



Member of Sumitomo Drive Technologies

Corporate Social Responsibility Report

2025/V.5



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**OUR DRIVE
FOR A
COOLER
PLANET**

Introduction

This report aims to provide a transparent and accountable overview of Inverterk Drives key environmental issues, priorities and environmental performance; highlighting both our successes and our areas for improvement.

fair and better world.
inspired by the values of sustainable development



About Inverterk Drives Limited

Inverterk Drives Ltd (IDL) was formed in 1998 and designs, manufactures AC electronic variable frequency drives (VFDs) used to control the speed of electric motors.

These are used in a wide variety of industrial and energy saving applications globally.

The company's UK based global headquarters in Welshpool, Powys, UK, includes dedicated facilities for research and development and manufacturing of VFDs.

It was acquired in 2019 by Sumitomo Heavy Industries, Ltd (SHI), a major Japanese based business.

SHI aims to become a "Global Excellent Manufacturing Company" that contributes to the safety, comfort and environment of human beings, society, and the Earth.

As a subsidiary of SHI, we align ourselves with SHI's global commitment to sustainability, applying their expertise and principles to our operations here in the UK. We believe that innovation and sustainability go hand in hand, and we strive to develop and deliver solutions that benefit both our customers, communities, and the environment.

Inverterk Drives employs nearly 400 employees across its warehouse, manufacturing and R&D base.

In the past five years the company has grown substantially. Increasing its production and distribution capacity and footprint. More than 90% of our products are exported. Many of our components are sourced from a mixture of local and global supply chain. The company's products are sold through a global network of specialist distribution companies which are carefully selected for their expertise in technical and commercial matters associated with the market for industrial control equipment.

At Inverterk Drives, we recognise the critical importance of sustainable business practices and are committed to minimising our environmental impact while contributing to a healthier planet.

In October 2025 IDL successfully achieved ISO 14001 recertification, reaffirming our commitment to environmental excellence. In addition to our current ISO 9001 certification, we are now working toward implementing ISO 45001:2018 as a separate management system.

In May 2025 IDL received the King's Award for Enterprise for our achievements in International Trade, as officially recorded in The London Gazette. In June 2025 CEO Adrian Ellam attended a Royal Reception at Windsor Castle hosted by King Charles III.



Corporate Social Responsibility (CSR) Definition

“Social responsibility (*is the*) responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organization. ”

Generally, CSR is understood to be the way firms integrate social, environmental, and economic concerns into their values, culture, decision-making, strategy, and operations in a transparent and accountable manner, and thereby establish better practices within the firm, create wealth and improve society.



Our Commitment

IDL is committed to a fair and better world inspired by the values of sustainable development. We have 10 key commitments as below:

- Commitment to customers and realise a sustainable society.
- Fair business practices and compliance with all relevant obligations
- Dialogue with stakeholders, information disclosure, and information management
- Respect for human rights.
- Provide a safe and decent workplace
- Protect the global and local environment, including reducing our carbon emissions.
- Social contribution
- Respect for international norms of behaviour and good relations with the community
- Risk management and crisis management.
- Strong leadership

Scope

Although we have been gathering the data for several years this is our second CSR Report outlining our policies, ambitions and performance. This covers our performance for 2025 but also includes historic data.

Invertek Drives Ltd is certified to ISO 9001 & ISO 14001, for the design, manufacture and marketing of electronic variable frequency drives to control the speed of electric motors. These management systems form the foundation of our processes including auditing and review of our performance including continual improvement. We are currently working toward ISO 45001 certification to further strengthen our health and safety oversight.

This CSR report includes our key areas of focus for the environment, social impact, governance and ethical practices. This includes relevant KPI's and data.

Target Audience

This report is meant to act as a documented timeline of our current CSR status for a range of interested parties but especially for our employees, the local community and those that we work closely with such as suppliers and customers.

This report builds on information that we provide to our parent company and to third parties.

Environmental Responsibility

Inverter Drives Ltd takes its environmental stewardship seriously. Through our certified environmental management system, we have identified several key sustainability priorities that are relevant to our activities, our buildings, our location, our interested parties and our products and their use by our customers. These include climate change and the need to reduce carbon emissions and be climate resilient.

Here in Wales, UK, there is also a specific focus on meeting the well-being of future generations and this includes being environmentally responsible in all our operations including contributing to the biodiversity of the natural environmental setting for our HQ.

We believe that by understanding and being clear about our environmental impacts, Inverter Drives Ltd can contribute to a more sustainable future for our business and the communities we serve. Sustainability is increasingly central to our operations. We have strengthened our focus on responsible procurement—from the sourcing of components to the materials used in our packaging. Furthermore, we have completed our first Environmental Product Declaration (EPD), delivering a transparent, full-scope Life Cycle Analysis for our key products.

As part of our monitoring and review processes we have several KPIs to track our CSR performance. These include traditional environmental metrics such as energy, water, carbon, transport, travel and waste. We also track health and safety metrics such as incidents, near misses, accidents and lost time. We have recently invested in a HR platform called Workday which is allowing us to better track employee metrics, including completion of training and career progression. More recently we have used the platform to facilitate an Employee Satisfaction survey. KPIs are also tracked for a range of Information Security measures. Finally, our Procurement team has a range of KPIs for our supply chain and service providers.

CSR Initiatives:

1 ISO 14001 & 9001: Inverter has been certified to ISO 14001 & ISO 9001 for many years and are in the process of their journey to achieve ISO 45001.

2 Specific Projects: In the past three years, Inverter has implemented a diverse range of environmental projects ranging from solar panels, EV charging points, and introducing natural water management features to the landscape of the grounds. In addition, there has been tree planting, hedgerow planting and wildflower meadows established.

Our procurement team have focused on our packaging waste by either reducing the volume or the nature of the packaging. Our company fleet is 100% electric.

3 Partnerships: Our partnerships have been predominantly at a local level focusing on waste and packaging. We have worked with a range of organisations to improve the recycling and recovery of the waste and to better monitor the data via formal compliance schemes.

4 Ecovadis & CDP: Inverter has been participating in both Ecovadis and CDP for 3 years. Our parent company discloses to CDP on our behalf. Performance is shared with customers, senior leadership and our parent company. This has been a useful tool to drive the development of our CSR.

5 Science based targets initiative: As part of our commitment to net zero carbon, Inverter has voluntarily signed up to the science-based targets initiative.



Performance Metrics

Although this is our second public report we have been monitoring for some years including publishing our verified energy and carbon data in the SECR reports. Invertek has chosen a baseline year of 2020 as this was a year of activity rather than closure due to pandemic.

Energy Source Comparison

Our purchased energy is from renewable energy sources. In 2025, there was a significant increase in both purchased electricity and gas consumption as we added a new extension to our manufacturing and warehouse facility. At the same time, we installed a significant number of solar panels onto new and existing buildings thereby greatly increasing our self-generating capacity. Over the years we have installed many energy efficient measures in how we manage our facility. We have also increased production and introduced a night shift that undertakes stocktaking and soak testing compared to 2020.

Our water consumption is for welfare purposes and as the number of employees has significantly increased so has our water consumption. Our facility is modern and has best practice water efficient measures installed, we do not use water in our processes.

	2025	Comparison to 2020 baseline
Drives produced	309,610	32.5% increase
Purchased electricity (renewable tariff)	1,018,243 kWh	74.89% increase
Gas (renewable tariff)	553,095 kWh	19.21% increase
Solar electricity self generated	315,569 kWh	25,044.94% increase
Water	275,938 m ³	46.09% increase
Business travel (flights and cars)	1,000,420 km	Flights increased by 297.7%. Flights in 2020 were suspended due to pandemic and therefore not a true reflection of business travel.
Product transportation	535.13 CO ₂ e	This is data newly collected for the first time in 2025, provided by our third party who distribute 82.5% of our total shipments.
Employee commuting	374.38 CO ₂ e tonnes	This is data newly collected for the first time in 2025
Non-hazardous waste	208.03 tonnes	99.66% increase
Hazardous waste	13.33 tonnes	29% decrease
Scope 1 carbon emissions	101.19 CO ₂ e	18.61% increase
Scope 2 carbon emissions	126.01 CO ₂ e	7.5% decrease
Electronic and electrical equipment (placed on the market)	86.67 CO ₂ e	40% decrease



Waste Management

Invertek have a Zero to Landfill Waste Policy. This has been in place for some years and any waste that cannot be recycled or composted is sent for waste to energy incineration. Over the last 5 years we have focused on optimising the separation of all our different waste streams, to maximise recycling of the various material resources that are generated from our Invertek's quarters. We are currently recycling more than 80% of our non-hazardous waste.

Invertek generate a small amount of hazardous waste. This is sent for treatment and incineration via our waste provider. Hazardous waste represents 6% of our total waste in 2025.

Non-Hazardous Waste	2025
General Energy Recovery	36.10
Mixed Recycling	1.81
Wood	45.93
Cardboard	103.28
Glass	0.89
Food	0.70
Metal	19.32
Total In Tonnes (Recycled 6-11)	171.93
Total In Tonnes (Recovered 5)	36.10
Total in Tonnes	208.03
% recycled	82.65%

Hazardous Waste	2025
Batteries	0.095
Aerosols	0.05
Flourescent Tubes	0.00
Redundant Chemicals	0.265
Extraction Filters	0.081
Oil Contaminated Material	0.01
Waste Oil	0.005
Toner Cartridges	0.196
IT and Computer Waste	0.00
WEEE (Waste Electrical & Electronic Equipment & Components)	11.623
Empty Chemical Containers	1.003
Total in Tonnes	13.328

Travel & Transport

Employee commuting

In 2025 we completed an employee travel survey to better understand our scope 3 carbon emissions associated with commuting to work.

In April 2025 we carried out an employee travel survey. This was the first time we had asked our colleagues how they arrived to work. It was pleasing to know that 87% responded. Collecting this data was really important to understand the carbon emissions associated with employee commuting to work.

Interesting facts from the Employee Survey :

1. The majority of staff live within 12 miles of our workplace
2. 22 employees are using electric vehicles
3. 70 employees car share
4. 5 employees travel by motorbike
5. 4 employees come on a bicycle
6. 3 employees travel by bus

IDL has installed 37 electric vehicle charging points. These can be used for free by employees.

Our employee travel survey identified that the average carbon emissions is 1.1 tonnes per employee per year. By comparison, this is at the lower end of the reported typical average carbon emissions for a person commuting to work in the UK which is between 1-3 tonnes.

New in 2025 was the introduction of a salary sacrifice scheme to help employees to purchase electric vehicles.

Transport of raw materials and products

Invertek appointed a logistics company that is committed to electrifying its fleet. For the 1st time in 2025 we now have carbon data for 80% of our product distribution.

Business travel flights

Our business travel flight data demonstrates a surge in visiting customers and attending exhibitions in the past 2-3 years. It should be noted that 100% of our company vehicles are electric. We have several EV chargers on site.

Since 2020, our Service team have adopted the use of online technology to deliver the majority of their global training courses. This has reduced travel for our customers.

Business travel cars

All of our company vehicles are electric. There are times when some of our staff may have to hire a car for business travel. This can include electric and non-electric vehicles

Water

Water consumption is linked to the number of employees as water is used for welfare and cleaning purposes only. We do not need to use water in our manufacturing. Our water consumption has increased in 2025 compared to 2020 in line with the increase in number of employees and visitors to our site.

We have installed modern water efficient bathrooms and kitchens throughout our Inverterk grounds. We monitor water consumption data and have had no leaks in 2025. We do not generate process waters and therefore do not need a trade effluent discharge.

We introduced a number of swales to manage rainwater run off within our grounds. This helps with reducing the pressure of excess storm water entering the public drainage system.

Carbon

We have been focusing on our Scope 1&2 carbon emissions for a few years. Analysis of the data is showing a mixed picture with our scope 1 emissions increasing and our scope 2 decreasing. This is against a business context of increasing business growth, expansion of our facilities at our HQ. We have had successes with the roll out of our solar panel installation programme but it is clear that there is still more to be done.

In terms of data collection, our focus is on Scope 3 carbon emissions for the next few years. Our Scope 1&2 emissions are verified by a third party and are included in the annual financial report. In 2025, we focused on understanding the carbon emissions associated with travel and transportation of our product and we are reporting this data for the first time. We report our carbon emissions to our parent company and new in 2026 will be the reporting of emissions associated with our procurement processes. This will be using an independent third party.

We communicate our environmental performance, including information on our carbon emissions both internally and externally.

Water Consumption m ³	2025	Comments
Total Mains Water	275,939	46% increase compared to 2020 due to significant increase in staff and visitor numbers
Total Recycled Water	0	

Biodiversity

As part of the recent expansion the facilities department took the opportunity to introduce 529 plants from 42 different species in 2024 that were UK natives. In addition, a few bird and bat boxes were installed.

Social Responsibility

Inverterk has a long-standing presence in Welshpool, Powys, UK and has appreciated being part of the local community. We are a large employer in the area and have a high concentration of technical jobs. We use local services and supplies. In 2025 we pumped around £20 million directly into the local economy through the procurement of services and payroll.

We have a charity committee to guide and organise a calendar year of volunteer events, sponsorship, and donations. In 2025, the Charity Committee donated £3,400. These donations supported local sports teams and committees, Lingen Davies, Welshpool Warm Hub, Midlands Air Ambulance and Crohn's and Colitis UK Charity.

Inverterk works with local high schools, supporting careers events and undertaking work experience.

Ethical Business Practices:

Inverterk operates a compliance structure in line with our parent company. We place importance on responding to the risk of violating laws and regulations accompanying the globalisation of business and development in new fields and creating an open and transparent corporate culture that forms the foundation of compliance.

Inverterk has formal documented processes. We have a mandatory Business Code of Conduct which is binding for all employees and forms an integral part of each individual employment agreement.

The Business Code of Conduct contains the rules and principles for the values and behaviours both within the company and also in relation to the external partners and stakeholders.

They define how to perceive the ethical and legal responsibility as a company and contain specific requirements for instance:

1. Fair trade (compliance with antitrust laws)
2. Prohibition of money laundering
3. Elimination of antisocial forces
4. Prevention of bribery
5. Respect of human rights and diversity
6. Prohibition of conflict of interest
7. Quality and safety, information security
8. Co-existence and co-prosperity with communities and society

Compliance Education

We provide systematic compliance education to all employees when they join the organisation and according to positions, from non-managerial personnel to senior management and directors. Each year we conduct training on compliance with the principal laws and regulations, such as antitrust laws and anti-bribery and anticorruption laws, for executive-level employees of Group companies worldwide.

We have maintained full compliance with our business code of conduct by all of our employees.

Ethical and Legal Responsibilities

- 1. Fair Labour Practices & Human Rights:** are part of our 7 core principles of ethical business practice. As part of the business community, Invertek Drives Limited has a responsibility to respect human rights, labour standards and fair business practices, providing a better environment for business. We shall realise work practices that will improve the capability of employees and respect the diversity, character, and personality of employees
2. Measures to prevent child labour, forced labour and human trafficking are in place. We do not employ anybody under the age of 18 and we have comprehensive vetting questionnaires of our supply chain.
- 3. Health & Safety:** Invertek has a health and Safety policy and data on the number of days lost to work related injuries, fatalities and ill health is recorded and kept internally
- 4. Training:** in house and external training is available for our employees. Invertek also provide training to our distributors in the field, this training is typically done online but can also be done in person
- 5. Gender Pay Gap:** Information & Data is available on our website
6. Sustainable procurement & anti-corruption & bribery measures are in place.

Health & Safety

Invertek has a health and Safety policy and data on the number of days lost to work related injuries, fatalities and ill health is recorded. We have KPIs for key H&S metrics and our performance is reported and reviewed to senior management and to our parent company. Our goal is always zero accidents and injuries. In 2026 we are progressing our Health and Safety Management System in line with ISO 45001.

	2025
Lost Time Injury	6
First Aid Injury	20
Fatalities	0
Sickness (All)	1.76%
Accidents	22

Employee Satisfaction

Surveys are conducted at least once a year to check on workplace wellbeing, company culture, and health and safety standards. A 75% turnout is required for reliable data, and all responses are 100% anonymous and protected by randomized questions.

Employee Training and Continued Professional Development

Training: in house and external training is available for our employees. Invertek also provides training to our distributors in the field, this training is typically done online but can also be done in person. Training includes continual professional development of our employees. We have 7 people on our graduate programme and we also provide health and safety and environmental training such as first aid, fire, spill response, waste management and sustainability

Gender Pay Gap

In the UK, businesses with more than 250 employees to publish gender pay gap statistics. Gender Pay Gap looks at the average earnings within a business across all jobs, levels and salaries. Undertaking this exercise and publishing the data is an opportunity to foster deeper understanding among our workforce and to show how the business takes positive steps on equality issues. Much of Invertek's engineering and innovation work relies heavily on high-skilled workers from science, technology, engineering and mathematics (STEM) related fields.

As of 2025, only 26% of the UK's core STEM workforce is female and only 13% of engineering professionals are female. This balance is similarly reflected in our own data. We are confident that this gender pay gap does not arise from paying men and women differently for the same or equivalent work. Rather, the gap is the result of the roles in which men and women work within the business and the remuneration that these roles attract.

Ultimately, we recognise that closing the gap will take time to achieve as realistically it is intrinsically linked to the trend of the nationwide composition of male and female STEM.



Economic Responsibility

Future Goals and Commitments

We continue to invest in our manufacturing and warehouse capacity, increasing it in line with current sales growth. We are also on track for the construction of a dedicated standalone Innovation Centre within the next 12-24 months, which will enhance and optimise our R&D capability, including software technology to support our business growth and help us to attract and retain highly competitive engineering talent.

The Innovation Centre will include additional biodiversity enhancements and sustainable water management infrastructure. The number of solar panels will increase. Our Welshpool site always includes biodiversity enhancements and opportunities are taken whenever we develop the sites.

Our focus in 2026 is understanding and reducing our carbon emissions, in particular our Scope 3 which are more challenging to get reliable data and to drive down the footprint. Whilst in 2025 we focused on completing data sets for travel and transport, in 2026 the focus will be on procurement and purchasing of goods and services.

New for 2026, will be our role as a main benefactor for a permaculture agroforestry project being established in the UK by Field and Feral.

- **Sustainability Strategy:** Our focus over the next few years will be understanding and reducing our carbon emissions, in particular our Scope 3 which are more challenging to get reliable data and to drive down the footprint.
- **Continuous Improvement:** We are certified to ISO 9001 and 14001 which means that continuous improvement is important to the business. In 2026 we plan to be certified to ISO 45001:2018
- **Key Performance Indicators (KPIs):** As part of our monitoring and review processes we have a number of KPIs to track our CSR performance. These include traditional environmental metrics such as energy, water, carbon, transport, travel and waste. We also track health and safety metrics such as incidents, near misses, accidents and lost time. We have recently invested in a HR platform called Workday which is allowing us to better track employee metrics.



Economic Impact

Local Sourcing: Inverter has been proactive in using a range of local suppliers and service providers.

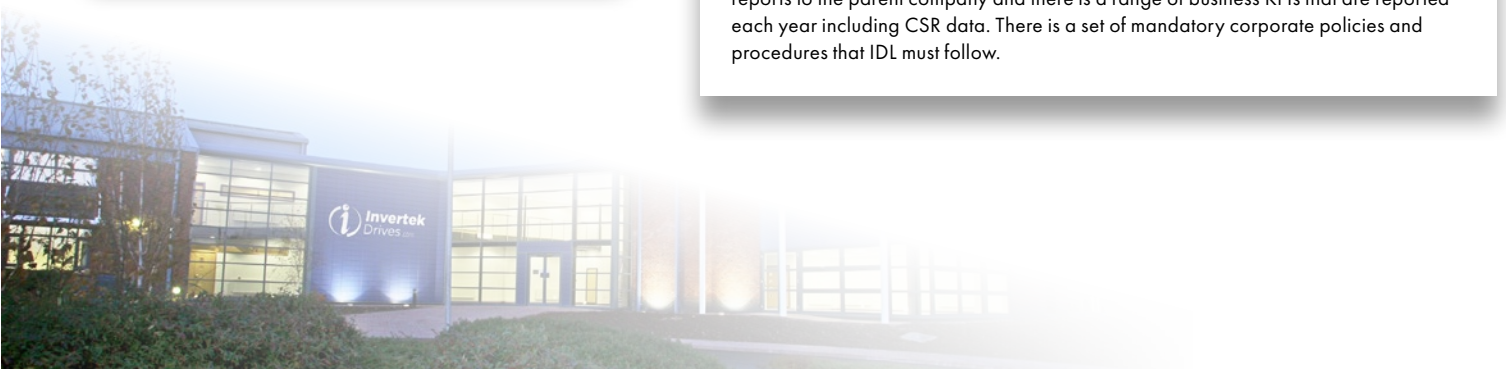
Job Creation: in 2020, Inverter employed 225 people and in 2025 the number of employees increased to 355. Inverter is one of the largest employers in the area. Many of our jobs are of a technical nature. Of our employees 71% are male and 29% are female

Transparency and Accountability

Financial Performance: Inverter produces annual financial audited accounts that demonstrate our profitability year on year and provide an accurate assessment of the financial health of our business. We are profitable.

Reporting: Inverter's financial and energy and carbon accounts are verified by independent auditors each year. We provide transparent data to support claims on our performance. In addition, we also participate in third party platforms such as CDP and Ecovadis that are also independently assessed.

Parent company: Inverter as part of the Sumitomo group, provides data and information that is scrutinised as part of corporate governance processes. The CEO reports to the parent company and there is a range of business KPIs that are reported each year including CSR data. There is a set of mandatory corporate policies and procedures that IDL must follow.





Member of **Sumitomo Drive Technologies**

OUR DRIVE FOR A COOLER PLANET

Dedicating our Energies to Reducing Carbon Emissions



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