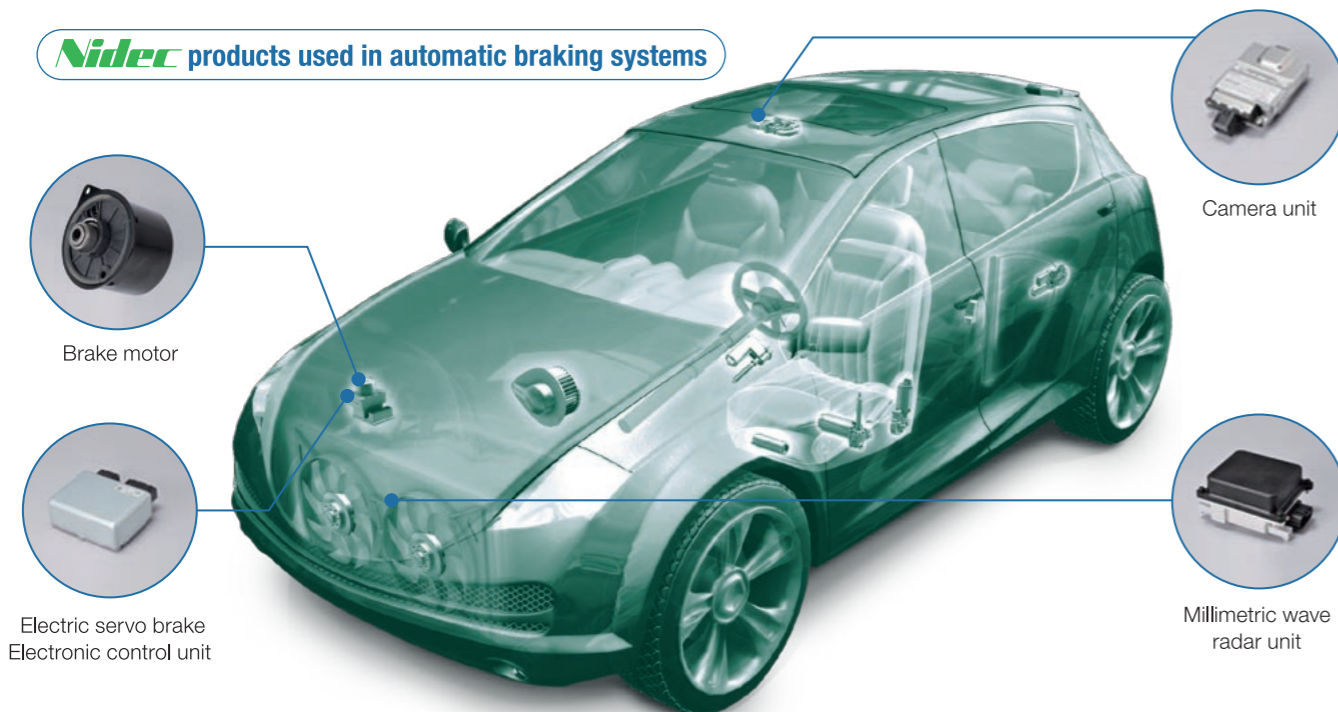
The autonomous driving system, a future safety technology designed to mitigate road traffic collisions, consists of four critical technologies: sensor, control unit (artificial intelligence), motor controller, and motor. For example, if someone runs out in front of a car, the sensor and associated control unit detect the person, send a command to the motor controller, and in turn, activate the motor. The hydraulic pressure generated by the motor then brakes the car to a stop. The Nidec Group possesses advanced capabilities in three of these four critical technologies.

### Nidec's technological buildup through the acquisition of Honda Elesys

In March 2014, the Nidec Group welcomed Honda Elesys Co., Ltd. (now Nidec Elesys Corporation) as its new subsidiary. With the addition of Nidec Elesys, a front-runner of advanced safety technology whose strengths lie in the production of electronic control units (ECUs) for automotive motors, the Nidec Group is now able to offer high-value-added modules comprising multiple components.

In the case of automatic braking systems, Nidec Elesys possesses millimetric wave radar and camera technology for the sensor that measures the relative distance and speed between your car and another car or obstacle in front, as well as electric servo brake ECU technology that serves as the motor controller. Together with its existing brake motor technology, Nidec now offers products that leverage three out of the four core technologies required for automatic braking. We will integrate our existing technologies with those that are newly acquired to contribute to the solution of social issues.

### Nidec products used in automatic braking systems



### A future where crash-free cars roll the streets

#### Nidec by-wire technology to make connected cars possible

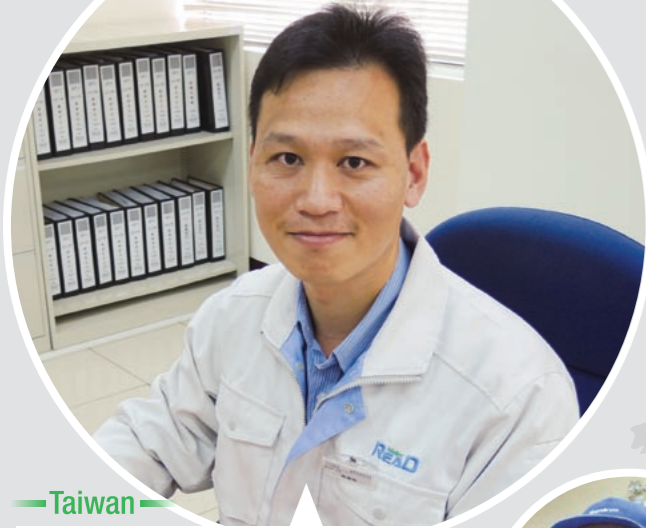
What will the future of driving look like? In the future we see, connected cars—which, though being driven by human drivers, communicate with the other cars running around—and robot cars—the ultimate form of automatic driving that requires no driver in the car—will be common on roads.

Automobiles have already started to be used as network terminals; in the U.S., the installation of inter-vehicle communication systems that enable cars to exchange location information to keep a safe distance and prevent crashes has been approved. It is not a far-off dream for this system to be extended to include traffic signals, railroad crossings, and other road fixtures to enable vehicles to run crash-free. The trend to motorize brakes and other automotive components will likely accelerate even further. The practical use of brake by wire systems to promptly control braking power via electric signals has already started. The Nidec Group has sped up its own development of electric brake booster motors, which will be a main component of collision damage reduction brake systems, and hopes to contribute to reducing the incidence of traffic accidents.

In these ways and others, market needs and corresponding technological development are advancing rapidly within the automobile industry. We, as the world's No. 1 comprehensive motor manufacturer, are ready to meet these rapidly growing needs aggressively. I am convinced that Nidec will overcome cost and other issues, provide automotive components that have an overwhelming global presence, and help make better cars for the future.



**Kazuya Hayafune**  
First Senior Vice President  
General Manager of Automotive Motor & Electronic Control Business Unit



—Taiwan—

**My Dream:** "I would like to supply the very first and most precise IC package inspection jigs in Taiwan."

**My Challenge:** "Raise the skills of those involved in design and manufacturing processes, and form a team of fully motivated engineers."

**Chen Chienfu** Nidec-Read Taiwan Corporation



—Japan—

**My Dream:** "I would like to create the world's most reliable reduction drive, and make *Nidec* a well-known company around the world."

**My Challenge:** "I will make a high-quality and environmentally-conscious workplace, and eliminate defective products."

**Yuka Takuma** Nidec-Shimpo Corporation



—Mexico—

**My Dream:** "I would like to make *Nidec* the company where people want to work for most in the world."

**My Challenge:** "I will brush up my presentation skills to convey how wonderful *Nidec* is accurately."

**Georgina García**  
Nidec Automotive Motor Mexicana S.A. de C.V.



—U.S.A.—

**My Dream:** "I would like to make *Nidec* elevators the world's best elevators."

**My Challenge:** "I will differentiate our products from others by designing great motors and controllers."

**Ji Fan** Nidec Kinetek Corporation



—Vietnam—

**My Dream:** "I would like to make *Nidec* motors win the largest share in the international market."

**My Challenge:** "I am working hard every day to automate machines and reduce the defective rate, and produce high-quality and low-cost products."

**Hoàng Xuân Đài**  
Nidec Sankyo Vietnam Corporation



—Italy—

**My Dream:** "I would like to make *Nidec* the world's most innovative company."

**My Challenge:** "I will make my brain spin and move faster than the fastest-spinning motor."

**Gabriele Fort**  
Nidec Sole Motor Corporation S.R.L.



—China—

**My Dream:** "I would like to make the highest-quality motors and related products that are loved around the world."

**My Challenge:** "I am studying to gain new knowledge to enhance my quality management skills."

**Sun Jianping**  
Nidec Copal Electronics (Zhejiang) Co., Ltd.



—China—

**My Dream:** "I would like to offer services that are competitive to the world's first-class hotels."

**My Challenge:** "I intend to obtain a qualification as a high-level engineer."

**Pan Jinying**  
Nidec Total Service (Zhejiang) Corporation

— Article 3 —

## Taking on Challenges to Make Our Dreams Come True Employing a Diverse Group of People Around the World



Nidec has over 100,000 people working all over the world. Spotlighted here are 19 of our colleagues from diverse backgrounds, sharing their aspirations and the future they envision. Our individual enthusiasm is nurturing development of *Nidec* into a corporate group globally accepted as a desirable corporate citizen.



—U.S.A.—

**My Dream:** "I would like to make *Nidec* the most rewarding company to work for in North America."

**My Challenge:** "I will contribute to expanding our business to create more job opportunities."

**Della Battles** Nidec Motor Corporation



—China—

**My Dream:** "I would like to provide the entire world with *Nidec*'s high-quality, technically superior motors."

**My Challenge:** "I am working to produce products using less energy to improve our quality and technology."

**Yan Dongbo**  
Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd.



—Japan—

**My Dream:** "I would like to design one-of-a-kind equipment that exists only at *Nidec*."

**My Challenge:** "I am working hard to improve my design skills and gaining technical knowledge in other areas."

**Shizuya Yamamoto**  
Nidec Machinery Corporation



—Thailand—

**My Dream:** "I would like to make *Nidec*'s air conditioner motors perform better than any others in the world."

**My Challenge:** "I am working hard to go through the shift from AC motors to DC motors."

**Suksakorn Charoensuk**  
Nidec Shibaura Electronics (Thailand) Co., Ltd.

—Japan—

**My Dream:** "I would like to build a new logistics network in a country we are yet to operate in."

**My Challenge:** "I will obtain experience in packaging large equipment, acquire knowhow, and launch a survey on the domestic needs of a country where we are yet to operate."

**Masanobu Yoshida** Nidec Logistics Corporation



—Poland—

**My Dream:** "I would like to contribute to achieving *Nidec*'s challenging targets."

**My Challenge:** "I work every day with passion, enjoy my work, work hard, and do my best."

**Sylwia Skalska**  
Nidec Motors & Actuators (Poland), Sp.z.o.o.



—Vietnam—

**My Dream:** "I would like to make work environments comfortable for all employees."

**My Challenge:** "I listen to each employee's voice every day, and work to improve our work environments."

**Phạm Thị Thùy Dương**  
Nidec Tosok (Vietnam) Co., Ltd.



—U.S.A.—

**My Dream:** "I would like to expand our encoder business to the world, and make it a US\$100 million business."

**My Challenge:** "I plan to establish new business alliances and acquire partners globally."

**Bill Zitelli** Nidec Avtron Automation Corporation

—Thailand—

**My Dream:** "I would like to make the world's best shutters for the world's best cameras."

**My Challenge:** "I am working hard in the product development department in Thailand to create cool new products."

**Worapon Dao Lert**  
Nidec Copal (Thailand) Co., Ltd.



—Italy—

**My Dream:** "I would like to help people be conscious that they are part of *Nidec*."

**My Challenge:** "As a member of HR staff, I will arrange various opportunities such as training sessions."

**Elisa Schiatti** Nidec ASI S.p.A.



# Nidec's ESG

CSR consists of three main commitments with regards to the relationship between a company and its stakeholders: "E (environment)" shows commitment to the global environment, the foundation for human existence; "S (society)" is the commitment to the various stakeholders who make up society; and "G (corporate governance)" refers to the commitment to a system through which a company is able to meet the demands of its stakeholders.

This chapter explains Nidec's basic principles and actions with regard to its "ESG."

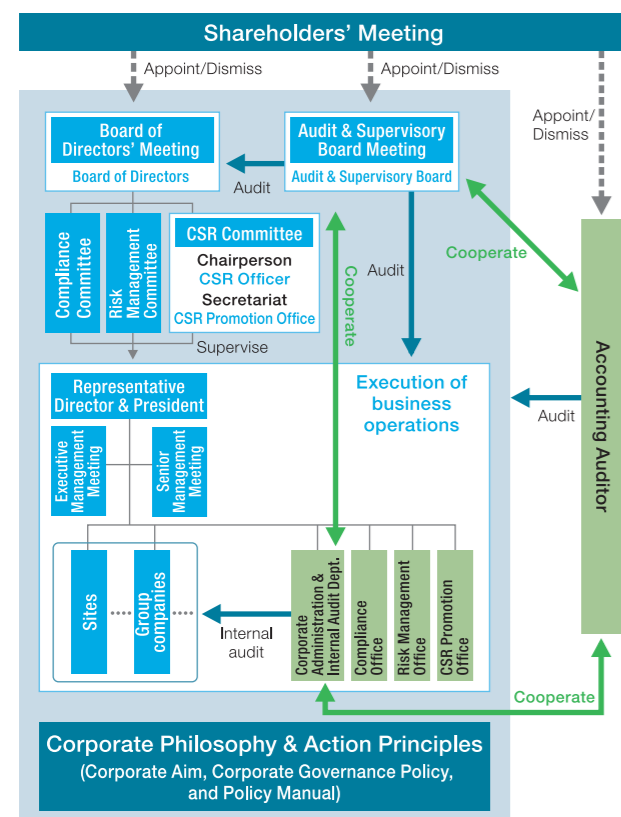


## G Corporate Governance

The Nidec Group aims to further strengthen its business capabilities and management system to achieve sustainable improvement of its corporate value.

In May 2006, we established our Corporate Governance Policy to clarify our stance and help promote shareholder and stakeholder understanding.

<http://www.nidec.com/en-Global/corporate/about/cg/governance/>



### Business Execution and Supervision

Nidec has an Audit & Supervisory Board in place. The company's Board of Directors makes decisions on important matters concerning business management, and supervises business execution. The Board of Directors has independent members from outside the company to enhance its management supervisory functions, and make Nidec's business activities more transparent and visible from the outside.

In addition, to clarify management responsibilities, the terms of members of the Board of Directors and vice presidents are for a one year period, and their remuneration is determined based on the company's business performance.

The Audit & Supervisory Board, assuming responsibilities comparable to those of the U.S. Audit Committee, conducts accounting audits and oversees the directors' execution of duties.

### Internal Control

Nidec, as a company listed on the Tokyo Stock Exchange, works to meet the requirements of applicable Japanese laws and regulations. As a company listed on the New York Stock Exchange, Nidec also aims to fulfill the requirements of the U.S. Sarbanes-Oxley Act of 2002, in order to improve the company's soundness and transparency. Our Corporate Administration & Internal Audit Department dedicatedly maintains and improves the effectiveness of the Nidec Group's internal controls.

In addition, under the oversight of the Board of Directors, our Compliance Office, Risk Management Office, and CSR Promotion Office provide leadership as the secretariats of the Compliance Committee, Risk Management Committee, and CSR Committee, respectively, and improve the Nidec Group's management capabilities.

## CSR Management Framework

Our ongoing CSR promotion framework took shape in April 2008, when we established the CSR Committee under the Board of Directors. Consisting of a chairman and representative members of Nidec's major functions, the CSR Committee discusses and decides key issues, including policies and yearly action plans concerning

human rights, labor, ethics, health and safety, the environment, and social contribution. Resolutions of the CSR Committee are brought into practice through active collaboration between the committee's dedicated bureau (the CSR Promotion Office), business sites, and persons responsible.

### To Achieve World-Class CSR Management

Nidec's CSR management system has regulated our business conduct in Japan and Asian/Southeastern Asian countries, where many of our core businesses manage manufacturing operations. The system's principles have been supported by a health, safety and environmental management framework, based on the acquisition and maintenance of international certifications including OHSAS 18001<sup>\*1</sup> and ISO 14001.<sup>\*2</sup> It also focuses on improvements with regard to human rights, labor practices and ethical issues in line with our self-imposed guidelines that incorporate the essence of the Electronic Industry Code of Conduct (EICC Code).<sup>\*3</sup>

Still and all, the changing face of globalization will continue to present new challenges for businesses across the world. Particularly given the fact that the breadth and depth of corporate social responsibilities required of multinational companies is under a fresh spotlight, we have built a shared understanding that steering closer toward internationally accepted norms for accountable business conduct would be the most viable and responsible option.

In line with this thinking, we have moved on to revamping our CSR management system in collaboration with a major international certification body, taking a new set of measures to ingrain a unified code of conduct into every level of the Nidec Group companies.

The revised CSR management system provides a framework fully compliant with the EICC Code established by the Electronic Industry Citizenship Coalition, whose cross-industry initiatives are starting to gain recognition among manufacturers beyond the realm of the electronics industry. The new management framework incorporates a third-party assessment scheme and monitors whether the company engages in business with sufficient consideration of human rights, labor, ethics, health, safety, and the environment. It also evaluates and ensures the soundness of the management system itself.

The EICC Code, integrating the main elements of OHSAS 18001 and ISO 14001, meets our need for introducing a

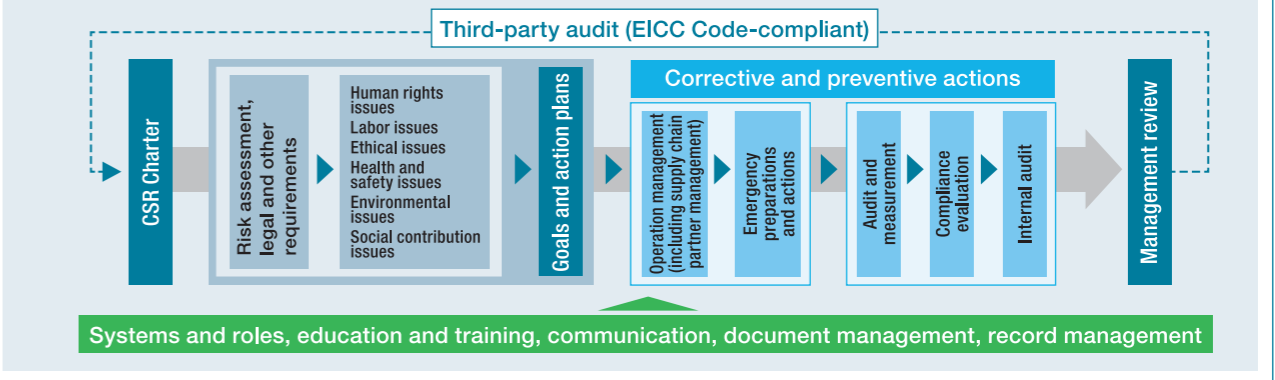
management system to sites that have yet to obtain these certifications. Constantly updated to reflect the key elements of global challenges, the EICC Code will guide our sustainable CSR management in a manner consistent with the trend of the times. The EICC Code is oriented toward a global standardization of work environments unimpeded by legal and cultural differences between countries and regions, with particular emphasis on human rights, labor practices, and ethics. By aligning our own operations with the provisions of the evolving EICC Code, we seek to raise the quality of our CSR management to a level comparable to international standards in a practical sense.

The transition to the aforementioned new system will be executed based on a three-year plan in accordance with a long-term, gradual action policy. It will exclude sites that have already obtained OHSAS 18001 and ISO 14001 certification and are in virtual compliance with the EICC Code. In our first year (FY2014) under the new CSR management system, a PDCA program, including audit, risk assessment, and training conducted by an outside international certification authority, will be carried out for production sites in Asia/Southeast Asia employing an approximate total of 1,000 employees. With the dissemination of a proper evaluation and improvement cycle based on this program, we intend to apply it to the entire Nidec Group's management system to satisfy high-level CSR requirements.

#### Management Areas under the CSR Management System



#### PDCA Process under the CSR Management System



\*1. OHSAS 18001: An international standard that defines the requirements for occupational health and safety management systems.

\*2. ISO 14001: An international standard that defines the requirements of environmental management.

\*3. EICC (Electronic Industry Citizenship Coalition) Code of Conduct: A code of conduct drawn up by the electronic industry for business activities covering the whole supply chain.



## From Our CSR Officer

Masuo Yoshimatsu First Senior Vice President



Nidec has set itself the goals of spreading products and technologies with excellent environmental performance throughout the world, and fulfilling its social responsibility as a corporation by the creation of employment opportunities through continuous growth. So far, we have successfully moved toward this goal because of your understanding and support, for which we are so grateful.

Last year, on the occasion of the company's 40th anniversary, we stated our determination to be a business group that looks far ahead to the future and that will be essential to society for the next 100 years and beyond.

It was based on this new, far-reaching goal that we contemplated what we should do and what our CSR stance should be. Our conclusions led us to the following three actions as conditions for Nidec to be a company that will be needed for the next 100 years and beyond.

### 1. Contribution to Society through Business

The first condition is for us to contribute to society through our main business activities. Our largest task is to face environmental issues head-on, supply products essential to the world's energy-saving and environmental needs, and help promote society's healthy development.

It is our responsibility to provide products that satisfy our

customers' and society's needs at a reasonable and fair price, become competitive and expand our businesses, increase our product shares to be the largest in the world, and secure and expand the scale of employment via organic growth.

### 2. Sincere and Honest Management

The second condition is to work sincerely and honestly, and exist in harmony with society and the environment.

However socially useful the products we make may be, it would be totally unacceptable for us, for example, to ignore our employees' rights or cause environmental pollution to reduce product costs.

We must always work in harmony with society and the environment, and engage in business sincerely and honestly in compliance with society's rules.

Nidec's CSR Charter stipulates respect for human rights, maintaining a safe and secure workplace, and minimizing environmental impact in our business. Furthermore, as part of our efforts to strengthen our governance system, we intend to conduct a third-party audit of all Nidec Group companies to extend the scope of our CSR management system to them.

### 3. Act as Part of the Local Community

The third condition is, while seeking maximization of corporate value via our business activities, to serve a role as a corporate citizen that is highly expected of and evaluated as a member of society.

As an example of current activities, we visit and hold environmental classes at elementary schools using Nidec motors to help support education in our local communities. This year marks the eighth time these annual school visits have been conducted. The visits were started in FY2007 based on our strong wish to allow children to experience the fun of making things, and deepen their interest in science and the environment.

It is through these and other activities that we intend to raise our employees' awareness of being actively involved in the local community, and to further improve Nidec's activities as a community member.

Nidec aims to become a company that will be essential to society for the next 100 years and beyond, with each of our employees sufficiently understanding the above intentions and serving his or her role. Your continued understanding and feedback will be truly appreciated.

# S Society

Nidec regards its customers, supply chain partners, local communities, employees, shareholders, and the environment itself as important stakeholders. Nidec makes it a management priority to meet all stakeholder expectations through communications with respective parties.



## Employee Relations



In the course of developing a pool of challenge-seeking, globally competent human resources, and based on its three challenges, i.e. "Passion, Enthusiasm and Tenacity," "Intelligent Hard Working," and "Do it now, Do it without fail, Do it until it's completed," Nidec is cultivating a diversity-rich work environment that brings out the best in every individual.



### Our Actions in FY2013

### Respect and Promote Diversity

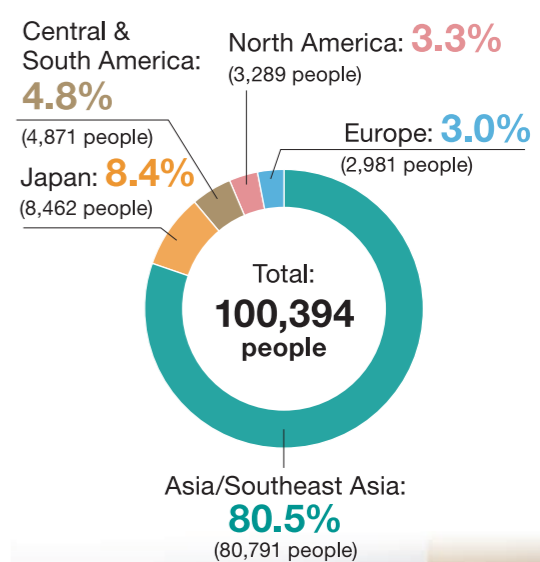
In the middle of intensified global competition, we are seeking to maximize the advantage of various sets of values to adapt to a constantly changing business environment, meet diversifying customer needs, and generate corporate value.

The Nidec Group, with development, production, sales, and research sites in 32 countries and regions globally, has been hiring a diverse range of people in Europe, the U.S., Asia, and all other parts of the world. Nidec hires based on the basic management creed that "The largest contribution a company can make to the society is the generation of employment opportunities."

Nidec's new graduate and mid-career recruitment activities are actively under way in Japan as well. We offer job opportunities to large numbers of talented and skilled people regardless of gender, nationality, ethnicity, and religion.

With globalization expected to intensify further and hires from ever more diverse areas and backgrounds, we will promote improvement of employee skills and capabilities to enhance the Nidec Group's capacity for growth. In doing so, we will support all Nidec employees in utilizing their skills, capability, and potential to the furthest extent possible, enabling all employees to make contributions to the business. In addition, we will build a foundation where our diverse workforce can work to the best of their abilities in a variety of locations and create new corporate value to make Nidec a truly global company.

### Employee Breakdown by Region



## CSR Mid-Term Vision

### CSR Mid-Term Vision

	Fiscal Year	2010	2011	2012	2013	2014	2015	2016
<b>Change of business structure</b>	Reform of operational structure	Business site system	Business unit system (encompassing business sites)					
<b>Social requirements</b>	Expansion of CSR management scope	50% of business scope	70% of business scope	80% of business scope				
<b>Biodiversity</b>	Conservation of critical ecosystems	Policy establishment	Continuous conservation activities (tree planting, etc.)					
<b>Environmental burden</b>	Sustainable use of water resources	Reduction of waste water per product unit				Reuse of waste water		

### Roadmap for Expansion of CSR Management System



### 1 Expansion of CSR Management Scope

The concept of CSR shows its true value only if it is practiced across the entire company. In recent years, the business scope of Nidec has been growing rapidly on a global scale due to M&A activities and other factors. Consequently, the number of business sites that need to be managed based on CSR has also increased. Our goal is to raise awareness of CSR at all companies of the Nidec Group and expand the CSR management scope.

### 2 Conservation of Critical Ecosystems

To enable the continued utilization of biological resources, it is necessary to manage our business in a way that maintains species diversity while making efforts to conserve principal species. Nidec has been continuously promoting conservation activities, such as mangrove reforestation in tropical areas, and will do so on an even greater scale in the future.

### 3 Sustainable Use of Water Resources

Water is the most valuable resource and it is indispensable for human life and industry. However, discounting seawater, icebergs, and glaciers, the quantity of usable water amounts to just 1% of the world's total water resources. As a manufacturing company that uses large quantities of water for washing of components and other processes, we are strengthening our efforts to conserve water resources through reducing water intake and use and introducing various recycling methods.



## Customer Relations



Nidec has established QCDSSS as the basis of its business activities, and all of its R&D, production, and sales departments work united to improve customer satisfaction and build a relationship of trust. Our customers are located all over the world. To respond to their needs and demands quickly, we have launched a "made-in-the-market" strategy, based on which we develop, produce, and sell products in close proximity to our customers, by establishing business sites in various regions around the globe.

### QCDSSS Requirements



### Our Actions in FY2013

#### Undergoing EICC Audits

In recent years a trend is emerging in various industries for the management of not only the CSR system of the company in question, but also more strict measurement of the company's entire supply chain. Such a trend is especially apparent in the electronic component industry. Many of our customers have requested document-based as well as on-site audits founded on the EICC Code. Consequently, we underwent seven on-site audits during FY2013. We undertake improvement measures for issues raised by our customers, and have launched actions to improve our management system, which actively reflects the contents of the EICC Code. Nidec believes the new system will help build relations of trust with not only existing customers but also new ones.



## Supply Chain Partner Relations



### Basic Procurement Policy:

Nidec aims to constantly grow and leap forward based on good quality, cost, delivery, speed, and service. Nidec treats all companies in the world on a level playing field, and purchases materials and components based on fair evaluations.

### CSR-Based Procurement:

Nidec has launched actions to share its CSR stance with supply chain partners.

### CSR-Based Procurement Flow



### Our Actions in FY2013

#### "Conflict Minerals" Investigation

Mineral resources produced in the Democratic Republic of the Congo and its neighboring countries ("the DRC and adjoining countries") in Africa play an important role as materials for electronic components. However, profits from transactions involving these materials are believed to benefit local armed insurgents, potentially helping their inhumane acts.

The United States Government defined tantalum, tin, gold, and tungsten ores as "conflict minerals" in the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010. The U.S. Securities and Exchange Commission made it obligatory in August 2012 for U.S.-listed companies to specify the country of origin for any of the four mineral ores used in the manufacture of their products, and report whether any of these minerals are connected with armed insurgents in the DRC and adjoining countries. Nidec, a U.S.-listed company, conducted an investigation on the four mineral ores used in the manufacture of group company components and materials, and completed its first report in 2014. Nidec is continuing its investigation, striving to achieve 100% certainty in its reports.

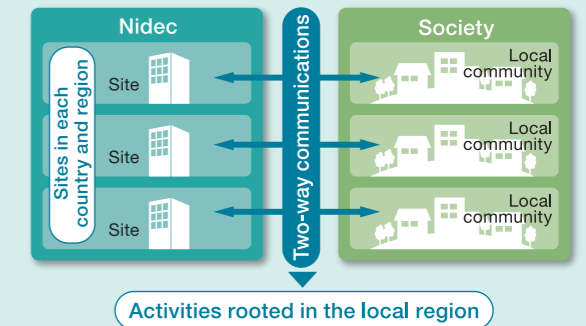
For more on our Basic Procurement Policy and non-use of conflict minerals:  
<http://www.nidec.com/en-Global/corporate/procurement/policy/>



## Local Community Relations



We respect the culture and customs of each country and region in which we operate, and our business activities are launched based on our CSR Charter, which includes "maintain good relations with society." Each of our sites has an office to enable two-way communications with the local community, and engages in social contribution activities to address current and future issues.



### Our Actions in FY2013

#### Nidec Concludes Disaster Evacuee Support Agreement

The town of Shimosuwa, Nagano Prefecture, Japan and Nidec Sankyo Corporation concluded an agreement in March 2014 to provide earthquake and other disaster evacuees with support.

The agreement includes clauses specifying that the parking lot and gymnasium on the Nidec Sankyo head office premises will be made available for use as an evacuation site/emergency evacuation center during a disaster, and that Nidec Sankyo will provide, within its capacity, humanitarian aid, supplies, and other support, and will respond to disasters in collaboration with administrative authorities. Nidec Sankyo is thus willing to cooperate in supporting people to combat disaster as a member of the local community.

Nidec Sankyo's current head office building, together with its on-premises parking lot, was built in 2012. The company's gymnasium, approximately 1,500 m<sup>2</sup> in size, can accommodate some 300 people. Due to its convenient location in front of JR Shimosuwa Station, the property is expected to function as an important evacuation space in the event of a disaster.



Shigeru Aoki, Vice President, Nidec Sankyo Corporation, right, at the Nidec Sankyo-Shimosuwa agreement signing ceremony

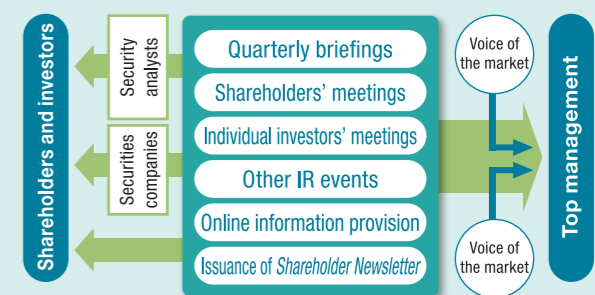


## Shareholder Relations



Nidec wishes to achieve long-term high-level growth, profit, and stock prices to maximize the company's shareholder value. Specifically, our company's top executives promote face-to-face communications with investors through IR consultations and presentations, fulfill their accountability responsibilities based on fair, timely, and proper information disclosure, and enhance the company's management transparency.

### IR Functions



### Our Actions in FY2013

#### Nidec Selected No. 1 Company for Disclosure to Individual Investors

Nidec was selected by securities analysts from among 228 companies as the best company in the "Disclosure to Individual Investors" category of the Awards for Excellence in Corporate Disclosure (FY2013), an event hosted by the Securities Analysts Association of Japan. In the selection, Nidec's company website and quarterly published *Shareholder Newsletter* were highly evaluated for their content.

Moreover, within the individual industry category, Nidec was presented a certificate of commendation for its maintenance of high-level information disclosure. This is indicative that the proactive IR activities conducted by Nidec executives and the company's IR functions are highly evaluated by investors. Nidec will stay committed to actively providing its shareholders and investors with useful information based on its fair disclosure policy.



Masuo Yoshimatsu, First Senior Vice President, Nidec Corporation, left, at the awards ceremony

\*DRC and adjoining countries: The Democratic Republic of the Congo, the Republic of the Congo, the Central African Republic, the Republic of South Sudan, the Republic of Zambia, the Republic of Angola, the United Republic of Tanzania, the Republic of Burundi, the Republic of Rwanda, and the Republic of Uganda (according to the Dodd-Frank Act, Section 1502)

# E Environment



## Environmental Relations



### Environmental Philosophy

We realize that the perpetual protection of the global environment is an important issue common to all mankind, and aim to minimize environmental burden through environmentally friendly business activities to carry out our social responsibilities.

To its Environmental Philosophy, Nidec adopted an Environmental Policy and Biodiversity Guidelines, and we contribute to minimizing environmental burden and conserving biological diversity by providing highly environmentally friendly products and conducting eco-friendly business management.



Business Activities

Environmental Policy Biodiversity Guidelines

Environmental Philosophy

## Mid-Term Environmental Conservation Plan and Results

In the wake of the ratification of the Kyoto Protocol, Nidec has been executing three-year mid-term plans addressing five major environmental issues since FY2004, and the fourth such mid-term plan (FY2013–FY2015) was launched in FY2013. The latest mid-term plan covers far more sites and offices than before, including Japan-based subsidiaries that joined the Nidec Group via M&A, in addition to group companies that had been covered by previous plans (i.e. Nidec Corporation and its overseas production sites). Accordingly, the categories of information disclosure and the basic unit were updated (see charts at bottom of P20), due to the increased diversity of Nidec products addressed. In addition, based on the recent trends in environmental conservation activities, two new categories, “power usage reduction” and “water usage reduction,” were added to the five existing categories of activity covered by past mid-term plans, bringing the total number of categories to seven.

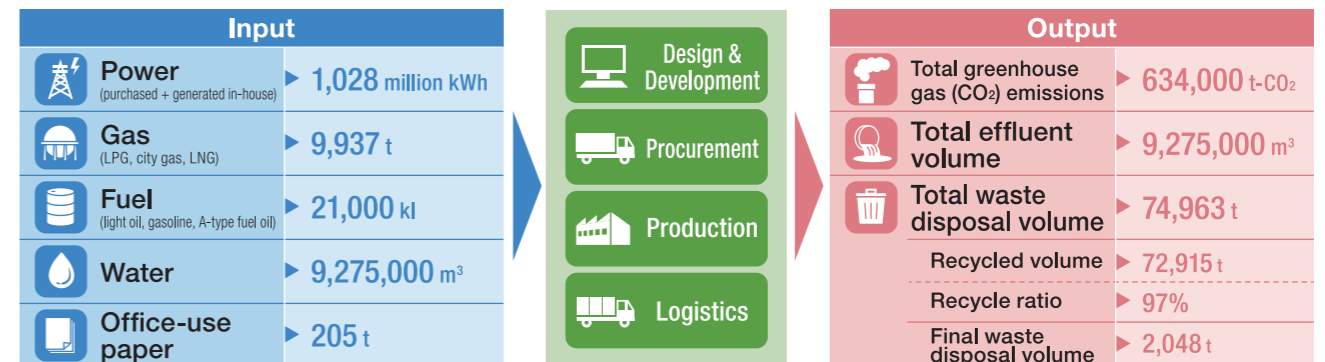
Activity	Fourth Mid-Term Plan (FY2013–FY2015)	
	Three-year targets	FY2013 results
<b>Reduction of greenhouse gas (CO<sub>2</sub>) emissions</b>	For both non-production and production sites, reduce greenhouse gas emissions by an average of 3% over a three-year period on a basic unit basis, compared to FY2012 levels.	<ul style="list-style-type: none"> <li>Non-production: Reduced greenhouse gas emissions by 7.9% from FY2012 levels on a basic unit basis.</li> <li>Production: Reduced greenhouse gas emissions by 1.5% from FY2012 levels on a basic unit basis.</li> </ul>
<b>Power usage reduction</b>	For both non-production and production sites, reduce power usage by an average of 3% over a three-year period on a basic unit basis, compared to FY2012 levels.	<ul style="list-style-type: none"> <li>Non-production: Reduced power usage by 8.8% from FY2012 levels on a basic unit basis.</li> <li>Production: Reduced power usage by 0.7% from FY2012 levels on a basic unit basis.</li> </ul>
<b>Water usage reduction</b>	For both non-production and production sites, reduce water usage by an average of 3% over a three-year period on a basic unit basis, compared to FY2012 levels.	<ul style="list-style-type: none"> <li>Non-production: Reduced water usage by 5.0% from FY2012 levels on a basic unit basis.</li> <li>Production: Reduced water usage by 5.3% from FY2012 levels on a basic unit basis.</li> </ul>
<b>Reduction of final waste disposal volume</b>	For both non-production and production sites, reduce final waste disposal volume by an average of 3% over a three-year period on a basic unit basis, compared to FY2012 levels.	<ul style="list-style-type: none"> <li>Non-production: Reduced final waste disposal volume by 23.7% from FY2012 levels on a basic unit basis.</li> <li>Production: Reduced final waste disposal volume by 42.7% from FY2012 levels on a basic unit basis.</li> </ul>
<b>Environmental management</b>	Based on the ISO audit, establish a comprehensive product quality and environmental assessment system for domestic and overseas sites.	<ul style="list-style-type: none"> <li>Obtained and maintained ISO 14001 and ISO 9001, and improved the quality and environmental management capabilities of domestic and overseas sites.</li> </ul>
<b>Product-based environmental contribution</b>	Promote the development and widespread use of products that will contribute to conservation of the global environment.	<ul style="list-style-type: none"> <li>Provided high-efficiency, energy-saving motors for industrial and household applications.</li> <li>Provided renewable energy systems (photovoltaic and wind generators).</li> </ul>
<b>Environmental communication</b>	In association with external organizations, promote volunteer activities for biodiversity conservation.  Contribute to environmental education in local communities.	<ul style="list-style-type: none"> <li>Participated voluntarily in contributing to the conservation of biodiversity (forest improvement, tree planting, etc.). <a href="#">See P21 for details.</a></li> <li>Held environmental classes for elementary school students six times in Japan and three times in the Philippines.</li> <li>Held environmental classes for the children of Nidec employees on the Family Day to Commemorate Nidec Corporation's 40th Anniversary in Kyoto, Shiga, and Nagano, Japan.</li> </ul>

## Environmental Performance

### Overall Picture of Environmental Burden

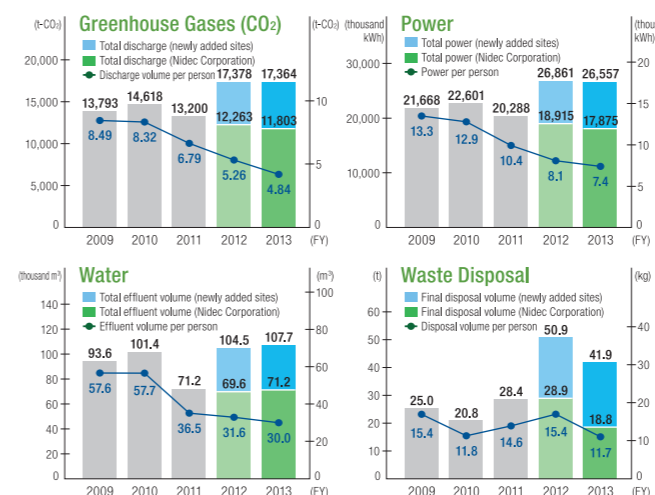
A major part of greenhouse gas emissions generated by our business activities is derived from electricity and fuel consumption; therefore, the key element in reducing our greenhouse gas emissions is to improve energy use efficiency at production sites.

### Material Balance

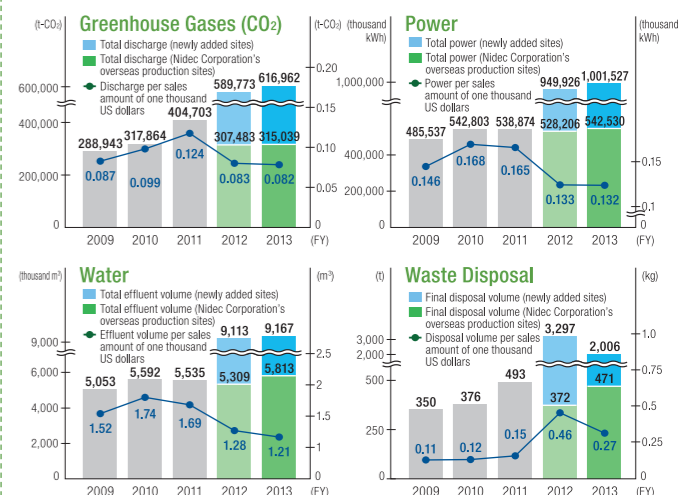


### Major Environmental Burdens

#### Non-Production Sites



#### Production Sites



#### Greenhouse Gas Emissions

Non-production sites continuously executed energy-saving measures, and successfully reduced their greenhouse gas emissions compared with the previous fiscal year in terms of both basic unit and total discharge. Total discharge at production sites increased due to an increase in production volume and sales, but their greenhouse gas emissions decreased slightly in terms of basic unit.

#### Water Usage Reduction

Total effluent volume at non-production sites increased compared with the previous fiscal year due to an increase in the number of employees after a technical center was newly opened, but decreased slightly in terms of basic unit. Total effluent volume at non-production sites increased due to an increase in production volume and sales, while decreasing in terms of basic unit compared with the previous fiscal year due to improvement in effluent facilities and introduction of water recycling equipment.

#### Change in Basic Unit

First to Third Mid-Term Plans		Fourth Mid-Term Plan	
Disclosure unit	Basic unit	Disclosure unit	Basic unit
Domestic site	Per employee	Non-production site	Per employee
Overseas site	Per thousand units manufactured	Production site	Per sales amount of one thousand US dollars

#### Power Usage Reduction

Non-production sites successfully reduced their power consumption in terms of both basic unit and total power consumption due to energy-saving efforts such as switching to energy-saving (LED) lights and better temperature control. Total power consumption at production sites increased due to an increase in production volume and sales, but the increase in power consumption was suppressed by energy efficiency improvement through the introduction of energy-saving equipment, as well as the consolidation of production sites. All these actions led to a slight decrease of power consumption in terms of basic unit.

#### Final Waste Disposal Volume

Final disposal volume at non-production sites decreased in terms of both basic unit and final volume compared with the previous fiscal year due to an improved recycle ratio made possible by comprehensive disposal sorting. Final disposal volume at production sites also decreased in terms of both basic unit and final volume compared with the previous fiscal year due to an improved recycle ratio made possible by comprehensive disposal sorting, as well as other successful efforts such as reduction in the quantity of transportation packaging materials used.

#### Change in Number of Sites

	2009	2010	2011	2012	2013
Non-production sites	4	4	4	12	14
Production sites	14	13	13	61	65

#### Past Environmental Burden Data

Basic unit: In order to draw chronological comparisons, production sites show figures using the new basic unit (per sales amount of one thousand US dollars) for the FY2009–FY2012 period, while non-production sites use the same basic unit (per employee).  
Total volume: The number of sites included in the data was increased in FY2013. For comparison purposes, the data of the same sites are shown between FY2012 and FY2013. The difference in the number of sites between FY2012 and FY2013 is due to the reflection of the changes in the number after the new establishment and closing of offices, as well as the addition of offices that were transferred because of business/operation expansion.

# Nidec Group's CSR Philosophy and Policy

## Our Actions in FY2013

### Nidec Green Campaign

Nidec has been promoting forest preservation by planting trees, greening site premises, and engaging in other activities based on the Nidec Biodiversity Guidelines established in August 2010.

As part of a plan to plant 10,000 trees in three years, Nidec employees at three Philippine sites\*1 started a project to plant a total of 1,500 trees in a nature reserve in Sariaya, and donated 2,000 seeds to tree nurseries in 2011.

They have since planted 17 kinds of seedlings of cacao, jackfruit, mango, and other fruit-bearing trees in the nature reserve, neighboring villages, and local schools for a total of 27 times over a three-year period. This project was successfully completed in October 2013 with the planting of the 10,201st tree, exceeding the original target of 10,000 trees.



In Thailand, approximately 300 Nidec employees and their families from five sites\*2 have been planting mangrove trees along the sea coast of Chonburi Province every year since 2010 as part of a large annual social contribution event.

With the exception of 2012, when the project was suspended due to the large-scale flood that hit the region, 1,200 mangrove trees have been planted every year, for a total of 4,800 trees planted as of August 2013.

The project continues on in 2014, when, as in past years, 1,200 mangroves are planned to be planted in summer.



\*1. Nidec Philippines Corporation, Nidec Precision Philippines Corporation, and Nidec Subic Philippines Corporation  
 \*2. Rojana and Rangsit Factories, Nidec Electronics (Thailand) Co., Ltd.; Ayutthaya and Rojana Factories, Nidec Precision (Thailand) Co., Ltd.; and Nidec Component Technology (Thailand) Co., Ltd.

## Environmental Management System

### Promotion of ISO 14001

Our environmental management system draws on the methods and procedures of ISO 14001, an internationally accepted standard many of our core operations have been certified to.

We have also set up an Environmental Management (EM) Committee to decide the overall direction of our environmental conservation activities and implement further improvements. The EM Committee consists of the CSR Officer, who acts as committee chairman, and the persons responsible for environmental management at each site, as EM Committee members. Its task is to relay and implement environment-related information at all business sites, such as substances subject to environmental restrictions, legal and regulatory trends and developments, etc., shared by the EM Committee members.

### ISO 14001 Auditing

At each business site, an internal and external audit is conducted at least once per year. The results of the audits indicate our great

challenge: To understand the burden that our business puts on the environment more precisely and minimize this burden as much as possible by adapting the environmental management system to the rapid changes of the business environment that come with the extension of our business area.

### Response to Environmental Emergencies and Compliance with Related Laws and Regulations

Throughout fiscal 2013, no environmental accident that required an emergency response occurred at any of our domestic or overseas business sites. Though there were cases where the amount of effluent discharge from Nidec's sites in China and Thailand slightly exceeded the respective countries' statutory discharge standards, these cases were reported to administrative authorities in charge, and properly handled thereafter. No environmental damage occurred, or no penalty was charged, as a result of these cases. There were no violations of legal restrictions and regulations at domestic business sites.

## CSR Charter

With a keen awareness of our responsibilities as a part of society, Nidec Group pursues the common good by offering globally welcomed products and technologies. Nidec's ultimate objective as a socially responsible business entity is to ensure sustainable growth that generates stable employment. All Nidec directors and employees are required to perform their duties in a sincere and transparent manner with full respect for the spirit of this charter and the importance of corporate social responsibility (CSR).

### 1 Work sincerely and honestly

- We must recognize the importance of strict compliance with the laws, regulations, and social requirements of the countries in which we operate, and fulfill our responsibilities based on international standards in a spirit of sincerity and honesty.
- We must ensure fair and transparent disclosure of information through dialogue with stakeholders, including shareholders, customers, business partners, and employees, to earn and retain the trust of society.
- In order to enhance the safety, quality, and reliability of our products, we must engage in fair business transactions based on transparent and free competition in harmonious cooperation with business partners.

### 2 Coexist harmoniously with the environment

- We must recognize that perpetual conservation of the global environment is an issue of common concern for all humanity and we thereby commit ourselves to reduce our environmental burden through environmentally conscious business activities.

### 3 Respect human rights

- We must maintain an optimal work environment based on mutual respect for individuality and human rights and free from abusive labor practices, such as forced and child labor.

### 4 Ensure occupational safety and hygiene

- Based on cooperation between our management and employees, we must ensure workplace safety and good health to establish a work environment that brings out the best in each individual.

### 5 Maintain good relations with society

- We must recognize that sustainable corporate growth can only be achieved on a foundation of good relationships and co-prosperity with society.
- We must respect the cultures and customs of the countries and regions in which we operate, and participate in social contribution activities for the benefit of local communities.

Our CSR Charter was established based on the ten principles of the UN Global Compact\*1 and the Electronic Industry Code of Conduct (EICC)\*2. In addition, as bylaws for the CSR Charter, we have established CSR Regulations, which include human rights- and labor-related provisions such as guaranteeing the freedom to establish labor unions and engage in collective bargaining.

\*1 Ten principles of the UN Global Compact: Basic corporate citizenship principles advocated by then-UN Secretary-General Kofi Annan in 1999. Currently there are ten principles concerning human rights, labor, the environment, and anti-corruption.  
 \*2 Electronic Industry Code of Conduct (EICC): A code of conduct drawn up by the electronic industry for business activities covering the whole supply chain. The EICC Code of Conduct consists of rules on labor, health and safety, the environment, management systems, and ethics.

## Environmental Philosophy

We realize that the perpetual protection of the global environment is an important issue common to all mankind, and aim to minimize environmental burden through environmentally friendly business activities to carry out our social responsibilities.

## Environmental Policy

We conduct our business activities in accordance with the foregoing Environmental Philosophy to minimize our effects on the environment. Under the slogan "Take the first step in passing on the beauty of the Earth to future generations," we set the following guidelines to promote environment-conscious business operations.

- 1 Place a strong focus on "environmental friendliness," "efficiency improvement," and "waste reduction/recycling" in the design development and production of motors and related components.

- 2 Recognize the environmental aspects of our products and operations and implement appropriate pollution-prevention practices for the maintenance and sustainable improvement of our environmental performance.

- 3 Ensure compliance with applicable environmental regulations and other agreed-upon requirements.

- 4 Set specific environmental objectives and periodically review the effectiveness and adequacy of the environmental management system.

- 5 Identify all the tasks required to meet the objectives of the environmental management system and provide each task in the form of documented manuals, rules and procedures. The Environmental Policy is communicated to all company personnel and accompanied with appropriate training programs for implementation team members.

- 6 This Environmental Policy must be disclosed to third parties upon request.

\*The above Environmental Policy forms the basis of Nidec's subsidiary-specific (or business unit-specific) environmental policy making.

## Biodiversity Guidelines

As residents of Earth, we all derive immeasurable benefits from the bounty of ecosystems with abundant living species. Respecting and living in harmony with diverse life forms is the common issue for the entire human race. Based on our environmental vision and principles, we have the following action guidelines for addressing biodiversity conservation.

- 1 Recognize the importance of biodiversity conservation and build an appropriate implementation framework.

- 2 Consistently assess and reduce our effects on biodiversity.

- 3 Contribute to global ecosystem protection by supplying environment-friendly products.

- 4 Encourage green supply chain initiatives towards biodiversity conservation.

- 5 Enhance communication with stakeholders (e.g. shareholders, customers, suppliers, local community, employees, etc.) regarding our approach towards biodiversity conservation.

- 6 Disclose these Biodiversity Guidelines to third parties upon request.