

THE GREEN SIDE OF DRIVE



Introduction

Sustainability along the entire value chain

Sustainability is an essential part of SEW-EURODRIVE Oy’s strategy and daily actions. It affects the entire value chain within the company: people, products and services, supply and raw material chains, assembly and business processes as well as ethics and governance.

People make the difference. Whether in sales, engineering, assembly or service – people are at the heart of everything. We work hand-in-hand with our dedicated people to ensure everything we do in our company is focused on people and our customer’s needs. Maintaining and protecting the very basis of our existence – that is exactly what sustainability means and that is what drives us.

As a part of the leading drive technology company SEW-EURODRIVE Group innovation is seen as a decisive factor at the heart of their sustainable approach to developing products, systems and services. At every step in this process, the company maintains an unwavering focus on customers and their requirements – worldwide.

We are determined to live up to our responsibilities in every way, whether in relation to the environment, our customers, our business partners, our employees, and not least our children and the world in which they will live.

Our sustainability report presents what we are already doing in relation to sustainability and what we can do better – our drive for the future.

Sincerely,



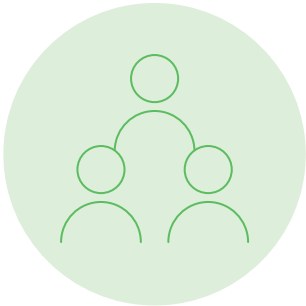
Juha Korhola
Managing Director
SEW-EURODRIVE Oy

About our company

SEW-EURODRIVE is the international leader in industrial automation. Founded in 1931 in Bruchsal, Germany with humble beginnings, we have grown to a worldwide company with over 21 000 team members. We blend product innovation with incredible customer support to ensure our place as a deserving supplier to our customers.

Vision statement: Our customers are makers. They are doers. They are the drivers of local economies and the foundation for successful communities. Our purpose is to make and support the best industrial automation products on earth for the ones that keep it turning.

Mission statement: To provide our customers the world’s finest industrial automation products, people and support.



21 000

employees worldwide

55

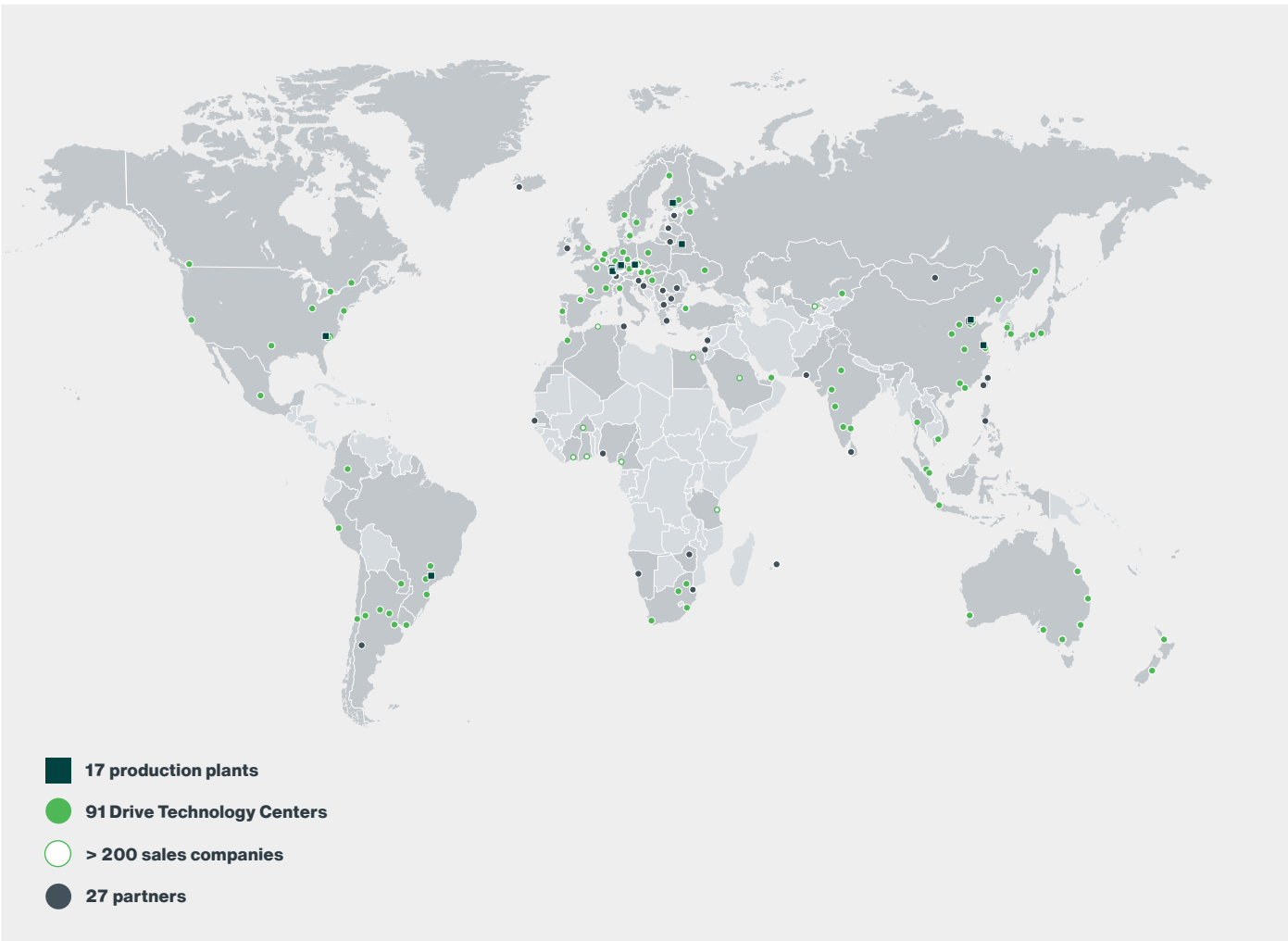
countries

~ 110 000

active customers

> 3 000

patents granted



20 Mio.

parts/month at
100+ sites

~ 230 000

gear motors/
month

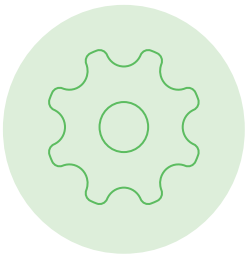
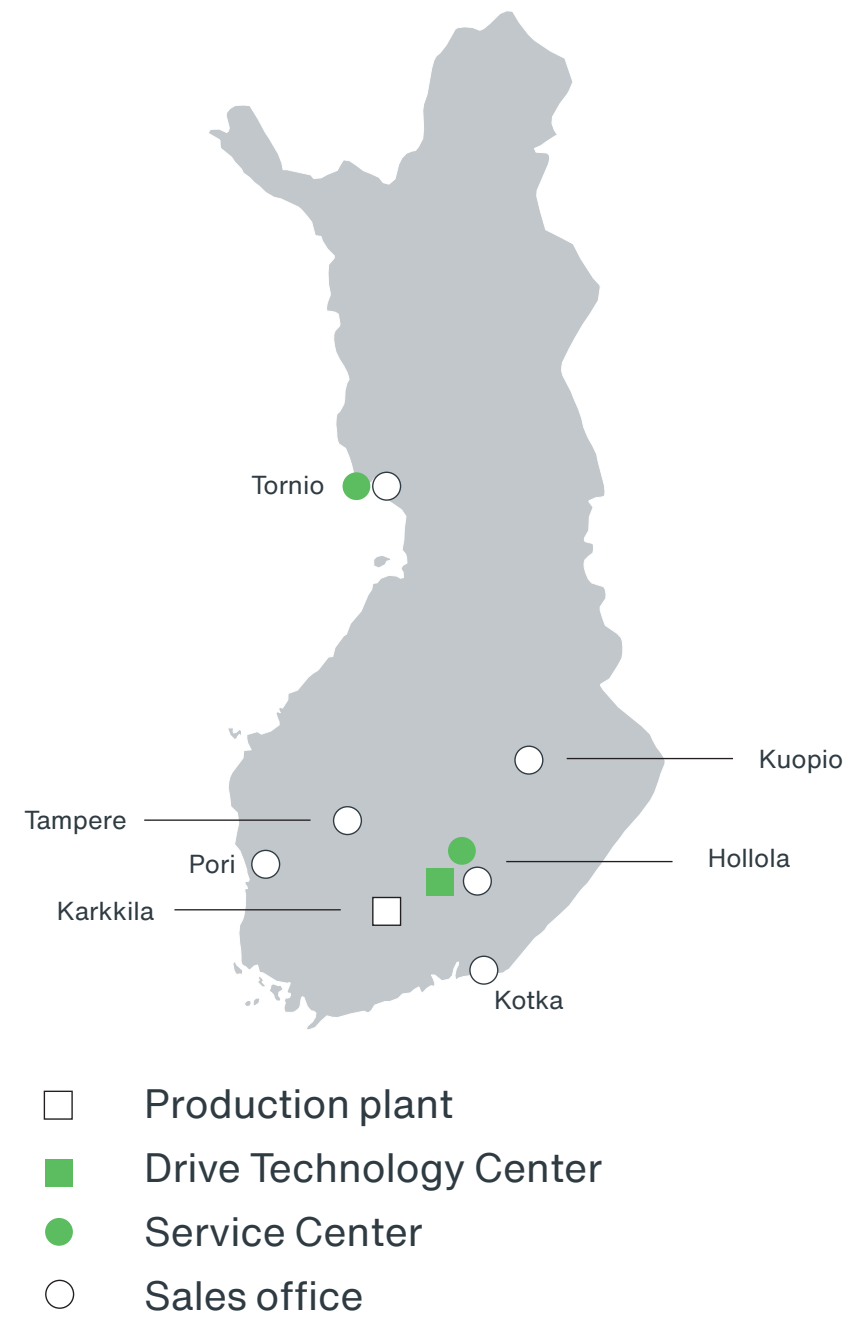
~ 55 000

frequency inverters/
month

Information about Eurodrive

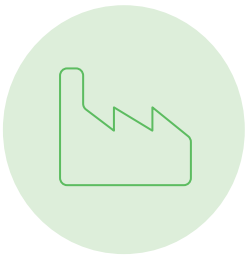
SEW-EURODRIVE Oy is specialized in drive technology. The company offers wide range of products like geared motors, industrial gear units, frequency inverters, servo gear units and decentralized drives. The company's Head Office and Drive Technology Center operates in Hollola, and Service Centers in Hollola and Tornio. Regional Sales offices are located in Hollola, Kotka, Pori, Tampere, Kuopio and Tornio. The company was founded in 1975.

SEW-EURODRIVE Group's production plant in Karkkila is specialized in manufacturing and assembling of industrial gear units. SEW-EURODRIVE companies employ more than 250 people in Finland and are part of SEW-EURODRIVE Group.



1975

Founded



Headquarter

Hollola, Finland



Locations

1

Drive Technology Center (Hollola)

2

Service Centers (Hollola, Tornio)

6

Regional Sales Offices

The SEW sustainability roadmap – the key stages

We have put together a special roadmap that sets out the key milestones for our journey towards greater sustainability.



Our approach to sustainability

Sustainability is one of our values, built into our daily management and strategy. We are guided by the 17 global sustainability targets: "Sustainable Development Goals" of the United Nations. As part of this long-term sustainability initiative, we aim to gradually and consistently safeguard resources, lower CO₂ emissions, and thus optimize our entire value chain.

At the same time, the initiative also elevates sustainability on an organizational and strategic level by establishing a Sustainability Working Group that reports directly to the Management Board. This coordinated approach will ensure individual measures and activities can have even more impact than they have done to date.



Sustainability rating EcoVadis

SEW-EURODRIVE Oy status:
2020 Silver
2022 Gold



17 global Sustainability targets

We hope to make the world a better place for people and the planet, which is why we have aligned our business with the UN Sustainable Development Goals.

“The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.”



Our sustainability KPI metrics

People	2022	2023	
+ Amount of safety observations	157	164	
+ Lost time injury frequency rate (LTIFR)	14	7	
+ Average age of personnel (y)	43	43	
+ The number of women (%)	19	19	
+ Average years of service	11	11	
Production and business processes			
+ CO ₂ emissions of electricity and heat energy (scope 2)	176	0	
+ MWh total energy consumption of facilities	1736	1702	
+ CO ₂ tn emissions of own and leased cars (scope 1 ja 3)	57	47	
+ The solar power plant's yield kWh	-	75 430	
Products and services			
+ Gearmotors remanufactured (pcs)	150	169	
Ethics and governance			
+ Whistleblowing	0	0	

The basis of our business activities



People make the difference

People are the key to the success of our company. Whether in assembly, sales or service – people are at the heart of everything. Our company culture is characterized by the reciprocal trusting, respect, and valuing of one another.

By putting in place countless measures related to occupational health management and both basic and further training, we keep levels of motivation high and make sure our employees identify strongly with our company.

We run a range of activities to support the health of our staff. We raise awareness of just how important it is to keep moving, regardless of whether their work is mostly done sitting at a desk or on their feet in production.

Our balanced scorecard reward system motivates and commits our employees to our common goals. Our iniative activities, on the other hand, promote and encourage personnel to be innovative and to develop their work.



KPI metrics (2023)

11

Average years of service

43

Average age of personnel / year

19

Percent of employees are women

164

Amount of safety observations (= 50% of personnel)

7

Lost time injury frequency rate (LTIFR)

Safety matters

One of our top priorities is to provide our employees a healthy and safe working environment. We encourage our employees to develop occupational safety. We also provide continuous training for employees and jointly identify areas in need of development in the work environment. Our goal is zero work accidents.

Knowing what matters

The training content we offer makes it possible for both our personnel and customers to get the best out of SEW-EURODRIVE drives and systems, so as to achieve the optimum balance between economic and ecological interests.

Besides being convenient, keeping journey times short for participants also helps reduce the CO₂ emissions generated by traveling to and from training courses. The growing number of online courses and seminars is also helping to shrink this carbon footprint.



Health and sustainability activities – an overview

- + Annual health day
- + Continuous development of employees competence
- + Development of management work
- + Equal management work
- + Orientation program for employees
- + Competence matrix of personnel
- + Parking places with charging possibility
- + Flexible working hours
- + Ergonomically designed workstations in offices and production facilities
- + Modern IT equipment to suit the relevant working process
- + Strengthening cooperation with educational institutions



KPI metrics (2022)

20

*Employee survey eNPS score

*Employee net promoter score (eNPS) assesses employees' job satisfaction by measuring their readiness to recommend their company to others. eNPS scores vary according to industry. Our industry average was 14. The survey was implemented in 2022.

"The success of our company starts in our employees' heads. Whether in assembly, sales, or service – at SEW-EURODRIVE, people are at the heart of everything."

Products & Services

Another way that our modular system benefits sustainability is that many components can be used across a range of different product series. At the same time, simply having one component in dual variants, such as a drive bearing, means we can offer twice as many variants of each product.

Since all components are compatible, the end result is greater variation. This in turn enables us to build solutions that are tailored as closely as possible to specific customer requirements.

Remanufacturing of gear units and recycling are two approaches that give many drives a second lease on life.

In addition, we also supply a considerably CO₂-reduced lubricant in recycled containers.

Better energy efficiency across the entire system

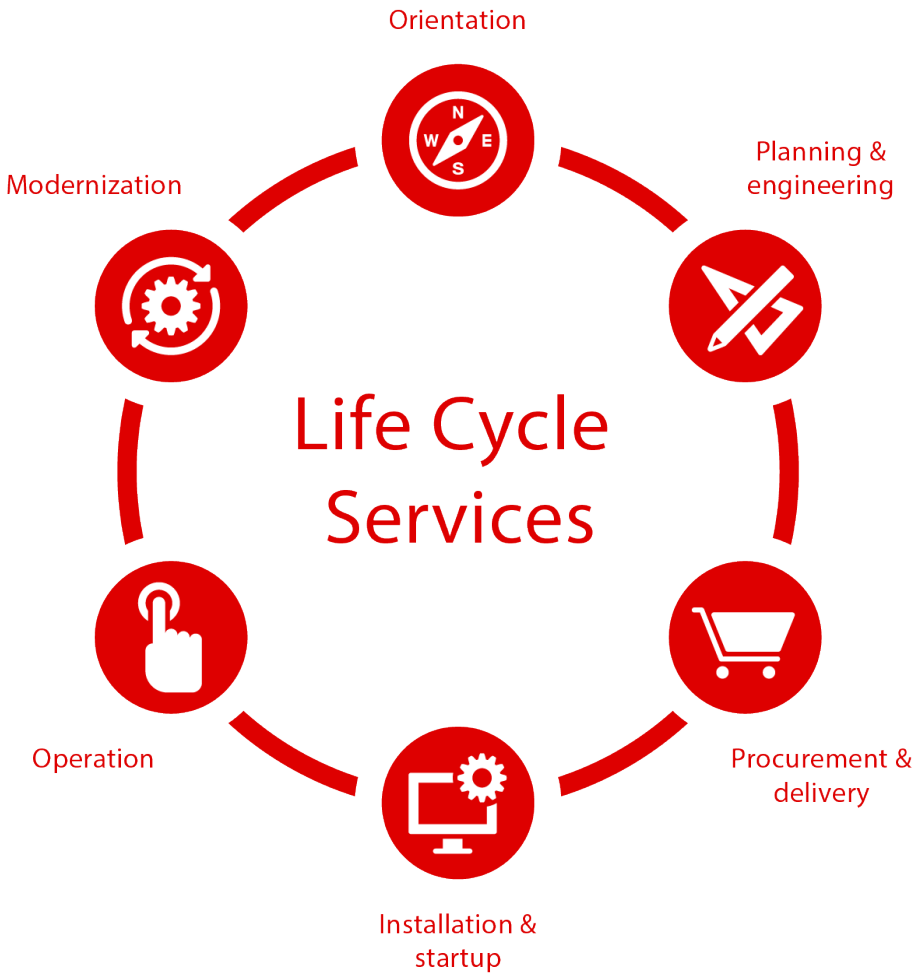
By maximizing energy efficiency at the concept development stage, we aim to make our drive solutions as economical as we can. One good example for this is the inverters in the latest generation of our MOVI-C® modular automation system. When rating energy efficiency, both the motion task as a whole and the complete drive system are key.

As a leading drive technology company SEW-EURODRIVE sees innovation as a decisive factor at the heart of its sustainable approach to developing products, systems, and services. The modular concept behind our products is one of the most important reasons for their success and also contributes significantly to sustainability.

The sustainability of our state-of-the-art gear unit is principally based on the general idea of creating as many variants as possible from as few individual parts as possible. A good example of this is using the same gear set for multiple purposes.

40

The energy consumption for a motion task can be reduced by 40%.



Sustainable Life Cycle Services

Our Life Cycle Services covers the entire service lifespan of a product while it is in use with the customer. Life Cycle Services encompass services, tools and resources throughout the entire system life cycle.

- + Our Pick-Up and Delivery Service for mechanical drive technology optimizes the logistics outlay and CO₂ emissions associated with transportation.
- + We have implemented a take-back system for our drive technology. We provide our customers with a certificate for the products we have delivered for recycling.
- + SEW-EURODRIVE has created the DriveRadar® brand for its condition monitoring offerings. Cloud systems and apps make condition monitoring much more convenient for customers.
- + SEW-EURODRIVE remanufactured gearmotors are an optimal solution to ensure product's equivalent life. Remanufacturing conserves raw-materials and energy.
- + Our energy efficiency tools support determining the optimal efficiency of systems and reducing CO₂ emissions.



"We ensure that our customers get precisely the solution they need – we manufacture with precision and to suit the market."

KPI metrics (2023)

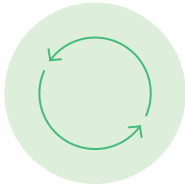
169

garmotors remanufactured

Supply and raw material chains



Low-carbon green steel production
Green steel is manufactured for SEW-EURODRIVE in a process where CO₂ emissions have been reduced as much as possible by using recycled waste and electric arc furnaces that are powered entirely by renewable energy. Only around 110 kg of CO₂ are emitted per metric ton of raw steel, which is 90% less than the global average.



Thanks to our recycling partners, we can feed a lot of waste materials back into the material cycle in their entirety.

"Act global – think and buy local."
To achieve our aims of minimizing our carbon footprint and maintaining a healthy supply chain, SEW-EURODRIVE aims to use it's global network to ensure both the procurement of raw materials and it's products and solutions themselves are located as close as possible to company's sites and customers. By keeping transportation routes short in this way, we will reduce our CO₂ emissions and minimize the amount of packaging involved.

While refining and realigning our collaborative approach to supplier procurement, we decided to make a change. In the past, our priority in procurement has been to secure the best and most consistent material quality.

However, focusing exclusively on conventional requirements such as cost reduction and risk minimization is no longer enough. Instead, procurement will need to take account of not just the origin and price of procured services and products, but also – and more especially – their use and subsequent disposal.

- How we aim to achieve more sustainability**
- + Continuously optimizing business processes
 - + Establishing collaborative supplier relationships
 - + Evaluation of local service providers and suppliers
- Supply Chain Due Diligence**
We comply the Supply Due Diligence Act.
- ✓ The REACH regulation, which is the European chemicals legislation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals.
 - ✓ The RoHS directive for limiting the use of certain substances in electrical and electronic devices, such as lead, mercury, and cadmium.
 - ✓ The WEEE directive for the environmentally friendly disposal of electrical and electronic equipment and other associated provisions.
 - ✓ The waste management of products in Finland is organized based on the Extend Producer Responsibility.



Production and Business processes

How much CO₂ does a drive solution from SEW-EURODRIVE generate? Given the modular nature of our product portfolio, that question is impossible to answer on a generic basis, since every solution is tailored to a customer's specific needs. We have only limited access to figures, as we are dependent on the companies in question telling us about the conditions in which their solutions are being used.

Although it is challenging to determine the carbon footprint of our solutions that are actually in use, we are making good progress when it comes to calculating the annual carbon footprint associated with the energy and electricity consumption of our operations.

We aim to enhance our efficiency and added value across individual areas by ensuring our assembly processes are ideally coordinated, by enhancing these processes by adopting a smart approach to the digitalization of our business processes.

KPI metrics (2023)

0
CO₂ emissions of electricity and heat energy (scope 2)

1702
MWh total energy consumption of facilities

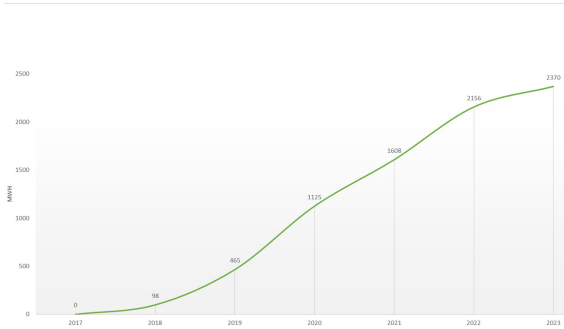
47
CO₂ tn emissions of own and leased cars (scope 1 and 3)

We have implemented a digital assembly process (DAP) in our Drive Technology Center. As a result of the process, our paper consumption is reduced by approximately 70%.

We are continuously investing in the renovation of our buildings to satisfy the latest energy standards.

We will use emission-free electricity and heat energy in our Hollola facilities starting in 2023. We have also invested in solar power plant in our service center. In addition we are committed to the local energy efficient agreement.

Together with our personnel we are looking for new energy saving solutions.



Saved energy MWh in Hollola facilities since 2017.



Emission calculation at the production plant in Karkkila
SEW-EURODRIVE Group's production plant in Karkkila aims to reduce CO₂ emissions. The company defines the measures on the basis of the annual emission calculation.

Our sustainability actions overview

- + Energy audit of Hollola facilities
- + Renovating our buildings with regard to energy use
- + Optimizing lighting with LED lights
- + Consistently managing the switching off of machinery/ systems and equipment outside of working hours
- + Solar power system
- + Preferring electric drive power in company cars



Energy efficiency agreement
MOTIVA



Continuous improvement of the energy efficiency of the premises.

KPI metrics (2023)

75 430
The solar power plant's yield in kWh per year

Continuously optimizing our building management and our company's overall environmental credentials in terms of sustainability, energy efficiency, and resource conservation requires a lot of small steps.

We prefer local sustainable products and services. In addition, we pay attention to total and life cycle costs and optimize recycling.

We regularly review and evaluate new methods of energy generation that may be of interest to us.

"Calculating our carbon footprint is a major challenge due to the modular principle underpinning our product portfolio."

Ethics and governance

Our most fundamental corporate principles

The high quality of our products and solutions is matched by a high benchmark in ethical guidelines and standards. We believe that ethics and governance are about more than just abiding by applicable laws and global human rights. As part of SEW-EURODRIVE Group, these standards are very close to our heart, whether in terms of occupational health and safety, a corporate code of conduct, or functional safety.

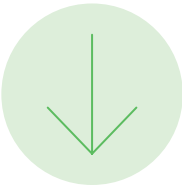


Whistleblower Hotline

We have also successfully launched a publicly accessible whistleblower tool. The company's employees and external third parties such as suppliers can use this tool to submit anonymous tip-offs. Most importantly, the tool provides a channel of communication with the source of information, without that source having to reveal their identity.

Dependable data protection through the GDPR

We naturally observe and abide by all provisions and regulations in the General Data Protection Regulation (GDPR), which entered into force in 2018. We have appointed in-house data protection team for this purpose.



KPI metrics (2023)

0

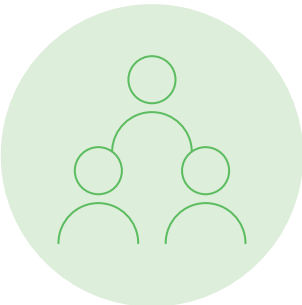
Whistleblower anonymous tip-offs

Overview of certificates and regulations

Our operations are guided by SEW-EURODRIVE internal audits and external audits of our stakeholders in addition to other standards on occupational health and safety and information security. We comply with international export control and sanction regulations.

Certificates issues by SEW-EURODRIVE

- + QM-Certificate (Quality Management System)
- + FSM-Certificate (Functional Safety Management System)
- + EX-Certificate (Manufacture of Gears, Motors and Gear Motors)
- + IG-Certificate (Sales and Service of Industrial Gear Motors and Industrial Gears)
- + IT-security-Certificate



Last but not least, we encourage social engagement by supporting social organizations located close to our company with donations and sponsorships such the mental well-being of young people and youths' sports activities.

Code of Conduct – the ethical guidelines for our day-to-day activities

Our Code of Conduct guides our everyday work. Through this code, we make a commitment to abide by all applicable laws and the core values of our company, namely freedom, reliability, and humanity. At the same time, the Code of Conduct helps us acknowledge our responsibility as an international family business with a history that stretches back more than 90 years.

Our Code of Conduct applies to every single member of staff, whether a senior executive or trainee, and to all hierarchy levels across all our branches and business units worldwide. Misconduct that violates the Code of Conduct may be harmful to SEW-EURODRIVE and will not be tolerated. We have appointed a local compliance officer, who reports to the compliance organisation of the SEW-EURODRIVE.

Our actions are governed by eight key principles

1

Abiding by the law

We always act in accordance with the applicable laws of the country.

2

Management culture

Our managers have a special responsibility and pay particularly close attention to the regulations of the Code of Conduct.

3

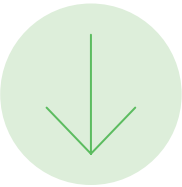
Human rights / ban on child labor / forced labor

We reject child and forced labor, and are vigilant with regard to any human rights violations.

4

Workers' rights

We respect the labor rights that apply in any given circumstance and support their enforcement.



5

Health and safety in the workplace

We place major emphasis on the safety and health of our employees and support the continuous further development of safety measures.

6

Working together and the prohibition of discrimination

We respect each other and reject any form of discrimination.

7

Environmental protection

We always consciously act to minimize our impact on the environment and conserve resources.

8

Tax compliance

We meet our tax and contribution obligations and provide constructive assistance to the relevant authorities.

Our Code of Conduct also contains detailed rules for how to handle business relationships. For example, we reject any form of preferential treatment or bribery as part of our business dealings. We also have a proactive policy regulating the giving and receiving of gifts. Any form of gratuity must not under any circumstances influence a business decision. Gifts and invitations that exceed a set upper value of EUR 60 per individual gift or EUR 180 per person, per financial year must be reported and seamlessly documented.

Any agreements that are anti-competitive are also prohibited. We avoid any semblance of a conflict of interest, as it is in our own business interest to do so. We also handle information with care, and always ensure that the appropriate level of confidentiality is assured. We place a strong emphasis on the protection of personal data.

You can find the full text of our Code of Conduct, plus a detailed description of all principles and regulations on www.sew-eurodrive.fi or the QR-code below.





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