

2023

**SEW**  
EURODRIVE

**Sustainability Report**  
ITALY



**THE  
GREEN  
SIDE  
OF  
DRIVE**



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## Letter from the Managing Director

Dear Stakeholders,

We are proud to present the results of our ongoing commitment to sustainability and innovation. Our journey involves a significant transformation of our business model, emphasizing a management approach focused on care for our environment, our people, our customers, and promoting advanced services as the key pillars of our corporate strategy.

This evolution aims to not only strengthen our market position but also generate positive impacts on a larger scale. Adopting a customer-centric approach builds loyalty and satisfaction while promoting a positive impact on society as a whole. Through servitization, we strive to offer innovative solutions and services that meet current needs and contribute to a more sustainable and equitable future.

We are very pleased to share our achievements, including maintaining carbon neutrality at our sites, progressively introducing environmentally-friendly materials in our production output, repairing and reconditioning products, and recycling metals.

**"We recognise that these accomplishments would not be possible without your support and collaboration".**

Your contribution is essential as we continue to integrate economic, environmental, and social dimensions into our business model, making a tangible contribution to the overall progress of society.

Looking ahead, we are committed to maintaining open and transparent communication with you, our valued stakeholders, and sharing our progress and the challenges we will face along the way.

Thank you for your continued support and collaboration.

Giorgio Ferrandino, Managing Director

# Sustainability put to the test by four megatrends

The social and environmental challenges we face and our business strategies are shaped by global trends. Among the numerous economic and geopolitical disruptions, we have identified four key megatrends that are particularly relevant to our operations:

These are:

- + population trends
- + deglobalization
- + decarbonization
- + digitalization

In this context, we develop our medium to long-term objectives and operational plans. Sustainable development hinges on how effectively we manage these trends, which impact various sectors and affect all countries and markets, though in different ways.

# -55%

As part of the European Green Deal, CO<sub>2</sub> emissions across Europe are to be reduced by 55% by 2030 compared to 1990 levels

## Decarbonization

Reducing greenhouse gas emissions is imperative for all countries, as climate change is a global environmental priority. The European Union, in particular, has set a clear and ambitious goal: achieve carbon neutrality by 2050. This plan requires significant commitments from businesses, such as transitioning to clean energy and reducing energy consumption.

# 97%

of global countries and territories by 2100 will not have high enough fertility rates to sustain population size over time (source: The Lancet).

## Population Trends

Slowing population growth and an aging population are two trends that will impact the entire world, though at varying rates. According to the United Nations, global population growth will halt by 2080, stabilizing at 10.4 billion people, with Europe and North America peaking by 2030. Aging is also a global issue, though its extent differs: by 2030, one in five people worldwide will be over 65. In Europe, this trend is already evident, with the continent expected to have half a million centenarians by 2050. The productive world cannot overlook these shifting demographic patterns.

# 714%

The increase in tariffs, sanctions, and export quotas from 2008 to 2022 (source: Il Sole 24 Ore).

## Deglobalization

The financial crisis of 2008 and the pandemic have led to a reduction in international trade, sparking discussions of a “new globalization”. Factors contributing to the reorganization of global supply chains include increasing trade barriers, rising geopolitical tensions, higher production costs in China, and the need to reduce pollution and environmental impact.

## Digitalization

### New technologies: sustainable or unsustainable?

Digitalization is essential to remain competitive.

Technology can help businesses become more sustainable, but it is very energy-intensive. The challenge is to find a balance between seeking efficiency and minimizing environmental impacts.

The social impact of new technologies cannot be overlooked either: they are transforming how people communicate, work, and access information. The challenge is to harness these changes positively, for example, through digital inclusion and opportunities for personal learning and development.



# 760

million euros

### Artificial Intelligence

The value of the AI market in Italy in 2023 (up by 52%)

Source: Artificial Intelligence Observatory of the Politecnico di Milano 2023



# What we do at SEW - EURODRIVE

## Technologies

**20**  
families

Standard and industrial IG gear units and complete gearmotors

**13**  
families

Asynchronous and synchronous electric motors

**12**  
families

Motion Controllers

**1**  
family

MOVITRANS® inductive energy supply system

**13**  
families

Inverters and servo inverters



## Solutions

### AGVs

Fully autonomous vehicles

### Delta Robot

Tripod

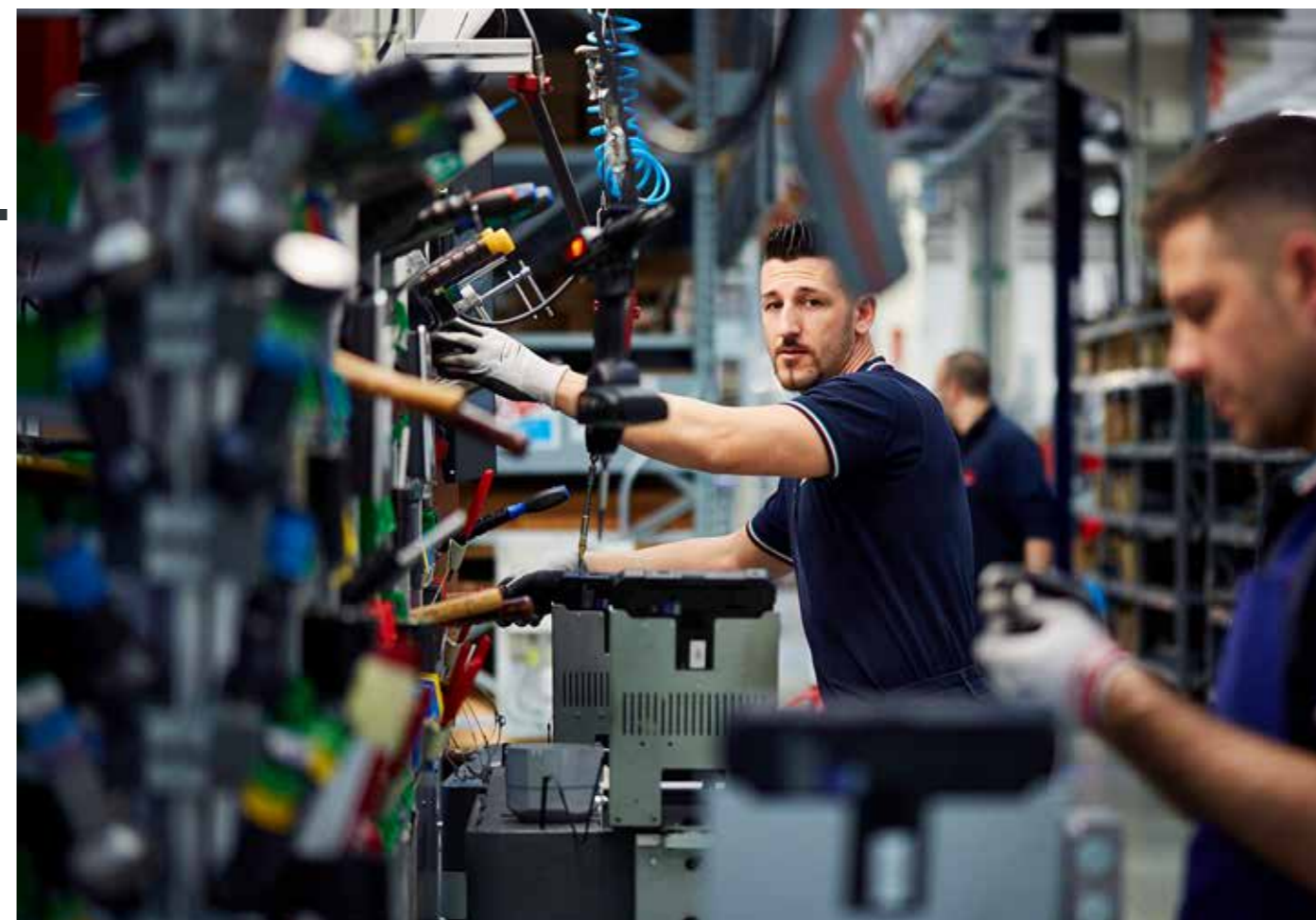
### PE-S

(Power and Energy Solutions)

Intelligent power management system

### DriveRadar® and APPredict

Solutions for predictive condition monitoring and maintenance



## Services



Repair of electric motors, gear units and complete gearmotors



Analysis of oil quality of gear units installed at the premises of end users



Pickup & Delivery service for end users



Repair of electronic components such as inverters and servo inverters



Thermographic analysis of gear units installed at the premises of end users



Basic training courses in programming electronic devices



Mapping of products installed at the premises of end users



# Highlights

Sustainability for SEW-EURODRIVE Italia is based on data and numbers that we constantly monitor and that confirm and demonstrate our achievements. The transparency and dedication behind our sustainability goals allow us to achieve a measurable, verifiable and concrete virtuous path, with an ongoing, specific focus on reducing environmental impact and improving people's working conditions.

### Economy



# 165 m

turnover in EUR in 2023

# +2.8%

economic value generated since 2022

### Product



### Digital technologies and Smart Assembly Plant

# 134.6

million euros expenditure with suppliers

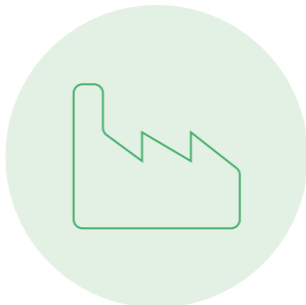
### Environment



### Carbon Neutral Goal for 2026 (Scope 1 & 2)

# 8.2%

reduction in energy consumption



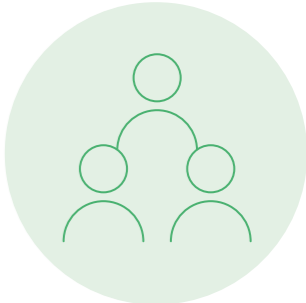
# 99.2%

portion of waste not directed to disposal

# 17%

reduction in emissions generated by the vehicle fleet

### Company



# 216

employees

# 11,408

hours of training

# 26.4%

proportion of women in the workforce

### Named "Sustainability Leader 2023"

by Il Sole 24 Ore and Statista, based on an analysis of 450 sustainability reports.

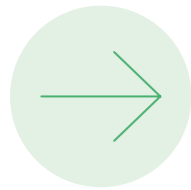
\*All data on these two pages refer to the reporting period, comparing 2023 to 2022

# Our history

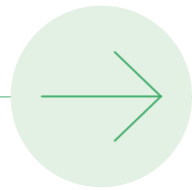
When a banker from Baden founded Süddeutsche Elektromotorenwerke back in 1931, nobody dreamed that it would end up becoming one of the world's most innovative drive technology companies.

Let us take you on a journey back through our history, starting with the visionary foresight of our founder!

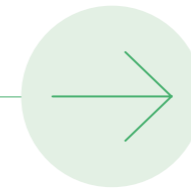
This brings us to the present day. The story of a family business that over the years has become one of the leading global players in its field continues.



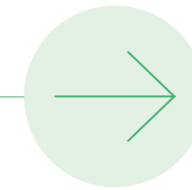
## Origins



## Arrival in Italy



## Passing the baton



## Expansion into Italy and China driven by innovation and recognition

- 1945** When the war ended, Ernst Blickle, the owner's son-in-law, assumed leadership of the company.
- 1948** Construction began on a new 10,000 sqm production facility in Graben.
- 1960** By this time, SEW had a staff of 600 and a turnover of DM 20 million. Ernst Blickle introduced an assembly kit for gearboxes and motors, which allowed for flexible and cost-effective combinations. This modular system, produced on an industrial scale at low unit costs, facilitated entry into international markets.

- 1968** Expansion into Italy commenced with two small offices in Milan and Bologna, followed the next year by the establishment of the first manufacturing site in Limbiate (MB). Shortly afterward, two representative offices were opened in Bologna and Caserta.
- 1973** SEW acquired Obermoser of Bruchsal, a major competitor from the post-war era specializing in direct drives, refrigerator motors, worm gearboxes, and gearmotors. Another two representative offices were established in Turin and Verona.

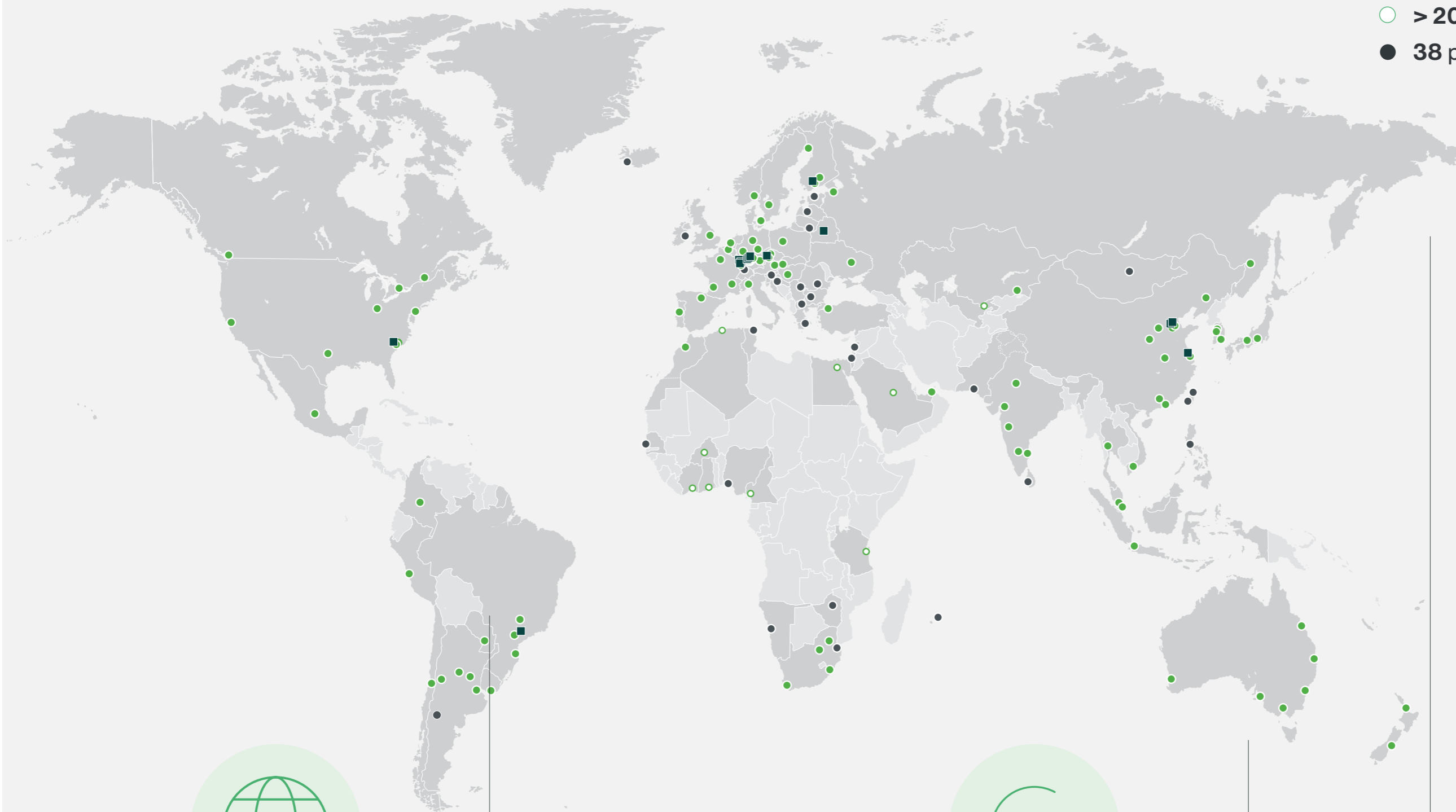
- 1987** The company mourned the passing of its esteemed patriarch. Rainer and Jürgen Blickle assumed the presidency of the group.
- 1990** SEW acquired a controlling stake in Pfef-fer & Partner Getriebebau GmbH.

- 1991** New premises were established in Solaro. SEW also entered the Chinese market with a new branch in Tianjin.
- 1999-00** During this decade, SEW constructed and commissioned a new facility for electronic component production in Bruchsal, which earned recognition as the "Best Factory of the Year 2000".
- 2003** SEW achieved a milestone as its revenues exceeded one billion euros for the first time. The Ernst-Blickle-Innovation-Center (EBIC) was inaugurated in Bruchsal, featuring a futuristic glass building with dedicated experimentation and testing labs. This facility became the central hub for all research and development activities, honouring Ernst Blickle's visionary leadership and creating 400 new jobs.
- 2004** The central Service Competence Center was established in Graben Neudorf.
- 2007** In Solaro, SEW transitioned from traditional line production to work islands.
- 2017** The headquarters in Solaro underwent expansion, including the addition of a new building and the modernisation of the 1991 facility. These updates allowed for the implementation of new processes and the introduction of smart technologies in the assembly workshop.
- 2023** SEW celebrated the grand opening of the Drive Center in Caserta, a state-of-the-art facility featuring a Service Center designed to enhance operational speed and efficiency, alongside the establishment of the Drive Academy® for technical training purposes.



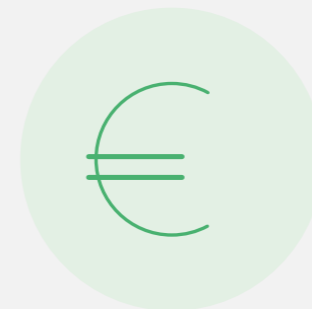
# Our global presence

- 17 production plants
- 89 Drive Technology Centers
- > 200 branch offices
- 38 partners



**54**

Countries in the world



**4.2**

billion euros  
in revenues

**21,000+**

workers  
(800 in Research & Development)



## Our approach to sustainability

Our commitment to sustainable development continues as we integrate sustainability into our business strategy. The effects of our activities are influenced by four megatrends that, as discussed on pages 6 and 7, will shape global business operations in the medium to long term.

### Decarbonization

The automation sector can play a key role in this goal by streamlining industrial processes to reduce energy and raw material consumption, and minimize waste.

### Population Trends

A declining population could lead to a reduced workforce and a shortage of skilled labour. Investing in automated systems can help maintain high production levels and efficiency, offsetting the labour shortage.

### Deglobalization

Deglobalization may necessitate restructuring supply chains and business operations. Companies might need to decrease reliance on foreign suppliers or bring production closer to consumer markets.

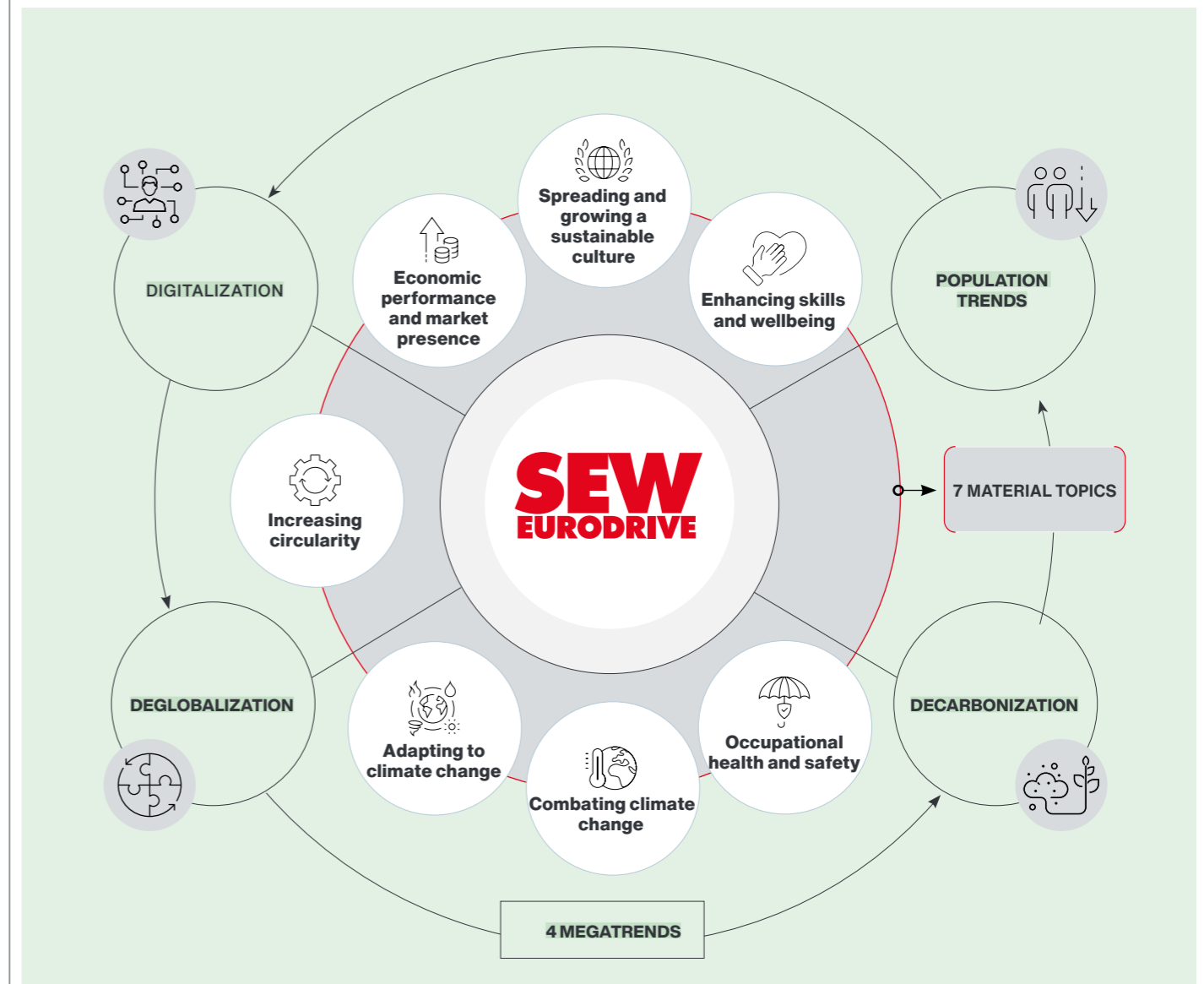
### Digitalization

Without advanced digitalization, a company risks progressively losing market competitiveness. This is why we are committed to a digital transition to evolve all processes digitally.

### The challenges of Sew-Eurodrive:

- +Developing products and technologies that reduce environmental impact
- +Expanding local production in various countries
- +Ensuring access to material sources
- +Purchasing green energy from renewable sources
- +Attracting qualified specialists

Our sustainability strategy is shaped by top management. The sustainability team and the core team focused on the ecosystem Balanced Scorecard (BSC), redefining it in accordance with GRI indicators and best practices in sustainability. In 2023, this model further evolved, aligning the goals from the BSC with seven material topics that are priorities for the company and stakeholders:



## Sustainability Leader in Il Sole 24 Ore Ranking

Our efforts to integrate sustainability into our business strategy have been acknowledged and rewarded. Il Sole 24 Ore, in collaboration with market research specialist Statista, has recognized us as one of the most sustainable companies among approximately 450 large enterprises in Italy. This recognition is based on an evaluation of our sustainability reports and financial statements.

# Vision and mission

At SEW-EURODRIVE, we have rolled out a number of strategic initiatives to make our vision a reality, aiming to:

- + Implement measures for sustainable development
- + Achieve excellence in customer services
- + Foster the kind of team spirit we want our company to embrace
- + Develop growth projects in the fields of automation, service and heavy industrial solutions, and by means of a direct channel with end users
- + Digitally transform all processes, including component assembly and logistics, into state-of-the-art ones.



## Balanced Scorecard (BSC)

A Balanced Scorecard (BSC) is a **performance measurement system** that translates strategy and vision into **operational objectives**. It aligns the **activities of all company divisions** around a shared understanding of the organization's goals.

By formalizing **two Balance Scorecards (one for the ecosystem and one for business)**, we can address the interests of all stakeholders. This approach helps us avoid pure growth strategies typical of the linear economic model, steering us towards a circular, generative model instead.

We pursue our **vision** and **mission** using these tools:

# 1

## Strategic Map

Shows how our values and hallmarks underpin our corporate mission and vision.

# 2

## Ecosystem Balanced Scorecard (BSC)

Breaks down our strategy into the three pillars of sustainability.

## Business Balanced Scorecard (BSC)

Converts our mission and vision into a set of measurable objectives and concrete initiatives.

# 3

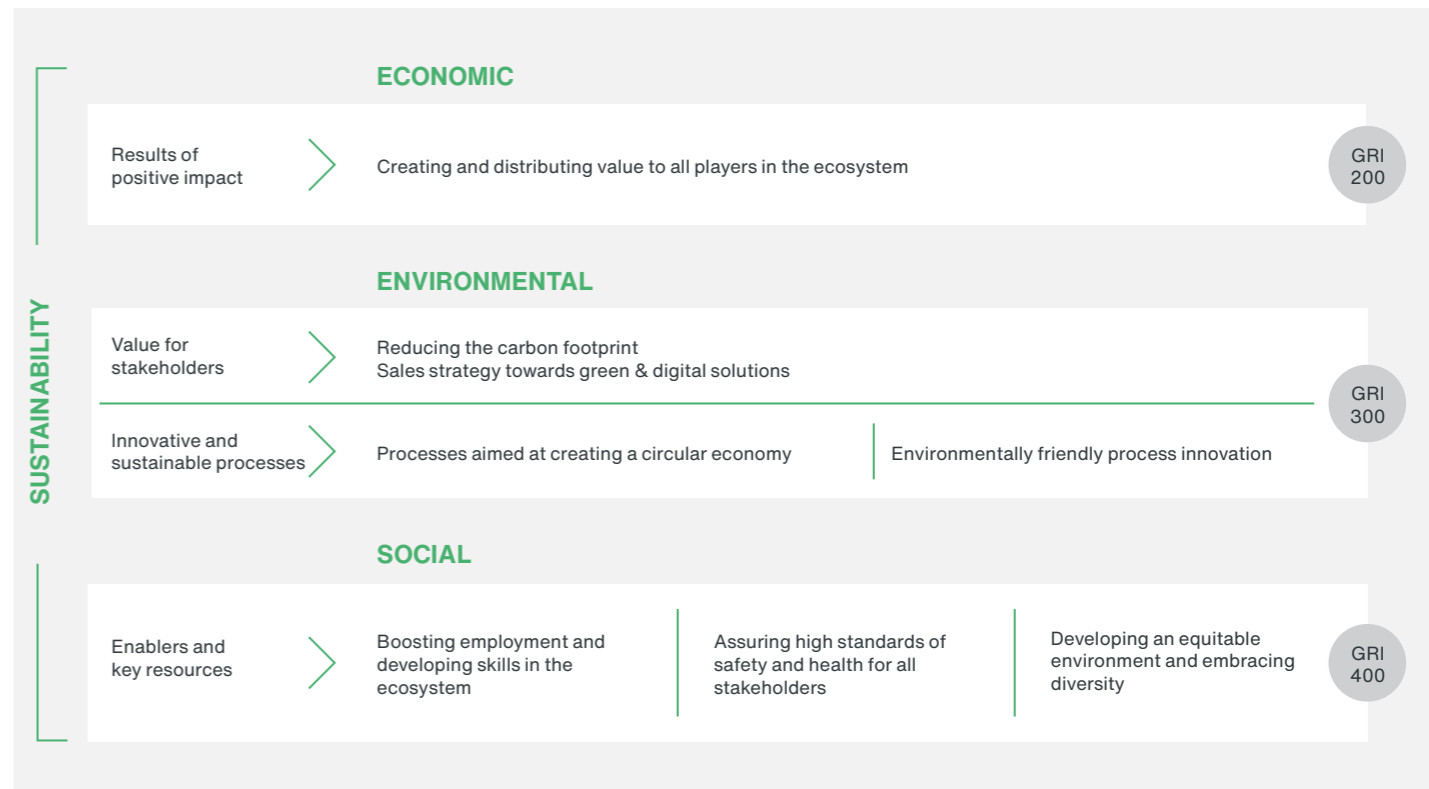
## Annual MBOs

Annual Management by Objectives assigned to individual managers and linked to these goals.

Flexibility, collaboration, transparency, and ethics guide our actions and those of our staff, ensuring efficient, safe, and customized solutions for all major industrial sectors.

# Sustainability strategies and goals

Over the years, our awareness of sustainability has deepened, becoming highly specific and data-driven within the company's Balanced Scorecard. This system relies on data and KPIs to monitor and document our achievements, all linked to the Global Reporting Initiative (GRI) indicators.



## Our strategic map

Our goal, our reasons

### MISSION

We develop technologies and solutions for industrial automation, logistics and the process industry to ensure long-term success for our customers, improve living standards and conserve energy resources.

Achieving our vision

### STRATEGIC TARGETS

Sustainable digital transformation:

- Sustainability (positive impact on the ecosystem)
- Added value for stakeholders (Customer Benefits)
- Sustainable and innovative processes (Operational Excellence)
- Enablers and key resources (Enterprise Agility)

Our dream

### “BE SEWstainable” VISION

Generate an environment of creativity, trust and personal growth to ensure the progress of the social, environmental and economic ecosystem by achieving excellence in terms of:

- Innovation
- Automation leadership
- Financial independence

Our hallmarks

RESULTS-ORIENTATED | SKILLS | SUBSTANCE | QUALITY | PASSION

What we're good at

Our values

FLEXIBILITY - COLLABORATION - TRANSPARENCY - ETHICS

Our style

As a result, a key aspect for us is achieving our goals with passion and transparency, using a verifiable and concrete reporting process.

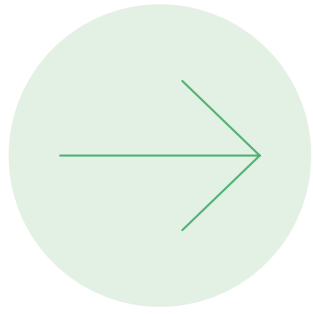
## Be SEWstainable! our commitment continues

In 2023, we continued integrating sustainability into our strategic framework. The sustainability team and the core team focused on the Ecosystem Balanced Scorecard, re-defining it in accordance with GRI indicators and best practices in sustainability.

In 2023, this model evolved further, aligning with the new GRI priority and impact analysis process. We refined our Balanced Scorecard (BSC) objectives to match material topics, continuously striving to embed sustainability at the highest levels of corporate management.

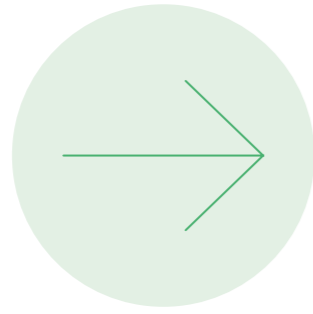


# Sustainability Plan



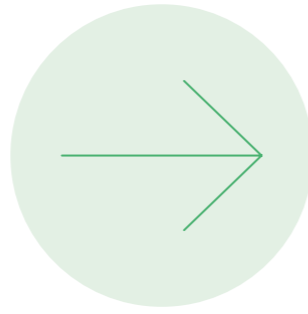
## ECONOMY

Increase low-emission solutions and products, expanding related business and sales markets. Focus on products and services that enable sustainability for the company's customers.



## ENVIRONMENT

By the end of 2026: reduce and offset Scope 1 and 2 greenhouse gas emissions to reach Carbon Neutrality, aligned with our parent company's programmes. By the end of 2030: reduce and offset Scope 1, 2, and 3 greenhouse gas emissions.



## PEOPLE

Our goals include achieving 29% female representation, having 10% of employees under 30, maintaining a Trust Index GPTW of at least 68%, ensuring 80% of our workforce is aware of their DISC® profile, and eliminating the gender pay gap compared to external market benchmarks.

If actively pursued, each sustainability goal can enable us to positively influence the economy, environment and people we interact with, through virtuous behaviour or reducing harmful practices or negative external effects. Different goals lead to varying impacts—both actual and potential—and opportunities to contribute to sustainable development across the 7 material topics (refer to page 35).

## Identification of Impacts

In 2023, we identified the relevant topics for SEW Eurodrive Italia based on the 2021 GRI Standards from the Global Reporting Initiative, international standards for sustainability reporting.

We then outlined the most significant impacts of our company on the economy, environment, and people, including impacts on people's human rights, highlighting SEW Eurodrive Italia's role in sustainable development. Lastly, we assessed and prioritized these topics, setting thresholds to determine the most critical material topics.

The identification process for SEW Eurodrive involved:

+ in-depth analysis by our Sustainability Team,

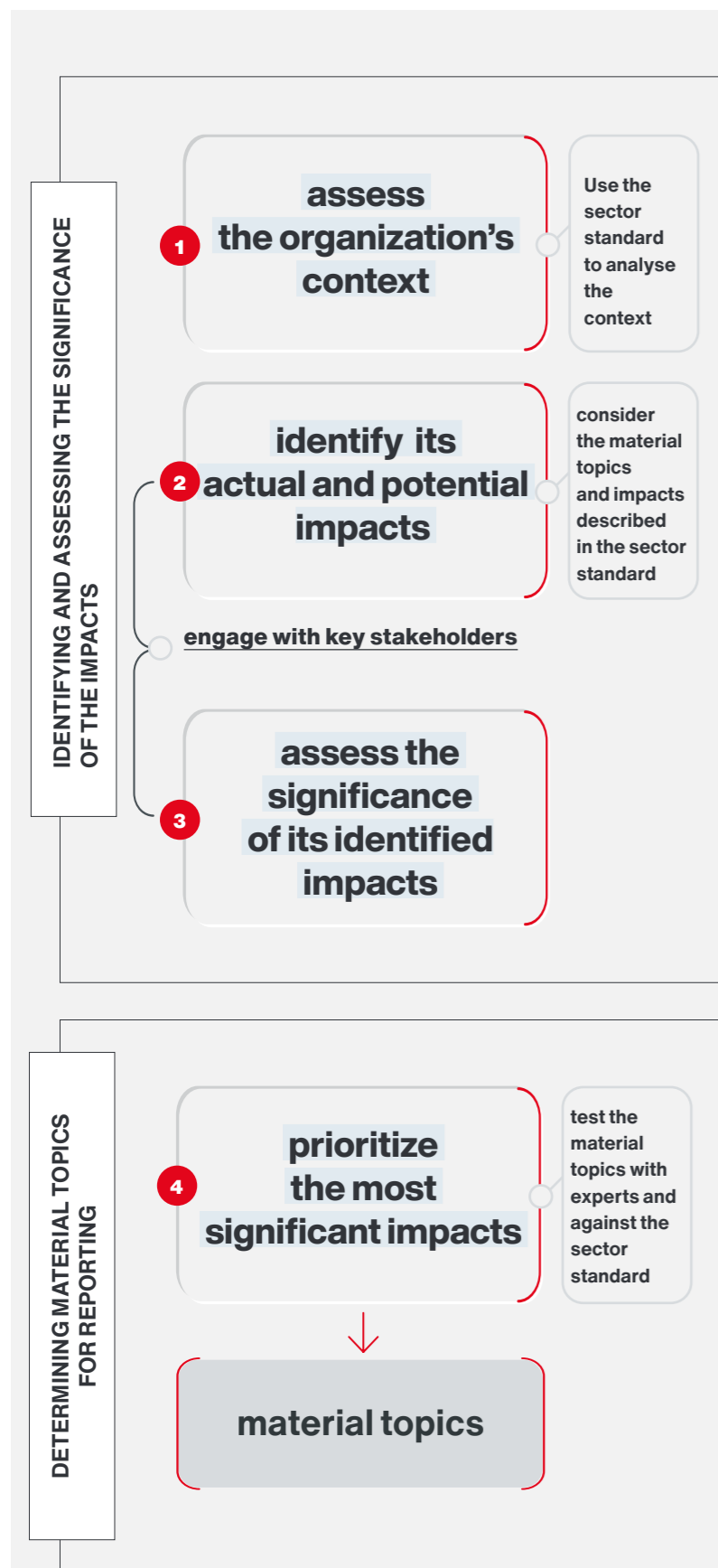
+ an internal survey involving all employees, for the first time including those from our parent company,

+ an external survey with a selected panel of stakeholders.



# Materiality Assessment and Priorities

At SEW Eurodrive Italia, we conducted a materiality assessment, breaking down the process into the stages outlined by the GRI 2021 standards:



## 1

### Understanding the organization's context

Initially, with the involvement of the Sustainability Team and under the supervision of Managing Director Giorgio Ferrandino, we considered our activities, the BSC, business reports, the social and environmental context of our operations, topics from the World Economic Forum (WEF) Annual Report, and feedback from key stakeholders, including the parent company. On the basis of this first step, we selected a range of environmental, social, economic, and governance topics

## 2

### Identifying actual and potential impacts

For each selected topic, we described the main positive (opportunities) and negative (risks) impacts that our activities could have on the economy, environment, and people.

## 3

### Assessing the significance of the impacts

We assessed the scope and likelihood of the identified positive and negative impacts to determine their extent. The severity of an event depended on factors such as scale, scope, and mitigation difficulty, while likelihood depended on the possibility or frequency of occurrence.

## 4

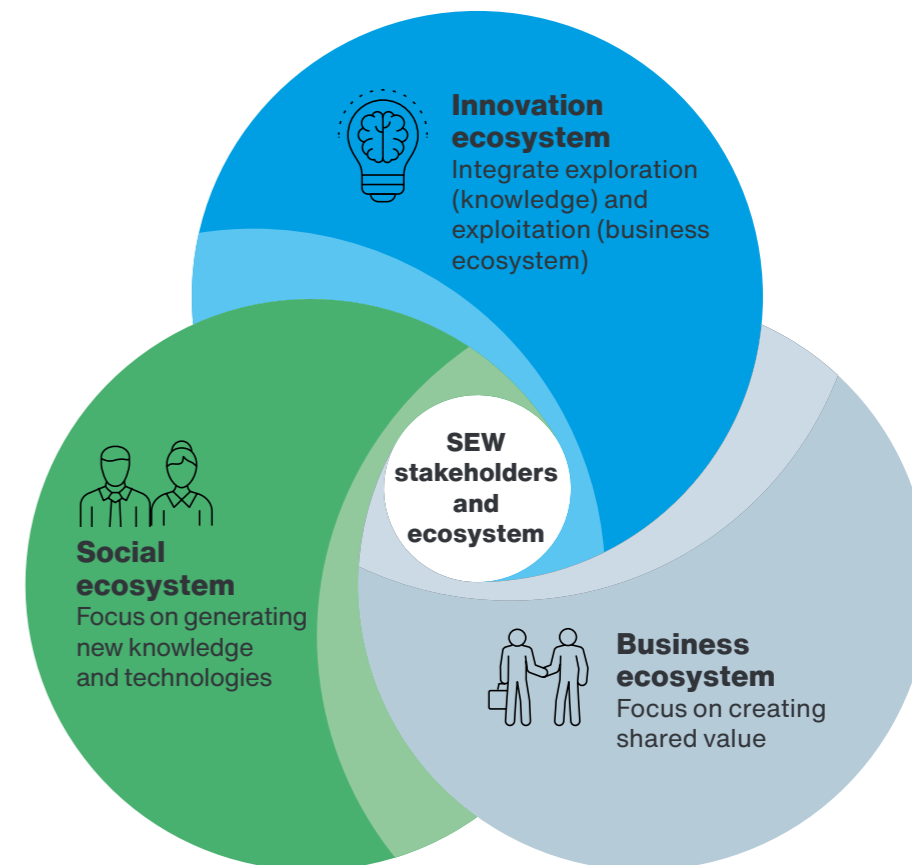
### Prioritizing the most significant impacts for reporting

To prioritize the various topics, we considered evaluations from different stakeholder categories – employees, parent company, top clients, suppliers – who were involved in the assessment process.

# Mapping and classifying stakeholders

Aligned with the company's strategic vision and the renewed BSC, this year we mapped strategic stakeholders based on a classification into three ecosystems:

- + Innovation ecosystem
- + Business ecosystem
- + Social ecosystem



This classification resulted in the identification of 98 stakeholders compared to 56 in 2022.

ECOSYSTEM	CATEGORY	2022	2023	
Innovation ecosystem	LAB members	0	13	↑
	Partners	7	8	↑
Business ecosystem	Customers	24	22	↓
	Top clients	0	33	↑
	Suppliers	12	13	↑
Social ecosystem	Ownership	0	1	↑
	Institutions	7	2	↓
	Training entities	4	4	=
	Associations	2	2	=
	Average	0	0	=
<b>TOTAL</b>		<b>56</b>	<b>98</b>	<b>↑</b>
Social ecosystem	Employees	0	213	↑
<b>TOTAL WITH EMPLOYEES</b>		<b>56</b>	<b>311</b>	<b>↑</b>

## Generative innovations in stakeholder engagement

# 1

**The first innovation** was the participation of the entire company staff, who, for the first time, were involved in selecting the material topics. A total of 139 employees, or 65% of those eligible, responded to the survey.

# 2

**The second innovation** was assigning different weights to the various categories of stakeholders involved.

# 3

**The third innovation** involved some particularly significant clients and suppliers. An event was organized in November 2023 by the Industrial Innovation Lab (IIL), focusing on systems thinking, civil economy, and sustainability. Participants worked in subgroups, and the topics that emerged highlighted the importance of communication, community, and personal wellbeing, illustrating the Easterlin Paradox.

# 139

employees responded to the survey

### Easterlin Paradox

As income and economic wellbeing increase, human happiness rises to a certain point, then starts to decline, because true wellbeing and happiness is founded in relationships.



## Possible Activities



- 1 Define new events and goals to follow
- 2 Promote cultural development among members
- 3 Foster and implement greater collaboration with members and stakeholders
- 4 Organize awareness and implementation meetings on sustainability
- 5 Facilitate matching of shared projects among different members
- 6 Explore methods to promote Open Innovation
- 7 Identify guidelines for participating and acting within the system

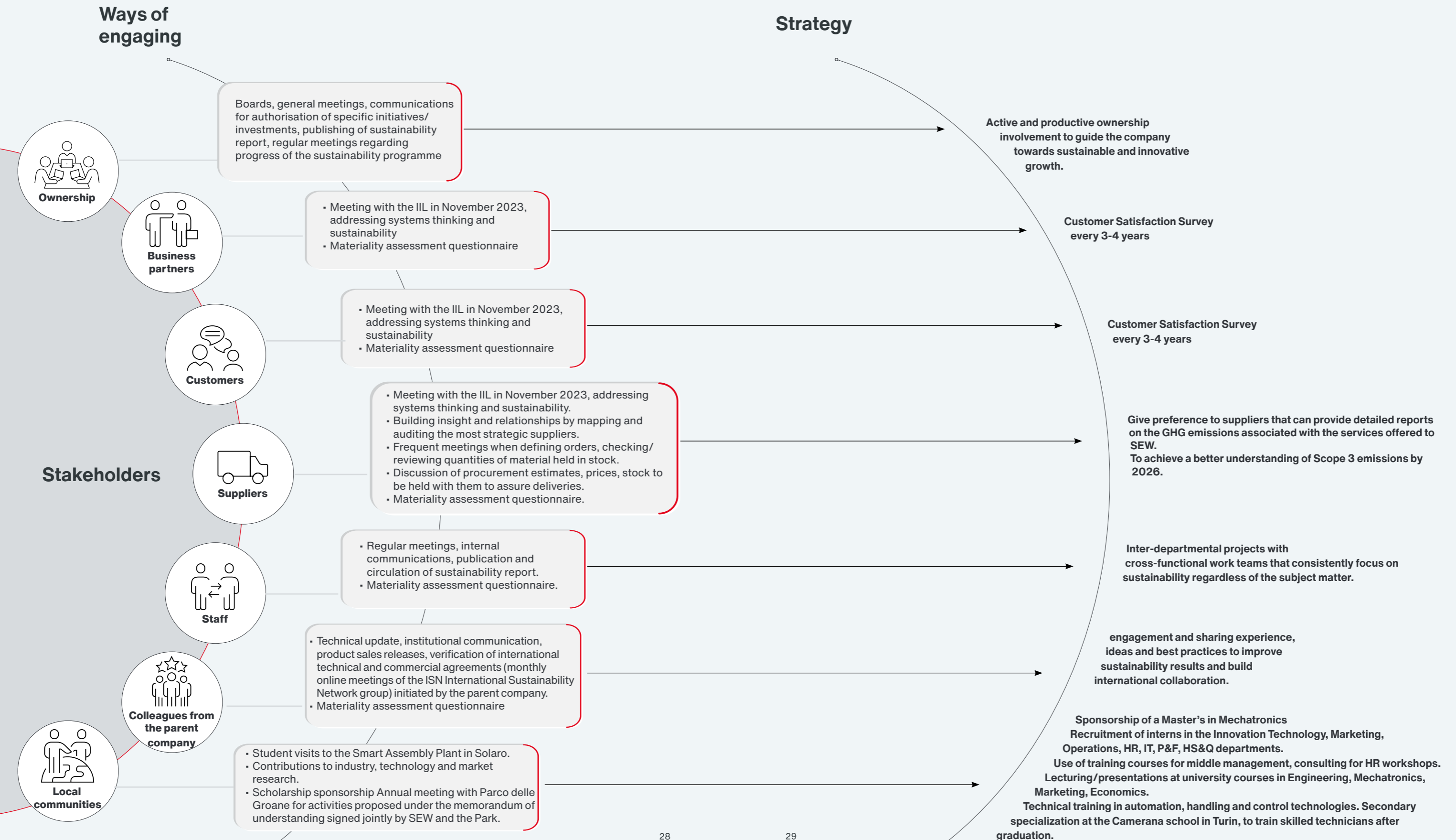


# Approach to Stakeholder Consultation and Engagement in 2023

For some customers, in addition to the materiality assessment questionnaire, sustainability aspects are integrated into events organized on technical and commercial topics. This approach helps to promote a culture of sustainability, aligning with the material topic of spreading a sustainable culture.

This activity made it possible to:

- + overcome any barriers (language, gender, power, etc.)
- + engage vulnerable groups, as appropriate (removing social barriers to participation)
- + respect the human rights of everyone involved (e.g. right to privacy, freedom of expression, etc.)
- + be consistent with sustainability principles (avoiding unnecessary movements).



# Assessment of the significance of the impacts

Here are the sustainability topics we have identified, along with the main positive and negative impacts they can have on the economy, environment, and people.

Additionally, we have highlighted the connection between these topics and our contributions to the 2030 Agenda.

Due to our growing awareness and sensitivity towards these issues, as well as an expanded context assessment and increased stakeholder involvement, we have made some updates. We added five new topics (highlighted in green in the table), removed three (Mechanical and Electrical Quality of Products, Product Conformity and Safety, Sustainable Service), and renamed two (now Combating Climate Change and Gender Equality).



## ECONOMIC AND GOVERNANCE

	<b>Business ethics and transparency</b>	Reduction in misconduct and rights violations after implementing procedural and organizational safeguards to prevent wrongful actions and behavioural anomalies.	Reputational damage that could threaten business and financial soundness. Disaffection among employees and other stakeholders towards the company and its management. Lawsuits, including criminal proceedings.
	<b>Economic performance/ Market presence</b>	Development of the company's own business activities and creation of strong relationships with stakeholders	Reputational loss. Lack of appeal. Risk of discontinuation of major projects and investments.
	<b>Limited resources - New</b>	Ability to effectively control the entire supply chain to ensure customer satisfaction and maintain company competitiveness	Supply difficulties that could have economic and competitive repercussions.
	<b>Cybersecurity - New</b>	Increased expertise in identifying and assessing vulnerabilities, threats and weaknesses in the company's data security system. Increased ability to protect data, information, and corporate assets.	Increased vulnerabilities and weaknesses in the company's data security system and the capacity to safeguard data and information.

## ENVIRONMENTAL

	<b>Increasing circularity</b>	Efficient waste management, reuse and reduction of materials and mechanical components, with positive consequences on costs.	Noncompliance with waste production/disposal regulations and shortages in the supply of raw materials (costs, availability), with negative impacts on business results.
	<b>Protecting biodiversity</b>	Positive reputational effects in relation to product sectors and associations sensitive to this issue.	Repercussions on company business performance due to the impact of the topic on the food & packaging sectors.
	<b>Spreading and growing a sustainable culture</b>	Enhancing recruitment and engagement by appealing to younger generations. Positive impacts on retaining talent and on customer loyalty.	Facing the risk of being excluded from market sectors that are moving towards sustainability, as clearly indicated by customer demands. Reputational risk, with the danger of employees, particularly younger generations, leaving the company if they feel the company's values no longer represent them.
	<b>Combating climate change (Reducing consumption and emissions)</b>	Using renewable energy and improving energy efficiency, and the ability to seize opportunities related to climate change with a positive impact on business performance and reputation, leading to cost savings, access to financing and incentives and positive reputation. Reducing the company's contribution to climate change through decreased energy consumption and improved energy efficiency. Capacity to seize climate change opportunities with positive impacts on business performance and reputation, as well as the beneficial effects of reducing operating costs.	Vulnerable physical assets such as buildings and material and equipment contained in them, due to high winds, flooding, fire, soil subsidence. Continued contribution to climate change due to the amount of energy consumed by the company. Increased production costs and loss of competitiveness.
	<b>Adapting to climate change - New</b>	Increased capacity to anticipate the adverse effects of climate change and to adopt appropriate measures to prevent or minimize potential damage.	Physical and economic damage to company resources due to the inability to adopt adequate preventive measures, resulting in a loss of competitiveness.

**SOCIAL**



	<p><b>Cost of living and social cohesion - New</b></p>	<p>Increased trust and respect for the company, boosting employee loyalty and workplace serenity. Reputational growth.</p>	<p>Deterioration in people's quality of living with a higher risk of poverty. Increased employee stress, leading to decreased confidence in workplace safety.</p>
	<p><b>Enhancing skills and wellbeing</b></p>	<p>Keeping employee skills, engagement and satisfaction high, with positive impacts on productivity, business results and talent retention.</p>	<p>Loss of key personnel due to inadequate recruitment, training, development, retention and employee wellbeing plans, with negative impacts on productivity and business results.</p>
	<p><b>Diversity and inclusion</b></p>	<p>Fostering an inclusive workplace culture keeps employee motivation and satisfaction levels high, leading to increased productivity and business results.</p>	<p>Failure to meet diversity and inclusion expectations can lead to incidents of harassment, discrimination and unequal treatment, harming the company's reputation.</p>
	<p><b>Digital culture</b></p>	<p>Improved IT skills and cybersecurity provide better protection and security of information. Understanding of the environmental impact of IT sectors and activities</p>	<p>Cybersecurity risk due to lack of staff expertise. Lack of awareness of the environmental impact of IT sectors and activities.</p>
	<p><b>Occupational health and safety</b></p>	<p>Reduction in workplace injuries and occupational diseases positively affecting people's health.</p>	<p>Inadequate procedures and controls failing to identify/mitigate health and safety risks and to ensure regulatory compliance, leading to economic and reputational consequences.</p>
	<p><b>Sustainable supply chain assessment</b></p>	<p>Maintaining a responsible and socially and environmentally aware supply chain, also by developing synergies with partners, positively impacting reputation. Enhanced synergies with partners along the value chain, benefiting both the environment and economy.</p>	<p>Insufficient monitoring of suppliers' social and environmental performance, failing to meet responsible sourcing targets and incurring higher surveillance costs, negatively affecting economic results and reputation.</p>

**PRODUCT**



	<p><b>Product and process research and innovation</b></p>	<p>Ability to seize business opportunities for product and service innovation, also by collaborating with experts and competitors, with positive impacts on business performance and positioning.</p>	<p>Failure to anticipate new trends in product and service innovation compared to competitors, with negative impacts on market share and business performance.</p>
	<p><b>Assessing the impact of products on the environment and on people</b></p>	<p>Increased appeal to young people. Positively impacting results and company positioning.</p>	<p>Risk of losing market share and competitiveness in a constantly evolving sector. Risk of damaging the company's reputation, with consequent loss of stakeholder trust, including internal stakeholders.</p>
	<p><b>Servitization - New</b></p>	<p>Business opportunities by introducing products and services that reduce emissions, positively affecting results and company positioning.</p>	<p>Risk of losing market share and competitiveness in a constantly evolving sector. Damaging the company's reputation, with consequent loss of stakeholder trust, including internal stakeholders.</p>



# Determination of Material Topics

The materiality threshold considered the results of both internal and external assessments through the following procedure:

- ↓  
topics were ranked by external impact
- ↓  
the internal impact threshold was set at 2 or higher
- ↓  
the average of external and internal impacts was set at 2.2 or higher



As a result of this process, **seven material topics emerged, three of which were also present last year:**



- Topics that emerged this year
- Topics also present last year

The internal impact is determined by averaging the scores from the Sustainability Team's discussion, the parent company's assessment, and the feedback provided by all SEW employees (who participated for the first time). The external impact is calculated by averaging the scores gathered from the questionnaires submitted by various external stakeholders (including customers, suppliers, etc.).

ESG TOPIC	INTERNAL IMPACT	EXTERNAL IMPACT	AVERAGE
Business ethics and transparency	1.83	2.49	2.16
Occupational health and safety	2.27	2.34	2.30
Adapting to climate change	2.73	2.30	2.52
Combating climate change (reducing consumption and emissions)	2.43	2.25	2.34
Assessing the impact of products on the environment and on people	1.43	2.17	1.80
Enhancing skills and wellbeing	2.90	2.16	2.53
Increasing circularity	2.73	2.06	2.39
Spreading and growing a sustainable culture	2.37	2.14	2.26
Economic performance/ Market presence	2.67	2.09	2.38
Servitization	2.73	1.62	2.18
Cost of living and social cohesion	2.53	1.77	2.15
Sustainable supply chain assessment	2.37	1.86	2.11
Diversity and inclusion	2.10	2.02	2.06
Product and process research and innovation	2.17	1.94	2.05
Limited resources - shortage	1.83	2.13	1.98
Digital culture	2.07	1.57	1.82
Cybersecurity	1.47	1.86	1.66
Protecting biodiversity	1.30	1.91	1.61

KEY: Material topics already present in 2022

# Governance

- 40 Our governance
- 43 Governance and control tools
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# Governance, ethics and integrity for real sustainability

For a company that seeks to meet today's challenges, ethics and a transparent organisation go far beyond mere legal compliance. They are the bedrock of good corporate governance, the first step towards being able to formulate and develop a sustainable corporate strategy, incorporating all ESG factors.

This is why we have a solid governance structure, a code of ethics and governance and control instruments that enable optimum management of the company and related risks.



**Core Team**  
 The Core Team serves as the primary management group and actively engages in the entire sustainability reporting process. There are frequent communications between the Italian sustainability team and the parent company, ensuring that any critical issues are promptly brought to the attention of the Board of Directors.



**Behaviour**  
 The SEW-EURODRIVE Italia Code of Ethics is an instrument of social responsibility. It informs how the company conducts its business and activities and is an essential part of the internal control system.



**231 Compliance Model**  
 We voluntarily initiated a process to introduce a Compliance Model in accordance with Italian Legislative Decree 231/2001. It will be applied for the first time in 2024 and the first annual report will be produced in 2025.



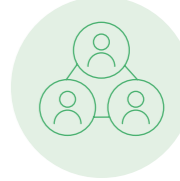
**2.8%**

increase in economic value generated since 2022



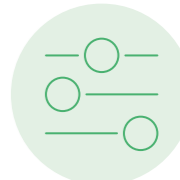
**+23.4%**

increase in trend of economic value generated since 2021



**100%**

participation of all three BoD members in the meetings



**9**

audits conducted in 2023 and 10 planned for 2024

# Our governance

The governance of SEW-EURODRIVE Sas is overseen by its managing partner, SEW S.r.l., whose Board of Directors consists of three members, none of whom are remunerated for their board duties. As Managing Director of the Sas, Giorgio Ferrandino is classified as an executive and receives a fixed fee, which may be reviewed on an annual basis, and a variable fee, according to a target-based scheme, which is formalised and evaluated annually by SEW S.r.l. However, there is no appointed body or independent committee to oversee the remuneration process of the Board of Directors of SEW S.r.l. or of the Managing Director of Sas, although there are several persons (at least two, in keeping with the 4-eyes principle) who sign the relevant documents.

## Board of Directors SEW S.r.l.

<b>Jürgen Dietmar Blicke</b> Chairman
Executive: no
Independent: yes
% participation in meetings: 67%
<b>Giorgio Ferrandino</b> Managing Director
Executive: yes
Independent: no
% participation in meetings: 100%
<b>Hans Krattenmacher</b> Director
Executive: yes
Independent: no
% participation in meetings: 100%



The Director Hans Krattenmacher was appointed on 4 May 2023 and has attended all Board of Directors meetings since then.

## Economy and governance: The ESG material topics

+ Economic performance/Market presence

+ Spreading and growing a sustainable culture

In terms of conflicts of interest:

+ The Managing Director cannot make decisions regarding executives or employees with gross annual earnings of more than EUR 80,000 (hiring, firing, salary changes, etc.), given his dual role as Managing Director of Sas and Managing Director of S.r.l.. In fact, decisions for these activities are taken by the Board of Directors, and the Managing Director is required to abstain;

+ for any other conflict of interest between members of the Board of Directors and stakeholders in general, the provisions of the Code of Ethics apply;

+ written authorisation is required for investments or purchases of particularly large amounts, and also for issuing offers and accepting orders from customers above certain thresholds (Consent Request or actual resolutions of the German board); by virtue of internal bylaws, this authorisation must be conveyed to group contact persons in the various areas (finance, HR, commercial area, etc.).

The Managing Director constantly updates the Board of Directors on ongoing sustainability actions during regular Board meetings and in any case when approving SEW S.r.l.'s proposed annual financial statements. These updates also take place on certain defined occasions, such as the presentation of the German parent company's Sustainability Report.

The Italian sustainability team maintains frequent monthly contacts with the parent company's team to discuss and coordinate sustainability initiatives. These discussions involve an expanding group of sustainability managers from European subsidiaries. This approach ensures that new developments, improvement proposals, and any concerns about potential negative impacts are promptly shared with both the Italian sustainability team and the Board of Directors.



## Powers

Powers in the Sas are currently delegated to:



**Giorgio Ferrandino**  
Managing Director: possesses broad powers with limitations and deferral to the board of directors of the Srl (private limited liability company) on certain specific issues



**Umberto Galli**  
Chief Financial Officer: possesses the authority for legal representation, supplemented by decision-making powers, co-signed with another legal representative



**Francesco Di Pasquale**  
Operations Manager: possesses decision-making powers, co-signed with another legal representative

Currently, the company is undertaking a project to review and extend delegated powers following the voluntary implementation of the compliance model in accordance with Legislative Decree 231/2001.



**Four eyes principle**  
No authorisation can be signed by one person only

## Financial management

Internally, we have adopted a "4 eyes principle" system for financial management.

Even within the amount-related limitations identified in the powers of attorney, an approval process involving at least two persons is required to make payments of any kind and amount. The processes and criteria for appointments to governance bodies are based on the role held by members.

Roles are assigned on the basis of merit-based mechanisms applied to both recruitment processes and professional development paths, both of which are based on Sas competence assessment systems. The compliance system based on the Code of Ethics ensures that members are independent.



The members of the Sustainability Team

**SPECIFIC COMMITTEES AND TEAMS:**

Body	Members	Goal	Frequency of meetings
<b>Core Team</b>	Managing Director Chief Financial Officer Chief People Officer Chief Supply Chain Officer Chief Technology Officer Chief Business Officer	The Core Team collaborates on decisions affecting the business model, management structure, or company image, both in the short and long term. Core Team members regularly update each other on significant company events, occasionally involving other colleagues as needed.	Every two weeks
<b>Sustainability Team</b>	Core Team Sustainability Manager	Defines the actions to promote corporate sustainability.	Monthly
<b>Extended Team</b>	Core Team Regional Managers	Addresses the performance of business results and any deviations from the budget. Defines the management methods used in the Drive Centers.	Every three months
<b>Sales Management Team</b>	Chief Business Officer Regional Managers Marketing Manager Servitization Sales Manager Central Sales Manager	Addresses different sales experiences at Drive Center level. Formulates actions to implement the sales strategy for each Drive Center. Monitors sales performance and makes necessary adjustments to align with SEW Italy's overall objectives.	Monthly
<b>Middle Management Team (MMT)</b>	Managers responsible for key functions, reporting directly to Core Team members.	Encourages incremental innovation, cross-functional collaboration, and a culture of quality and safety by empowering and appreciating employees.	Monthly
<b>Senior Technical Team</b>	Chief Technology Officer Leader Application Eng. Consultants	Engages in discussions on technical topics of general interest and determines the approaches for launching new products and solutions.	Every three months
<b>Application Meeting</b>	Chief Technology Officer Technical structure	Keeps updated on technical and application activities, best practices, and the latest technical developments.	Six-monthly
<b>Management Team</b>	Core Team Regional Managers MMT	Keeps informed and engages in discussions about significant developments related to the Business Model and Management Model.	Every three months
<b>Sales Meeting</b>	Extended Team + Technical-Commercial Structure	Stays informed about the business performance and the main company initiatives that affect the technical-commercial structure.	Annually
<b>Department Meeting</b>	Department Head and team members	Reviews departmental activities and projects, fosters solutions to address any challenges. Ensures the department achieves operational business goals by optimising workloads across the team. Stays updated on the company's strategic direction. Contributes to setting departmental objectives, determining action plans, and using performance indicators (e.g., Balanced Scorecard).	At least once a month

In terms of sustainability, the Core Team, which includes the three delegates from SEW-EURODRIVE Italia, actively participates in the entire sustainability reporting process. This includes educating and informing various stakeholders about the company's sustainable development efforts. In addition, the Core Team borrows the goals from the Balanced Scorecard, which includes the sustainability BSC. We are enhancing our governance by reviewing current delegated powers, which will be extended to all management.



The Core Team

# Governance and control instruments

We have always adopted principles of prudence in our approach to business. For this reason, even though it is not mandatory for us, we have initiated a process to introduce a Compliance Model in accordance with Italian Legislative Decree 231/2001. This decree concerns the administrative liability of entities for offences committed by their representatives. This step aims to establish a robust internal control system suitable for our company's complexity and operational risks.

Furthermore, we are in the process of reviewing the formal delegation of management powers, aligning them with our operational needs and taking into account the ongoing implementation of the 231 Compliance Model.

In accordance with this framework, we intend to set up an Oversight Committee responsible for regularly monitoring and verifying the effectiveness of the Compliance Model. This committee will identify any shortcomings and update the model as needed due to regulatory or organisational changes.

The Oversight Committee will be responsible for implementing appropriate audit plans to ensure effective corporate governance. We plan to implement the Model initially in 2024, with the aim of producing the first annual report in 2025.

Furthermore, no legal actions have been taken against SEW-EURODRIVE Italia or its employees for corruption.

Our Code of Ethics clearly defines the commitments and responsibilities that guide our business practices and interactions with all stakeholders. Above all, it is an instrument of social responsibility vis-à-vis our employees, customers, suppliers and the community. The Code of Ethics is intended as a guide for company conduct, and is an essential element of the company's internal control system. It consists of:

- + Compliance with legislation
- + Management culture
- + Human rights
- + Workers' rights
- + Health & Safety
- + Cooperation and respect to counter any form of discrimination
- + Environmental protection
- + Compliance with tax obligations
- + Respect for the free market and competition
- + Rejection of any form of corruption
- + Traceability and transparency of commercial agreements
- + Restrictions on gifts and invitations
- + Attention to conflict of interest
- + Confidentiality and data protection

# Anti - corruption & Code of Ethics

We actively advocate against any form of direct or indirect corruption or bribery in both public and private sectors.

To ensure awareness and compliance with our anti-corruption policies and procedures, we use standard communication channels established for violations of our Code of Ethics.

Through a risk mapping assessment conducted by external consultants, we identified moderate residual risks related mainly to procedural improvements in our internal control system, rather than significant corruption risks.

All new recruits receive training about the Code of Ethics, to ensure that 100% of employees are trained. We provide multiple channels for reporting unethical or illegal conduct while ensuring the anonymity of the reporter. No reports have been received through our whistleblowing channels.

The Compliance Board is an internal system dedicated to promoting our Code of Ethics, handling reports promptly and appropriately:



**Christopher Iliou**  
(Compliance Officer  
- SEW-EURODRIVE Germany)



**Franco Zannella**  
(Chief Technology Officer  
- SEW-EURODRIVE Italia)



**Mirko Otranto**  
(Chief People Officer  
- SEW-EURODRIVE Italia)

# Management and certification systems



## ISO 9001:2015

We are audited on quality management by our parent company every three years.

Certifications obtained in accordance with SEW standards:

+ Quality Management System for Production, in the scope of Sales and Service Processes for Gearmotors, Motors, Gearboxes and Electronic Drives;

## IEC 61508:2010

+ Functional Safety Management System, international standard governing the entire safety-related lifetime of programmable electrical, electronic or electronic products and systems, including their application, design, use and maintenance;

## IEC 60079:2019

+ Explosive atmospheres. Equipment repair, overhaul and reclamation, a technical standard defining the processes and operating instructions for repair service work respectively on ATEX classified gearboxes, motors and gearmotors (IEC Ex);

## UL and CSA

+ We obtain product conformity certifications to meet the recognized standards of the USA and Canada markets, applicable to our Carinaro (from 2024) and Solaro plants. These certifications are granted by accredited external bodies following quarterly product inspections.

## System certifications

## Quality management system

Quality management focuses mainly on three guidelines linked to the concept of operational excellence, namely:

+ Process monitoring

+ Problem solving

+ Standardisation

Two main areas are defined within the Quality function: Smart Factory Quality and Offices Quality.

Smart Factory Quality concerns operations processes and involves the control and calibration of measuring instruments, procedures, internal audits, tracking customer complaints and validation of new processes and products (process release). Offices Quality covers the area of offices and Drive Centers, encompassing the implementation of parent company projects (such as the new CRM scheduled for 2024), defining procedures and work instructions, adopting the 231 Compliance Model (in progress), developing continuous improvement actions within staff functions and optimizing Service processes.

To ensure complete and continuous compliance with SEW quality standards, the HSQ department conducts periodic internal audits to identify gaps compared to standard operating procedures and to implement corrective/preventive actions in accordance with ISO 9001 regulations and the company's quality guidelines.

In 2023, 9 internal audits were conducted, with 10 audits planned for 2024 to ensure timely inspection checks across all company functions.

## Environmental management system

At the present time, we have no voluntary environmental certifications (ISO 14001 and EMAS). Our management structure, our constant commitment to complying with mandatory regulations and the expertise we have acquired in this field allow us to work with a view to the future adoption of management models and therefore to support a first-party audit conducted by accredited environmental certification bodies.

## Product certification

All the mechanical and electronic products for automation solutions for use in the industrial sector have the main certifications, obtained from the relevant bodies, in order to guarantee the functional characteristics required by the standards while reducing energy consumption and environmental impact in terms of product and automation solution footprint.

9

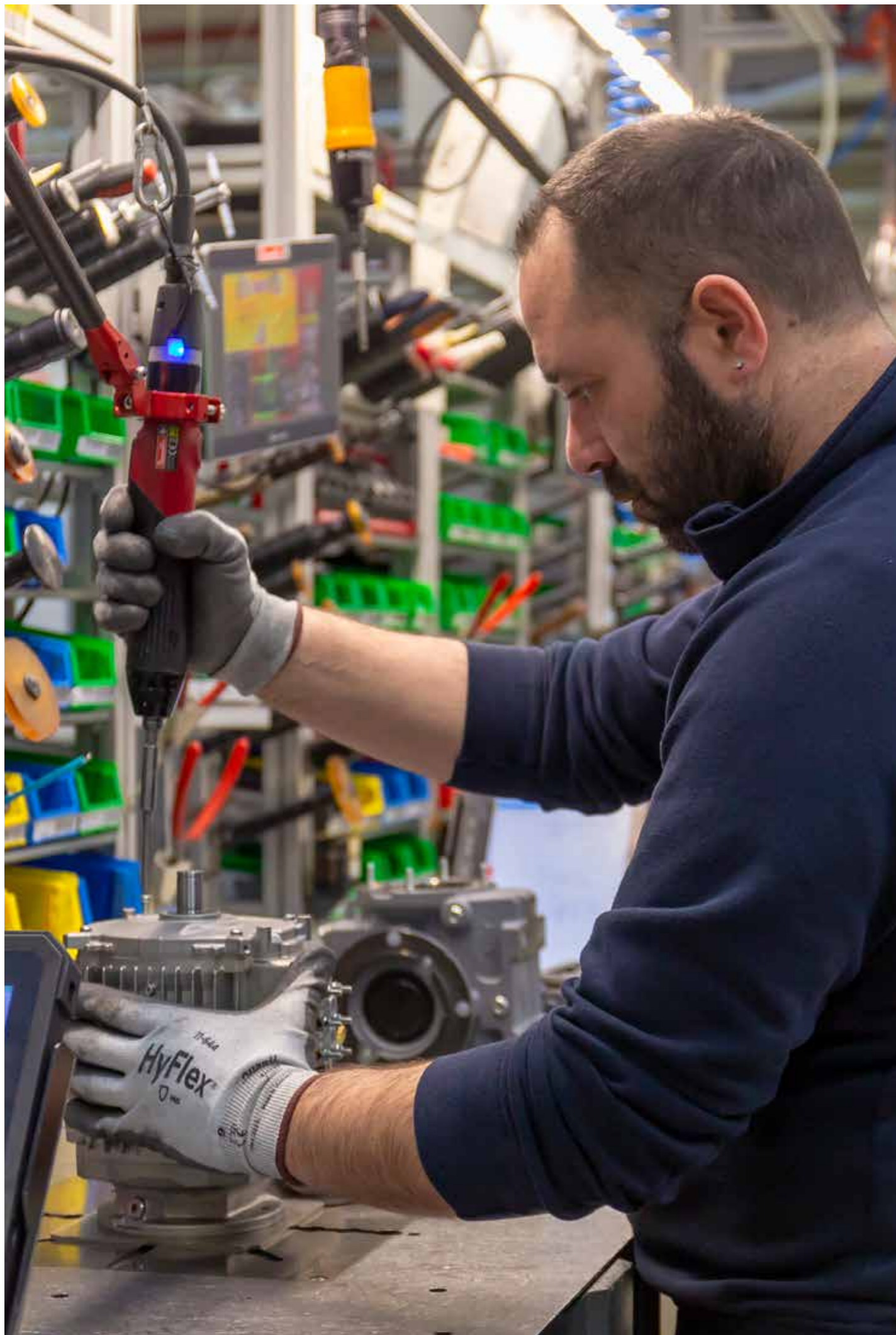
audits carried out in 2023

10

audits planned in 2024



	<b>ISO9001-2015</b> Quality Management	<b>IEC 61508:2010</b> Functional Safety Products	<b>IEC 60079:2019</b> Ex Products	<b>UL</b> (Underwriters Laboratories Inc) Conformity of product for the North America market	<b>CSA</b> (Canadian Electrical Code) Conformity of product for the Canada market
Scope of validity	SEW IT	Sales & Service	Sales & Service	Solaro Plant (Assembly)	Solaro Plant (Assembly)
Type of inspection	Second-party audit (parent company)	Second-party audit (parent company)	Second-party audit (parent company)	Third-party audit (accredited body)	Third-party audit (accredited body)
Frequency of audits	3 years	3 years	3 years	3 months	3 months



# Economic value created and distributed

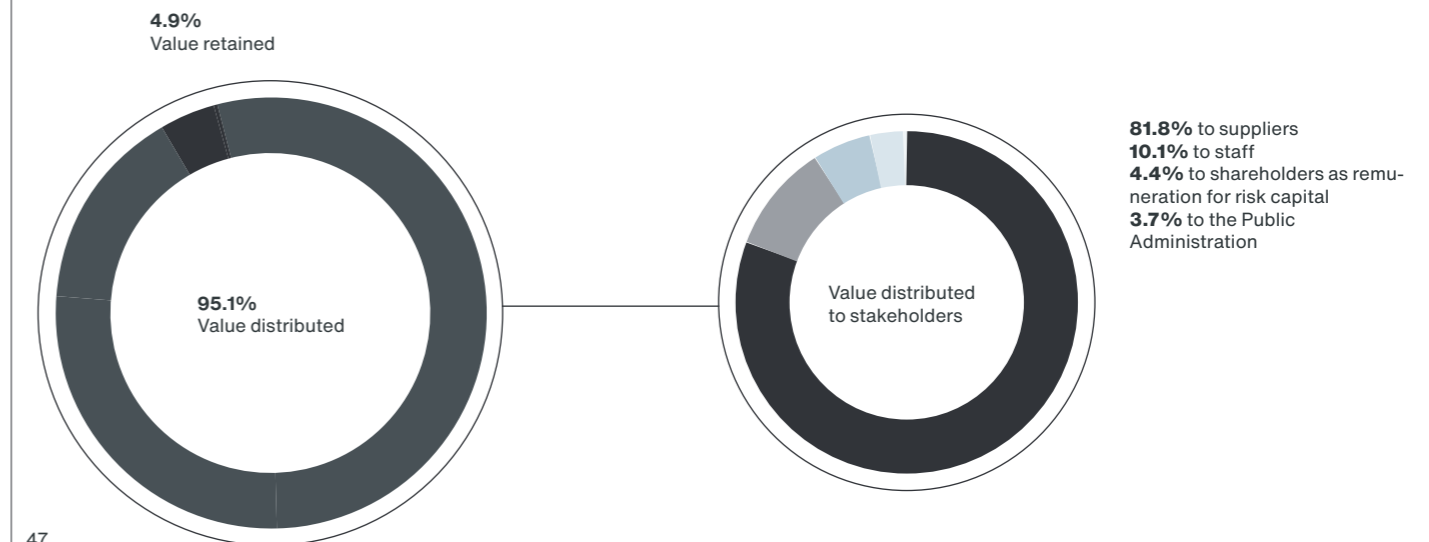
The economic value we generate is the main indicator of the financial sustainability of our business - it is proof of the soundness of our growth strategies and the efficacy, efficiency and cost-effectiveness of our management. The share of distributed value, on the other hand, represents our company's ability to share these resources with the entire system, with particular reference to some of the main stakeholder categories (employees, lenders, shareholders, public administration and the community). Over the last three years, since we began the reporting process, the value we have generated has increased by 23.4% compared to 2021 (by 2.8% compared to 2022).



Economic value generated and distributed	2021	2022	2023
<b>A. Economic value produced</b>	<b>138,662</b>	<b>166,448</b>	<b>171,160</b>
<b>B. Economic value distributed</b>	<b>137,738</b>	<b>161,257</b>	<b>162,755</b>
Economic value for suppliers	105,385	130,419	133,063
Economic value for employees	14,862	16,139	16,474
Economic value for the Public Administration	4,338	5,538	6,079
Economic value for shareholders	13,076	9,076	7,098
Economic value for the community	77	85	41
<b>(A-B) Economic profit retained</b>	<b>924</b>	<b>5,191</b>	<b>8,405</b>

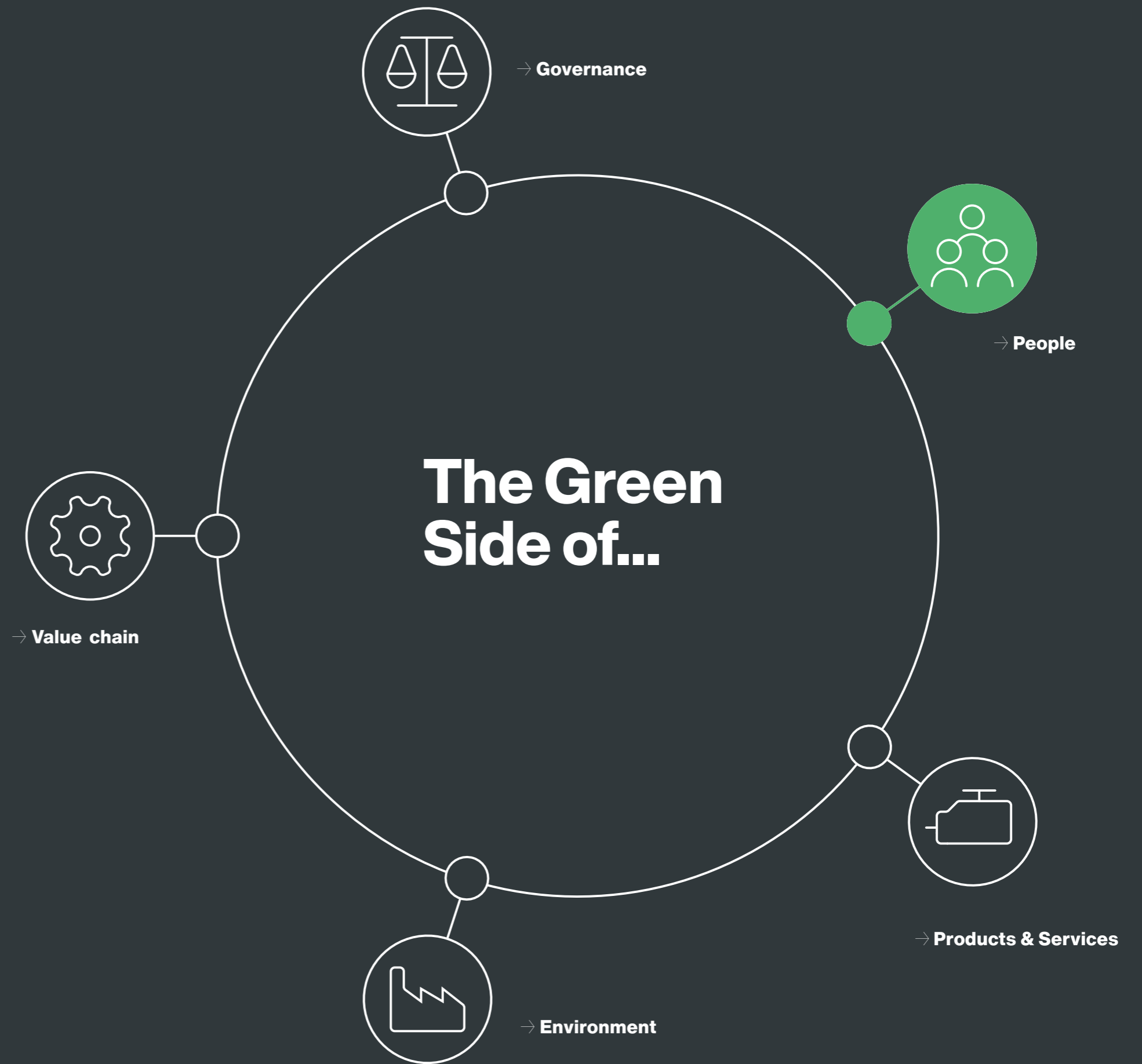
In thousands of euro

## Economic value generated, retained and distributed



# People

- 52 Growth starts with people
- 53 The team
- 56 Hiring process and turnover
- 56 Training and career development
- 60 People's wellbeing
- 62 Equal opportunity and remuneration
- 64 Occupational health and safety
- 70 Communication

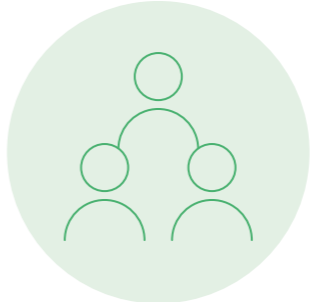


# Empowering individuals to unleash their potential lies at the heart of our corporate ethos.

At SEW-EURODRIVE, we recognize that individual talent alone is not enough: achieving exceptional service requires every department to excel and work seamlessly together.

The ability to harness personal potential forms the foundation of our culture and our commitment to social responsibility. Accordingly, we prioritize personal growth through delegation and shared accountability, empowering our entire workforce. Our ongoing challenge is to unlock greater creative energy.

Aligned with our vision, our aim is to cultivate an environment conducive to realizing the potential of every individual. Cultivating corporate culture stands as the linchpin of our strategy and embodies our vision.



**8.9%**

proportion of young people in the Company

**216**

total employees

**32%**

proportion of university graduates among employees

**26.4%**

proportion of women in the total (23% in 2021)



**In 2023,  
A woman  
was appointed  
as a manager**



**11,409**

hours of training

**220**

people involved

**€202,165**

Invested in training

# Growth starts from the people

We have known for some time that our business has changed. We have moved from a “product-based” rationale to a “solution/system-based” approach.

For a company like ours, with a successful history of over 90 years, 50 of which in Italy, this transition represents a major change. Selling a product is, in fact, completely different from selling a solution/system. We gradually want to become a service company, where the difference will not be the “what” (the technology), but the “how” (i.e. the sales methods and the type of unique experience the company is able to convey to the customer).

To succeed against the competition, it is crucial to increasingly focus on something that makes us stand out - service, which only people can provide.

## We have known for some time that our business has changed.

This is the origin of our commitment to support a management and social policy model based on engagement and trust between management and staff, both through continuous training to convey a leadership style in line with the times, and through systems for assessing mood and management that involve all employees.

For some time now, we have introduced a comprehensive assessment for management as a means of fostering consistency between declarations of intent and actions. In 2023, we extended this model to the entire company population, demonstrating our determination and conviction in pursuing a cultural transformation to support the business.

## We have moved from a “product-based” rationale to a “solution/system-based” approach.

## From health to wellbeing

We believe it is essential to focus on people's health and safety in a broad sense, with a view to overall wellbeing in the workplace. We place great emphasis on monitoring everyone's wellbeing by providing an open, supportive and trusting atmosphere. This is why, periodically, we take part in the Great Place To Work® survey and we are pleased to have obtained both the national certification that seals our commitment to people and recognition as one of the leading Italian companies ranked for quality of the workplace for production lines.

## Training programs

Our training initiatives focus on continuous learning throughout the entire career lifespan and generally encompass three key areas:

- + soft skills
- + technical and specialist skills
- + quality and safety



## People: the ESG material topics

- + Occupational health and safety
- + Enhancing skills and wellbeing
- + Spreading and growing a sustainable culture

# The team

The number of employees grew by 1.4% in 2023 compared to the prior year. Over the three reporting years, the percentage of women out of the total increased from 22% to 26.4%, and a woman has been appointed as a manager.



Workers by position	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Executives	11	0	11	9	0	9	9	1	10
Middle Managers	20	3	23	28	3	31	16	3	19
Office workers	82	41	123	81	46	127	93	47	140
Manual workers	41	0	41	41	5	46	41	6	47
<b>Total*</b>	<b>154</b>	<b>44</b>	<b>198</b>	<b>159</b>	<b>54</b>	<b>213</b>	<b>159</b>	<b>57</b>	<b>216</b>

\*workers as of 31/12

We use a very small number of non-permanent workers: specifically, we employ just 3 individuals on fixed-term contracts, with 1 intern and 2 through temporary agency staffing arrangements

**3**  
Individuals on  
on fixed-term contracts

Type of contract*	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Agency employees	0	3	3	3	4	7	1	1	2
Interns	3	3	6	3	2	5	1	0	1
<b>Total</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>3</b>

\*Workers who are not employees

The largest functional area is Sales in the Drive Centers, followed by Operations, located in the Solaro headquarters.

Workers by functional area*	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Administration, Finance and Credit	3	7	10	3	8	11	3	8	11
General Management, Marketing, IT, HR	6	5	11	7	6	13	7	7	14
Operations	50	9	59	48	15	63	47	16	63
Business Management - Innovation Technology	31	8	39	33	10	43	36	11	47
<b>Total Solaro</b>	<b>90</b>	<b>29</b>	<b>119</b>	<b>91</b>	<b>39</b>	<b>130</b>	<b>93</b>	<b>42</b>	<b>135</b>
<b>Drive Center (DC)</b>	<b>64</b>	<b>15</b>	<b>79</b>	<b>68</b>	<b>15</b>	<b>83</b>	<b>66</b>	<b>15</b>	<b>81</b>
of which:									
Milan	13	3	16	14	2	16	14	2	16
Bologna	16	6	22	16	6	22	16	6	22
Turin	10	2	12	11	2	13	10	2	12
Verona	16	3	19	16	3	19	15	3	18
Caserta	9	1	10	11	2	13	11	2	13
<b>Total</b>	<b>154</b>	<b>44</b>	<b>198</b>	<b>159</b>	<b>54</b>	<b>213</b>	<b>159</b>	<b>57</b>	<b>216</b>

\*workers as of 31/12

The proportion of young people in the company, aged under 30, increased from 3.5% in 2021 to 8.87% in 2023.

Staff by age bracket**	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
<30 years old	4	3	7	6	9	15	9	10	19
31-50 years old	86	27	113	102	28	130	100	30	130
>50 years old	64	14	78	51	17	68	50	17	67
<b>Total</b>	<b>154</b>	<b>44</b>	<b>198</b>	<b>159</b>	<b>54</b>	<b>213</b>	<b>159</b>	<b>57</b>	<b>216</b>

\*workers at 31/12 (excluding interns and agency staff)

Staff by educational qualifications*	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Middle school	25	0	25	23	0	23	20	1	21
High School Diploma	78	31	109	88	38	126	88	38	126
Bachelor's Degree	10	6	16	13	6	19	13	6	19
Specialization	37	5	42	31	10	41	36	12	48
Postgraduate masters	4	2	6	4	0	4	2	0	2
<b>Total</b>	<b>154</b>	<b>44</b>	<b>198</b>	<b>159</b>	<b>54</b>	<b>213</b>	<b>159</b>	<b>57</b>	<b>216</b>

\*workers at 31/12 (excluding interns and agency staff)

## Contract type

**3.2%**

part-time workers

Almost all employees (99%) have a permanent contract, and 3.2% of the total workforce have a part-time contract (all women).

Contract type	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Employees on permanent contracts	153	43	196	159	53	212	158	56	214
Employees on temporary contracts	1	1	2	0	1	1	1	1	2
<b>Total employees*</b>	<b>154</b>	<b>44</b>	<b>198</b>	<b>159</b>	<b>54</b>	<b>213</b>	<b>159</b>	<b>57</b>	<b>216</b>

\*workers as of 31/12

Full-time and part-time workers	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Full-time	154	36	190	159	46	205	159	50	209
Part-time	0	8	8	0	8	8	0	7	7
<b>Total*</b>	<b>154</b>	<b>44</b>	<b>198</b>	<b>159</b>	<b>54</b>	<b>213</b>	<b>159</b>	<b>57</b>	<b>216</b>

\*workers as of 31/12

# Trial process and turnover

We firmly believe that business development must go hand in hand with creating and protecting jobs. And this is where our strong focus on the professionalism of each employee stems from; at the same time, we try to raise their awareness of the importance of always putting themselves out there and stepping out of their comfort zone.

In order to achieve this, people need to be fit for the challenges of change that we want to set ourselves. Therefore, our recruitment processes are very scrupulous and are based on interviews with the HR and line functions and on analysis tools, such as the DISC model, which profiles behavioural and communication styles. Company onboarding is facilitated by what is known as the Induction Plan, enabling new recruits to familiarize themselves with all company functions and introduce themselves to others.

In order to retain talent, we try to offer a value-added environment where people can experience a trusting atmosphere and grow professionally on the basis of their aptitudes and motivation. Periodic feedback and development interviews, participation in training courses, an individual and collective performance rating system, and a compensation model that takes market benchmarks into account result in low company turnover, net of retirements.



# Training and careers

To ensure our workforce is adequately trained to meet the challenges of both our business and the market, we implement an annual employee training plan tailored to the specific training needs defined annually by each department through periodic performance evaluations and professional growth assessments. This comprehensive approach involves 100% employee participation in skills development and professional growth,

addressing department needs, standard training paths for each professional role/category, and strategic projects aimed at tackling new challenges.

The type of course determines how it will be used.

### Type of training

- + face-to-face in classroom
- + on-the-job training
- + e-learning
- + videoconferencing
- + Train-the-Trainer

\*The DISC model is a behaviour assessment tool rooted in the research of William Moulton Marston, a contemporary of Carl Jung. D= Dominance, I= Influence, S= Steadiness, C= Conscientiousness

No. of training hours*	2021		2022		2023	
	M	W	M	W	M	W
Executives	853	0	1,271	0	275	218
Middle Managers	865	144	1,315	163	2,160	246
Office workers	1,606	1129	2,269	773	3,338	4,190
Manual workers	435	52	499	24	629	352
Hours of training by gender	3,759	1,325	5,354	960	6,403	5,006

\*hours of learning (classroom hours x no. of learners)

No. of people involved in training*	2021		2022		2023	
	M	W	M	W	M	W
Executives	11	0	10	0	9	1
Middle Managers	22	3	26	3	30	3
Office workers	65	39	82	46	86	47
Manual workers	14	0	30	2	39	5
<b>Total</b>	<b>112</b>	<b>42</b>	<b>148</b>	<b>51</b>	<b>164</b>	<b>56</b>

\*Also including employees who left during the year while participating in training activities

Our training initiatives are structured into three categories:

- + Cross-functional: focused on building skills common to multiple company roles, such as communication, leadership, languages, coding, digitization, and coaching;
- + Technical-Specialist: focused on building specific skills relevant to each company role.
- + Quality – Safety – Environment: focused on developing skills in Quality, Safety, and the Environment.

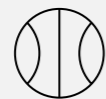


Hours of training* by type of skill	2021		2022		2023	
	M	W	M	W	M	W
Cross-cutting training	1,449	558	2,195	406	3,572	4,449
Specialist - technical training	677	171	2,274	360	2,105	459
Health, quality and safety training	1,663	596	885	194	726	98
<b>Total</b>	<b>3789</b>	<b>1325</b>	<b>5,354</b>	<b>960</b>	<b>6,403</b>	<b>5,006</b>

\*hours of learning (classroom hours x no. of learners)

COST OF TRAINING BY TYPE OF SKILL (€)	2021		2022		2023	
	M	W	M	W	M	W
Cross-cutting training	116,385	35,314	110,160	34,760	75,642	87,291
Technical - specialist training	5,500	3,550	24,787	15,740	14,539	7,877
Training in Health, quality and safety	15,175	3,320	17,652	2,740	14,662	2,154
<b>Total by gender</b>	<b>137,060</b>	<b>42,184</b>	<b>152,599</b>	<b>53,240</b>	<b>104,843</b>	<b>97,322</b>
<b>Total</b>	<b>179,244</b>		<b>205,839</b>		<b>202,165</b>	

In 2023, we initiated a range of training activities aimed at strengthening cross-functional strategic skills to navigate the increasing complexities of digital transformation:



business coaching courses;



an empowerment initiative focused on enhancing female leadership, following an initial session with the entire management team last year;



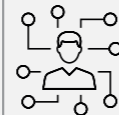
digital sales training to support the digital transformation of our sales force;



English courses offered to a large segment of our workforce;



training in DISC assessments for understanding and applying communication and behavioural styles;



cybersecurity training for all staff members;



a training and test-drive day on electric mobility for employees preparing to receive company electric vehicles.



a company-wide training program introducing foundational skills in coding, computational thinking, and artificial intelligence - critical competencies for addressing both present and future challenges;



people management courses designed for team leaders;

We prioritize the development of our employees through personalized development paths that integrate various approaches and tools:



Individual DISC profiling (Dominance, Influence, Steadiness, Conscientiousness);



Identification of personal improvement areas and expectations through feedback and development discussions with managers;



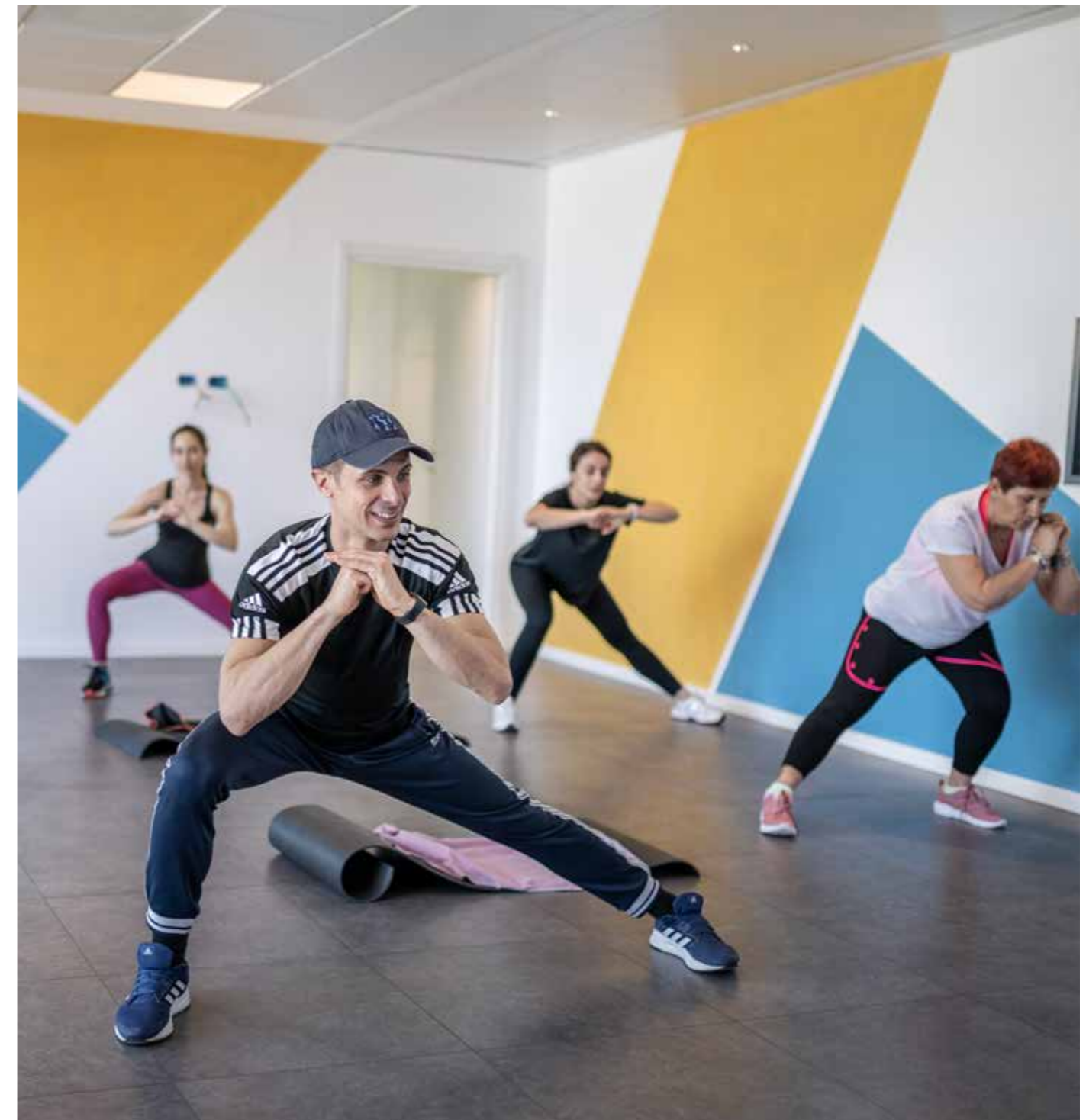
Assessment of corporate, departmental, and individual training needs;



Individual job category and salary evaluations;



Comprehensive 360-degree performance reviews



# Wellbeing of people

Our people-centric vision is further proof that the wellbeing of our employees is at the heart of our social policies.

The Smart Factory at Solaro relieves workers of many repetitive tasks, raising the overall standard of ergonomics quality at each workstation. The AGV smart shuttles act both as a trolley for transporting semi-finished products inside the factory and as a dynamic workbench. This way, each shuttle is self-regulating and adapts to the assembly activity and physical features of each employee. This brings benefits both in terms of increased productivity and improved working conditions in the factory.

Wellbeing and attentiveness to employees also means promoting a robust welfare policy filled with effective social services, income support, and work-life balance initiatives. We recognize the role private companies play in complementing public policies, which, when managed strategically, can become a source of innovation in:

- + relationships between the company and its employees, as well as with local entities and institutions;
- + supporting family incomes with high-value services.

With these goals in mind, we have developed the SEWelfare plan, which offers a variety of services in three main areas:

- + work-life balance and time-money saving;
- + health protection;
- + family support.

We also understand that our lifestyle directly affects our wellbeing and that our daily routines often hinder maintaining healthy habits like good sleep, balanced diets, and regular exercise. Therefore, we decided to help our employees take care of themselves by launching the SEWellness project, which aims to make a tangible contribution to improving everyone's lifestyle. This project includes sports courses, focusing on posture exercises and functional training, held at our Solaro headquarters.

For our commercial offices across Italy, we have partnered with a provider that gives us access to an online training platform, sports centres, and affiliated studios throughout Italy. Additionally, employees can consult with nutritionists to create personalized diet plans.



Benefits provided to employees	2021				2022				2023			
	on permanent contracts	on fixed-term contracts	Full-time	Part-time	on permanent contracts	on fixed-term contracts	Full-time	Part-time	on permanent contracts	on fixed-term contracts	Full-time	Part-time
Flexible working hours	x	x	x	x	x	x	x	x	x	x	x	x
Supplementary healthcare	x	x	x	x	x	x	x	x	x	x	x	x
Willingness to provide part-time options	x	x	x	x	x	x	x	x	x	x	x	x
Extension of paternity leave	x	x	x	x	x	x	x	x	x	x	x	x
Supplementary pension	x	x	x	x	x	x	x	x	x	x	x	x
Filling out tax form 730	x	x	x	x	x	x	x	x	x	x	x	x
Study grants for employees' children	x	x	x	x	x	x	x	x	x	x	x	x
Time-saving service (laundry, mail, car servicing/ washing, onsite package delivery)	x	x	x	x	x	x	x	x	x	x	x	x
On-tap credit on welfare portal	x	x	x	x	x	x	x	x	x	x	x	x
Counselling service	x	x	x	x	x	x	x	x	x	x	x	x
Pink parking spaces for pregnant women	x	x	x	x	x	x	x	x	x	x	x	x
Paid time off for medical examinations	x	x	x	x	x	x	x	x	x	x	x	x
Covid-19 services	x	x	x	x	x	x	x	x	x	x	x	x
Internships in the company for employees' children	x	x	x	x	x	x	x	x	x	x	x	x
Company discounts	x	x	x	x	x	x	x	x	x	x	x	x
Employee loans	x	x	x	x	x	x	x	x	x	x	x	x
Restaurant tickets	x	x	x	x	x	x	x	x	x	x	x	x
Sports services									x	x	x	x



# Equal opportunity and remuneration

We adopt two types of management models to foster equal opportunities and equity:

+ Competencies-based model: our recruitment, merit-based recognition and performance evaluation and development systems are all primarily based on the competencies model, which by definition ensures equity in day-to-day management;

+ Compliance model: the Code of Ethics, which places great emphasis on the importance of ensuring equal opportunities and fair treatment, and the system of reporting violations to the compliance structure ensure an adequate system for stamping out discrimination. We continue to work on improving pay equity.



Fixed gross annual earnings ratio - women/men - by category	2021	2022	2023
	W/M	W/M	W/M
Middle Managers	0.94	0.92	0.93
Office workers			
B1	0.94	0.91	0.85
B2	0.84	0.84	0.84
B3	-	0.83	0.78
C2	0.98	-	
C3	0.94	0.9	0.89
Manual workers			
C1	-	0.98	0.96
C2	-	0.93	0.88
C3	-	-	-

Remote working	2021			2022			2022		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Number of employees who worked from home	110	44	154	109	50	159	106	49	155
% of people working from home on the total	71	100		68	93		67	86	
Total no. days working from home	5,899	3,567	9,466	4,310	3,120	7,430	4,043	3,253	7,296
% of days on total no. days working from home	18	43		13	33		38	68	

Variable earnings ratio* women/men by job category	2021	2022	2023
	W/M	W/M	W/M
Middle Managers	0.97	1.06	1.17
Office workers			
C2	0.76	1.07	
C3	0.74	0.89	1.07
B1	0.77	0.81	0.82
B2	1.13	0.84	0.79
B3	-	0.76	0.74
Manual workers			
C1	-	0.54	0.60
C2	-	0.45	0.91

\* refers to variable bonuses: amounts actually received in the year under review. Eligible persons are people hired on a permanent contract after successfully completing the probationary period. Employees hired during the year receive compensation proportional to their months of service. This results in an apparent imbalance in the women-to-men ratio, especially in the manual worker category, where 5 new employees were hired in 2022

Protected categories	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
Office workers	4	5	9	4	6	10	2	6	8
Manual workers	2	0	2	1	0	1	1	0	1
<b>Total</b>	<b>6</b>	<b>5</b>	<b>11</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>3</b>	<b>6</b>	<b>9</b>

Parental leave	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
No. of employees who were entitled to this leave	11	3	14	6	5	11	9	5	14
No. of employees who took leave	11	3	14	6	5	11	9	5	14
No. of employees who returned to work after parental leave	11	3	14	6	5	11	9	5	14
No. of employees who returned to work after parental leave who are still employees at SEW in the 12 months after returning	10	3	13	6	5	11	9	5	14
<b>Rate of return</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Retention rate*</b>	<b>91%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Occupational health and safety

ACCIDENTS EMPLOYEES	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
No. of deaths caused by accidents in the workplace	0	0	0	0	0	0	0	0	0
Total no. of accidents in the workplace recordable	1	0	1	1	0	1	1	0	1
No. of accidents with serious consequences*	0	0	0	0	0	0	0	0	0
Total hours worked	264,263	71,040	335,303	262,578	75,478	338,056	271,502	85,711	357,213
Rate of accidents in the workplace with serious impacts	0	0	0	0	0	0	0	0	0
Rate of accidents in the workplace recordable	0.38	0.0	0.30	0.38	0.0	0.31	0.37	0.0	0.28

\* leading to a death or injury from which the worker cannot recover, does not recover or cannot realistically be expected to fully regain their health prior to the accident within 6 months.

HEALTH SURVEILLANCE	2021			2022			2023		
	M	W	Tot.	M	W	Tot.	M	W	Tot.
medical check-ups	89	17	106	111	35	146	102	25	127
Fitness to work out of no. of medical check-ups	54	3	57	63	10	73	58	9	67
Fitness to work with medical limitations and restrictions out of no. of check-ups carried out	35	14	49	48	24	72	44	15	59
Temporary unfitness to work out of no. of check-ups carried out	0	0	0	0	1	1	0	1	1
No. of reports of occupational diseases	0	0	0	0	0	0	0	0	0

There were no recorded:



Deaths as a result of accidents in the workplace



Occupational accidents with serious consequences for the worker involved



Deaths caused by occupational diseases

## Frequency Index

The total number of hours lost due to workplace injuries is 152, with an additional 96 hours lost due to commuting injuries (car accidents).

Number of injuries divided by the total hours worked, multiplied by 100,000

**0.30**

2021

**0.31**

2022

**0.28**

2023

**For us, the health and safety of people is not a mere indicator, it's the only way to operate.**

The mission of the health and safety function is to contribute to business growth by minimizing risks.

The principles of operational excellence:

- + Safety starts first and foremost with the behaviour of workers;
- + Everyone is involved, no-one is excluded;
- + There is no such thing as zero risk;
- + Zero accidents as a common goal, every day and in every condition.

In 2022, the Health, Safety and Quality (HSQ) function internally developed the first version of the occupational health and safety management system (SGSL) to control, monitor, evaluate and improve all aspects of prevention and protection. The model is built on the basis of compliance with the regulatory requirements set out in particular in Italian Legislative Decree 81/08 and the current body of legislation.

Process standardization and continuous improvement are fully embedded in the model.

The Prevention and Protection system is made up of 8 ELEMENTS that include all the main aspects:

- + PILLAR 1: Commitment of top management
- + PILLAR 2: Management of risks and hazards
- + PILLAR 3: Safety of equipment, work tools, plant and machinery checks
- + PILLAR 4: Continuous training
- + PILLAR 5: Safety management external enterprises and companies
- + PILLAR 6: Accident review
- + PILLAR 7: Emergency preparedness and response
- + PILLAR 8: Recognising the risk

Each pillar is made up of several "requirements", which are also evaluated by the Prevention and Protection Service (SPP) by means of a checklist and an associated score that measures the degree of maturity achieved by the SGSL.

The company's target is set at a higher level of implementation each year, through a long-term programme, to reach the total degree of implementation of the 8 pillars and the 40 sub-assessed requirements.

# 1

## Commitment of top management

All managers work on applying best practice in health and safety.

**Scope:** To ensure that safety is one of the company's priorities, with visible commitment and investment.

### How:

+ reviewing safety performance and events

+ allocating responsibilities

+ discussing procedures, regulations and application

+ analysing deficiencies, searching for continuous improvement solutions

# 2

## Recognizing the risk

**Scope:** Identifying hazards, assessing risks and investigating incidents.

Reporting observed criticalities and proposals for improvement to reduce risks are the key to success in this area. The risks are assessed by the Prevention and Protection Service Officer (RSPP), in consultation with the Employer and with the support of supervisors and workers. The assessment method involves completing a matrix  $R = P \times D$  (Risk = Probability x Damage) for each generic and specific risk identified in the workplace.

The input data is collected directly in the workplace, sometimes with the intervention of external consultants and technicians, and all the steps and equipment involved in each work cycle, as well as the products used, are examined in detail. A fundamental contribution is provided by the information received from the occupational physician, gathered during the inspections or interviews carried out during health surveillance. The risk assessment results in an improvement Corrective Action, Preventive Action (CAPA) plan, which sets out the specific actions, timeframes, responsibilities and response priorities.



# 3

## Equipment, work tools, Plant checks

This technical pillar encompasses risk assessments, technical reports and field audits for operational aspects such as working at height, managing flammable substances, industrial handling equipment, trip and fall prevention, etc.

# 4

## Continuous training

We believe in the importance of health and safety training for our resources. Developing job-specific skills and general compulsory training are a fundamental part of the system. This way, workers can demonstrate the skills they have acquired in relation to their job responsibilities. Training and, where applicable, specific instruction takes place on the following occasions:

+ when the employment begins or when an individual begins their assignment, in the case of agency staff

+ when transferring or changing jobs

+ when new work equipment or new technologies, new hazardous substances and preparations are introduced

The health and safety training programme (training masterplan) is managed by the HR and HSQ functions and is structured in maro-steps:

+ analysis of general training needs ( certification deadlines, regulatory requirements, job descriptions)

+ collection of individual workers' needs (based on job risks)

+ definition and approval of training budget

+ selection and involvement of external (accredited) training school

+ annual action planning

+ successfully completed test and handover of certificates.

The courses are split into compulsory (state-region agreement) and specific (job-related).

### Indicators of the 2023 training masterplan:

+ 106 workers trained and involved in at least one learning module

+ 792 hours of training provided (both e-learning and in-person)

+ 18 different modules

+ 40 classes managed

# 5

## Prevention and mitigation of health and safety impacts for contracted technical operations

Companies must operate in a manner consistent and compatible with our environmental, health and safety policies and procedures. We have developed a specific safety procedure for the management of contractors in accordance with Title IV of Italian Legislative Decree 81/08. As the commissioning company, we verify the professional eligibility and compliance with safety regulations of all suppliers and contractors, where applicable, by obtaining supporting documentation (absence of disqualification measures, self-certification of professional eligibility, compliance with social security contributions, employment contracts, training and education certificates, etc.).

We prepare an assessment of risks generated by interference between activities conducted simultaneously in the workplace (DUVRI) for each supplier. This document contains information on the company's risks and any risks introduced by the supplier.

The Prevention and Protection Service, with the support of external expert consultants, assesses the conformity of the documents received from the companies and approves their operation in the event of a positive outcome.

# 6

## Analysing incidents and investigating causes

The culture of reporting is widespread in the company as a means of communicating abnormalities and critical conditions in order to prevent accidents and emergencies. Reports that include risks and hazards reach the RSPP, who analyses the incident and classifies it according to type.

In the event of an accident or near miss, we first speak with the injured or otherwise affected person, if possible; if not, we use the testimony

### Managing events

In the case of an event relating to the health and safety of workers (nonconformity), we act as follows:

Phase	Purpose
Urgent response based on severity of event	Make the worker safe in the event of an accident or indisposition
Verify	Impact, damage, circumstances of the accident
Description of facts, analysis of causes	Identify cause and effect relationships (5W1H, 5 whys, fishbone)
Countermeasures	Corrective technical-managerial-organisational action (e.g. on the training of workers in order to correct any gaps in the training of personnel involved in the incident to eliminate further occurrences of the same nature)
Verify	Effectiveness of countermeasures, preventive and corrective actions



nies of the personnel present and postpone the interview with the person until as soon as possible (usually when they return to the company). We use a root cause investigation model where key information is analysed to guide the investigation of the event such as:

+ circumstances leading to the event

+ interviews of the persons involved

+ what exactly happened

+ triggering factors

+ analysis of apparent cause

+ root cause analysis for complex and serious events

+ corrective/preventive actions

All adverse events are categorized into the following groups (safety pyramid):

+ injury (breakdown by days of absence)

+ fire/explosion incidents

+ first aid (where treatment is provided without resulting in days of absence or hospitalization)

+ near misses

+ unsafe actions

+ unsafe conditions

# 7

## Emergency preparedness

Emergency preparedness and response plans are documented, accessible and clearly communicated.

Equipment, facilities and appropriately trained professionals for emergency response are defined and immediately available.

Simulations and drills are conducted on planned response methods for specific emergency scenarios.

# 8

## Recognising the risk

Prevention is based on techniques for observing unsafe conditions and reporting abnormalities. In order to build up the safety pyramid, events without consequences for property and persons but important for eliminating the probability of an accident are reported - unsafe conditions, unsafe actions and near misses respectively.

## Field service actions

Field operations at our customers' facilities (domestic and foreign area) are managed by means of a standardised workflow with the aim of protecting off-site workers, by means of a pre-assessment of the operation and a document check during the planning phase.

All our technical consultants and service operators undergo continuous training by means of courses for Expert Person (PES), Informed Person (PAV), work at height, use of Mobile Elevating Work Platforms (MEWPs), Personal Protective Equipment (PPE) management, and forklift driving, which not only provide role-specific technical knowledge and skills, but also minimise possible personal injury, thereby safeguarding the safety and health of workers.

## Occupational health services

In accordance with applicable legislation, health surveillance is entrusted to the (external) occupational physician. The occupational physician collaborates and cooperates with the SPP on aspects such as:

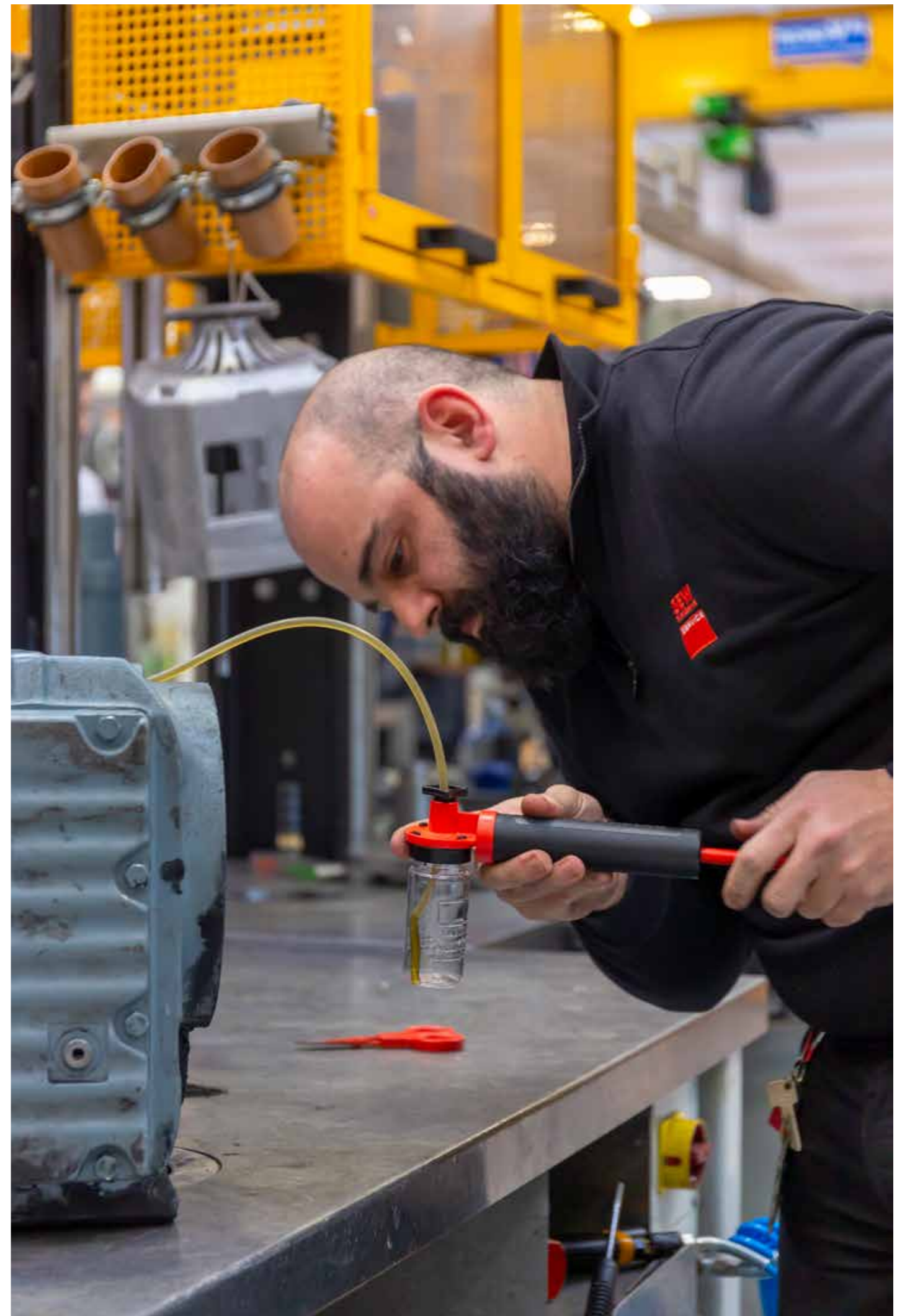
- + content and updates of Risk Assessment Document (DVR);
- + major changes in the production process, company organization and working methods that may impact on the risk;



- + evidence of workplace inspections;
- + regular meetings;
- + identification and definition of job-related risk profiles.

The company health protocol was defined and prepared with the collaboration of the occupational physician.

On the basis of the job descriptions assessed in the DVR, a "plan of check-ups" was structured, defining which health checks (preventive and periodic) are considered necessary to guarantee the health of all workers exposed to the various job-specific risks (clinical examinations, diagnostic investigations and subsequent check-up with the occupational physician).



# Communication activities

## Internal communications

The primary purpose of internal communication is to involve all employees in order to connect people, establish functions, and activate processes, defining connections that add value to the company. The governance system (see page 42), which is structured as multiple constantly evolving teams and meetings, is the company's main communication platform because it is based on human relations between people, sharing experiences in an increasingly participatory and two-way manner. One example is the creation of the SEW Lab, with the aim of promoting digital innovation through agile methods and outside normal hierarchical structures.

Methods of internal communication:

- + Digital Signage - monitors positioned in the offices that transmit information and various updates on events, Corporate Social Responsibility initiatives, activities with strategic customers, financial data, energy consumption and performance of renewables, progress of cross-disciplinary and innovation projects;
- + DriveNet - the group's intranet, where organizational charts, internal communications, updates on the performance indicators of the various departments are published and which can be used to access various company tools to manage documents for internal use, monitor specific commercial and administrative activities, access e-learning and much more;
- + a six-monthly magazine (MEG) to share information, fun facts and updates on brand positioning, digital and sustainability projects and activities with customers, followers and all stakeholders.

Some of the information is anticipated by an internal bi-monthly newsletter to share updates on lead management projects, new business opportunities, events, trade fairs, interviews with customers and colleagues.



## THE DECISION TEST



### Employee engagement tool for significant changes

For SEW, the relationship between employees and management is crucial, especially when significant changes are taking place in the company.

And this is why, in 2018, we introduced the Decision Test, a method of engaging workers whenever management intends to implement significant changes in the company.

Basically, we committed to always incorporating a phase of listening to the people concerned in order to better understand the repercussions, fears, resistance and aspects to be taken into consideration.

The tools adopted might be focus groups, internal surveys or both, depending on the complexity of the projects for change.

In general, whenever it is appropriate to implement a significant project of change, a dedicated project team is set up, with members selected solely on the basis of their specific expertise.

## External communication

Effective corporate communication involves engaging with all business stakeholders and potential audiences through appropriate strategies and tools. By establishing interaction channels where people can be heard, external communication plays a crucial role in shaping perceptions about the quality of our products and services. It also defines our brand values and creates content that resonates with diverse stakeholders such as corporate customers, suppliers, business partners, institutions, associations, foundations, schools, universities, job seekers, banking institutions, and investors. This process supports the social, cultural, and economic development of our brand while gathering feedback to continuously align with the needs and preferences of our audience.

Our approach to external communication ensures meticulous attention to detail across various communication platforms, from logos and events to lettering, promotional visuals, social media, blogs, websites, co-marketing efforts, printed materials, and product lines.

At SEW-EURODRIVE Italia, the marketing department oversees external communication, introducing and developing methods to enhance interaction and communication effectiveness. This includes modernizing communication systems with stakeholders, exploring new tools, channels and services. Our external communication efforts also focus on promoting awareness of our personnel and management, as well as raising awareness about our policies and management models. Furthermore, our marketing team manages the communication strategy for our sustainability reports, ensuring comprehensive dissemination across printed, digital, and online platforms.

### Communication strategy

Every year, the Italia marketing team develops a communication strategy to define how our brand positions itself within the industrial, social, environmental and local contexts where we operate. This strategy plays a crucial role in our growth and in achieving our social and cultural sustainability goals.

By focusing on the explicit and implicit needs of our target audience, our marketing team designs a content and distribution strategy. This strategy shapes and manages all corporate communication channels, facilitating open lines and communication between internal departments and external stakeholders.

We set specific indicators each year to measure our brand's positioning, including lead generation goals and targets for the types and quantity of content to be produced. These goals align with our broader distribution and communication strategy.

Moreover, on a monthly basis, our marketing team plans the topics and content to be shared in the following month. This planning considers releases from our parent company and aligns with our Blog's editorial calendar and journalistic planning. This allows us to schedule social media posts, create content such as graphics, carousels, and press releases, and distribute them across all channels outlined in our inbound marketing and online positioning strategy.

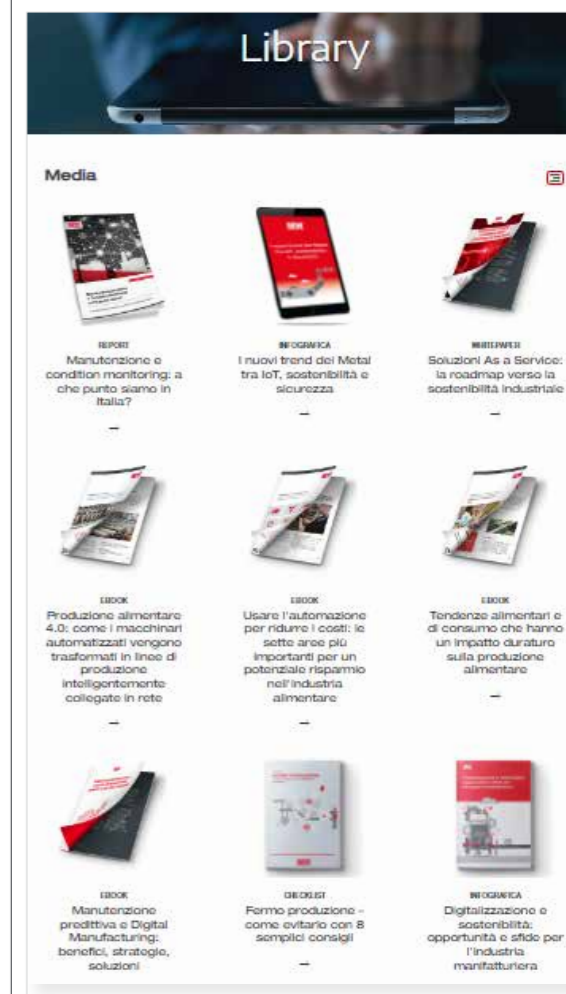
Marketing oversees the entire lead management process, from generating qualified contacts to nurturing and monitoring the outcomes of our sales approaches. This process uses a dedicated marketing automation platform equipped with tools for data tracking, analysis, and leveraging functionalities within our CRM system.



## 2

### Editorial plans

- + Specific annual plan for the corporate blog and for editorial releases
- + monthly for the Italian website



# For the territory and the community

Together with LUM School of Management we have created Industrial Innovation Lab, a cultural laboratory aimed at helping to transform small and medium-sized enterprises in Italy into agile, innovative and sustainable organizations. Industrial Innovation Lab is a free initiative to create a community with our stakeholders. It is open to entrepreneurs, managing directors/general managers, function directors and human resources managers of small and medium-sized companies, as well as to teachers, researchers, professors and social stakeholders who are particularly sensitive to the Lab's objectives. The lab works on four aspects:

- + people: the skills and values that underpin a dynamic and responsible business system
- + technology: technological innovation as an enabling factor for cultural, organisational and productive renewal and the development of new skills
- + sustainability: intended as responsibility for the environment and energy resources, and vis-à-vis the social context of the laboratory and its members
- + business and management models: a business environment that supports the adoption of innovative solutions to overcome the challenges of change and foster the economic sustainability of the enterprise.

As of December 2023, there are 15 member companies in the Lab.

Throughout 2023, we worked closely with companies near our Solaro premises, particularly with mobility managers, thanks to the support of the local Solaro government. Together, we aimed to establish sustainable mobility solutions for employees of local companies, promoting a unified approach.

## Act locally: a global vision for creating value in the community

Aligned with our commitment to foster a fairer and more inclusive socio-economic environment, we chose to support the "Fondo Seconda Stella - Mai più sola" initiative funded by the Fondazione Comunitaria Nord Milano and the Anti-Violence Centres in Rho and Bollate through the HARA Network, RICOMINCIO DA ME (start from me) project. This initiative includes:

- + running support helplines,
- + supporting pathways to independence,
- + offering shelter in safe houses,
- + providing guidance and training for potential job opportunities,
- + collaborating with businesses to drive cultural change.

This initiative is part of a broader project that will continue into 2024, featuring awareness sessions open to the entire company workforce to educate them about recognizing signs of violence and taking prompt action.

## Promoting a culture of sustainability inside and outside the company

At SEW-EURODRIVE, sustainability and responsibility toward the socio-economic context are personal commitments, extending beyond corporate goals. We have implemented a comprehensive welfare plan to enhance workplace wellbeing and have embraced remote working since 2017, aiming to foster a



corporate culture grounded in shared responsibility and transparent performance assessment - from promoting autonomy and remote support to emphasizing business and personal outcomes.

Our recent initiatives include SEWellness, a program promoting in-house fitness activities to enhance employee wellbeing and foster positive interactions among colleagues. (see pages 58 and 59)

Our responsibility includes compliance with laws, respect for essential ethical values, and adherence to the key principles that underpin our daily actions, as outlined in our Code of Ethics. (see page 43)

Furthermore, recognizing the impact of our operations and the global threat posed by climate change, as well as the fundamental role each of us can play to protect the planet and future generations, we promote sustainability through an internal Green Policy. This policy includes measures to conserve energy resources while advancing business performance. (see page 92)

## Ecosystem training

We actively engage with schools, universities, and training institutions to nurture future talent through internships, guidance programs, and visits to our Smart Assembly Plant in Solaro. This collaboration facilitates knowledge exchange and idea sharing in a Collaborative Industry framework.

## The Lean Smart Factory in Solaro serves as a hub for educational tours

Always forward-looking, open to the exchange of ideas, knowledge and experiences, we remain committed to fostering the development of new skills through stable and ongoing partnerships with leading vocational training institutes in lean management, Industry 4.0, and Smart Factory domains. These partnerships ensure that businesses can continuously update their competencies. To support this effort, we have established a network of contacts to coordinate theme workshops, short master classes, and executive tours. These initiatives are designed to showcase SEW-EURODRIVE's approach to factory digitization and the implementation of lean manufacturing principles within the Smart Factory context.

## Universities

We collaborate with several universities and business schools, including the Master of Science in Innovation and Technology Management at the Università Cattolica del Sacro Cuore in Milan and the Global Executive Master in Operations and Supply Chain Management at MIP Politecnico di Milano - Graduate School of Business. These partnerships facilitate knowledge sharing and address evolving industrial dynamics, providing continuous learning opportunities for all.

## Education

The "Girls Code it Better" project is an initiative intended to guide and train young women in technology, aiming to break cultural stereotypes about gender diversity. Girls Code it Better involves collaborating with schools to establish student clubs engaged in a 4-month journey. Guided by teachers and coaches, the young students address the topic and work on a project focused on technical skill development. As a partner, SEW-EURODRIVE Italia supports this scalable nationwide initiative, encouraging girls to challenge stereotypes and engage with STEM subjects (Science, Technology, Engineering, and Mathematics).

We have also forged a successful collaboration with "L. Pirandello Secondary School", Comuni Insieme (municipalities united), and the youth/family information hub in Solaro for an innovative experimental school orientation project. SEW-EURODRIVE has welcomed third-year middle school students from Solaro, offering them firsthand experience of the workplace and insights into local business operations.



# Products and Services

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# A business aligned with technological innovation and sustainability.

Over time, advancements in technology have profoundly reshaped business models, often moving them away from natural connections and toward a more human-centric approach. In the current market environment, this lifestyle is no longer sustainable, either from a survival perspective or from a business perspective. Adopting a sustainable policy is essential for any business that aims to create a long-term viable model. This approach not only ensures the company's longevity but also promotes environmental sensitivity, social wellbeing, and equitable, forward-thinking governance.

Our commitment to technological evolution and innovation in industrial automation solutions plays a vital role in promoting sustainability, benefiting both our company and our end customers. Our business model is designed to meet the evolving needs of end-users, thereby influencing the technological choices made by industrial machinery manufacturers.

As digitization and the shift towards a more human-centric concept continue to transform industries, there is a growing focus on integrated systems that require reimagined production processes and circular approaches to minimize waste, enhance recycling, and promote the upcycling of materials.

**The concept of the smart factory is evolving to be more Smart, Green, and Digital. This transformation optimizes production processes, significantly reducing energy consumption and improving return on investment for end-users. It also supports predictive maintenance, extending the lifespan of components.**



Better production efficiency  
reduced resource consumption



Use in more rewarding and often less  
risky activities



Reduced operational costs

# Business model

We have an Industry Management department to follow up our strategic markets through industry consultants, proposing innovative solutions to end users, to the benefit of production and environmental sustainability. At the same time, the local sales network, coordinated by regional managers, proposes the best solutions to machine manufacturers.

To ensure innovation and solutions for complex challenges, the Technology Management department provides expert technical and engineering advice in the areas of factory and machine automation.

## Our markets



Sustainable consumer goods



Airport & post parcel



Food & beverage



Smart Mobility

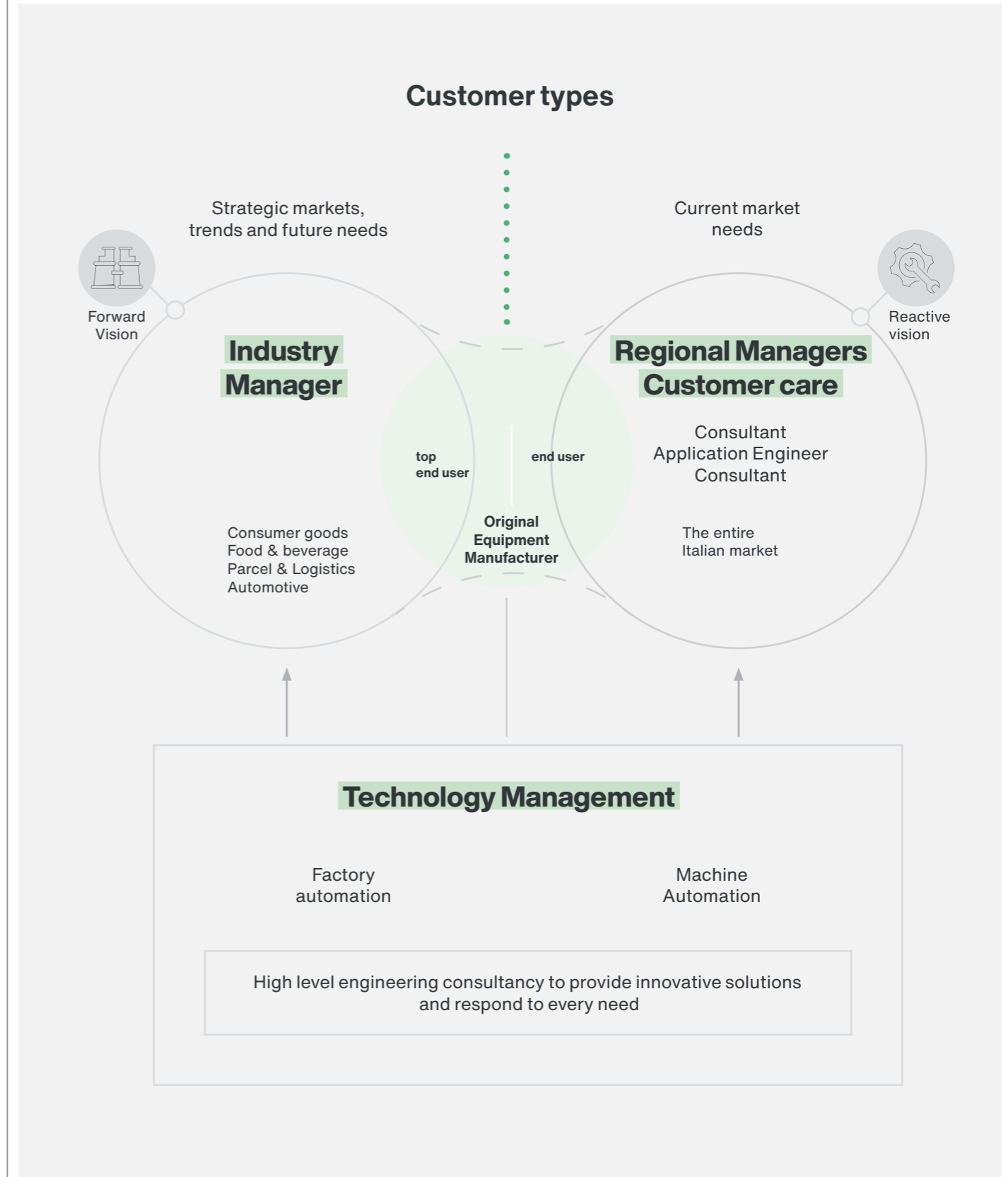


## Products and services: the ESG material topics

- + Increase circularity
- + Spreading and growing a sustainable culture
- + Economic performance/Market presence

Our aim is to make available to the entire industrial automation ecosystem - from manufacturers to end users - information about the technological innovations that can accelerate the ecological and industrial 4.0 transition and provide the best services to end users and manufacturers of industrial machines and production lines.

Additionally, the business model includes continuous support throughout the product lifecycle thanks to the service of repairing and modifying SEW products. The service is active seven days a week, every day of the year and covers the entire Italian territory.



# Innovation in products and solutions

We have developed a new, modern hardware and software automation platform called MOVI-C®, This platform successfully integrates all the new market demands by offering hardware solutions for building both stationary and mobile machines such as AGVs (autonomous guided vehicles that move goods and products in smart factories and warehouses). Additionally, it provides software solutions to manage the entire product lifecycle and its health status using a data-driven approach through the analysis of incoming field data. Through MOVI-C®, we offer plant manufacturers the possibility of developing automation solutions for Machine Automation, Factory Automation, and also solutions for Material Handling, which involves moving materials around the production site.

The MOVI-C® automation platform introduces innovative concepts, such as the digitization of electromechanical components, which facilitates condition monitoring and predictive maintenance of production machines through the new Drive Radar software solution. The tools provided by Drive Radar for product lifecycle management include:

- + IoT App, designed for mobile devices and made available to local machine maintainers for onsite condition analysis;
- + IoT Suite (Cloud Based) designed for Plant Managers who need to supervise the proper operation of the entire production plant and predict potential machine component failures to prevent sudden plant shutdowns.



## MOVI-C® platform



The energy efficiency improvement process is complemented by redesigning logistic-production flows based on Lean Production principles. A notable example of Power Energy Solution is the system of stacker cranes for handling goods in an automated warehouse, which significantly reduces power peaks and energy drawn from the main power grid.

This enables a significant recovery of regenerative energy from electric motors, such as braking, resulting in reduced energy demand from the grid.

Regional Managers



## GearFluid, sustainable biomass oil

GearFluid is SEW-EURODRIVE's sustainable biomass oil, offering an environmentally friendly alternative to fossil-based lubricants. It is produced through an innovative process that reduces CO<sub>2</sub> emissions by 84%. GearFluid is derived from sustainable biomass sources such as plant and food waste, which undergo a sophisticated synthesis process to produce high-quality lubricant. Benefits of GearFluid include lasting 50% longer than conventional lubricants and requiring less frequent maintenance intervals. Additionally, it meets OECD 301B standards for rapid biodegradability, ensuring suitability for environmentally sensitive areas. Compared to traditional bio-oils, GearFluid extends lubricant replacement intervals by up to 300%.

## ECO2 Design: coating-free drives

ECO2 Design involves coating-free drives to minimize waste and environmental impact. With ECO2, the energy-intensive painting process is eliminated. In addition to energy savings, this approach avoids the use of difficult-to-dispose-of raw materials such as paints and solvents. It also enhances product end-of-life scenarios since uncoated components can be more easily reused or recycled in an environmentally friendly manner. The coating-free drives in the ECO2 version primarily consist of components with outer parts made of aluminium and plastic. Our objective is to broaden the availability of products featuring ECO2 drives, underscoring the significant CO<sub>2</sub> savings achieved compared to painted surface coatings.

## Up-to-Next

Up-to-Next is a circular economy initiative focused on remanufacturing, aimed at minimizing the consumption of raw materials and reducing CO<sub>2</sub> emissions that would otherwise occur from the direct disposal of faulty products and the production of new gearmotors. This process extends the lifespan of gearmotors by refurbishing them through the replacement of worn parts and components that impact performance and useful life. Repairs are typically completed within seven days, and the remanufactured gearmotors are backed by a comprehensive two-year warranty. These remanufactured gearmotors deliver the same performance as new ones and are covered by a warranty that spans the entire component for 24 months.

Driving the world



## Biologico e rispettoso dell'ambiente

GearFluid by SEW-EURODRIVE - 84% in meno di emissioni di CO<sub>2</sub> rispetto ai lubrificanti a base poliglicole convenzionali.



[www.sew-eurodrive.it/azienda/attivita/attivita\\_up\\_to\\_next/up\\_to\\_next.html](http://www.sew-eurodrive.it/azienda/attivita/attivita_up_to_next/up_to_next.html)

**7**

days needed for repairs

**2**

years of warranty



## Servitization and digital services

Digitization represents the other half of every path dedicated to innovation. Digitizing involves processing and managing data captured in the field to implement necessary corrections and enhance decision-making. This includes identifying inefficiencies in production processes, predicting machine maintenance needs, and offering customized solutions to deliver round-the-clock customer support.

Central to our servitization-focused strategy is DriveRadar, a software platform for asset maintenance management. It seamlessly integrates components, machines, systems, and entire plants across organizational boundaries into a unified digital network.

This approach is complemented by APPredict, a web-based application accessible via smartphones, tablets, and PCs. It monitors the health status of gearmotors in real-time and provides immediate remote support.

Our suite of digital services is further enriched by Online Support, an e-business portal that offers comprehensive technological support for machine and plant development and management. It also includes robust e-commerce functionalities for purchasing and order administration, ensuring a seamless user experience from initial selection through to ongoing maintenance phases.



# Innovation in process – Lean Smart Factory

Since 2018, the logistics-production flow in the Solaro assembly centre has been undergoing a redesign in accordance with Lean and Industry 4.0 principles. In this process, people play a central role and are crucial to the success of the transformation into a Lean Smart Factory. Key elements throughout the process include getting people on board right from the early stages of the project and continuous staff training.

The path towards the Lean Smart Factory has been structured into three main phases:

## 1

### Analysis of the current logistic-production process.

In this phase, activities were classified as:

- + having added value
- + necessary but low added value (auxiliary activities)
- + having no added value

## 2

**Design of the future logistic-production process,** setting clear project goals and revamped workshop layouts based on the classification from the previous phase.

## 3

**Incorporating the technology element,** selecting and validating technologies best suited to the established process.



Better production efficiency  
reduced resource consumption



Use in more rewarding and often less  
risky activities



Reduced operational costs

In the first redesign of the logistics-production flow, three main activities with low added value were identified. Actions were taken to eliminate/reduce them, followed by identifying the most suitable automation solution for the process needs.

## 1

### Mobile Assistance System

Material handling within the plant was identified as a major repetitive activity with no added value where people occupied their working time. As a solution, initially the assembly centre layout was reorganised to minimize material handling. Subsequently, an internally designed Mobile Assistance System (MAS) was developed with the dual purpose of automating material handling and assisting operators during assembly phases.

## 2

### Automatic Oil Filling

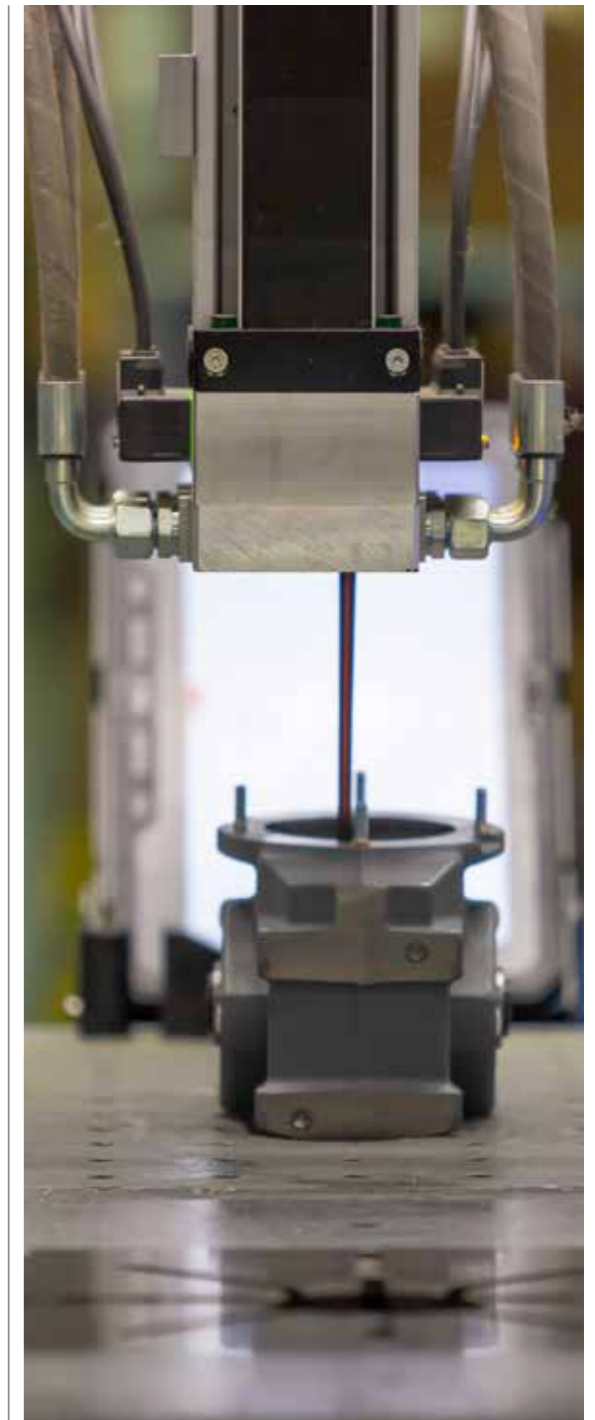
Manual oil filling of the gearbox was identified as the second repetitive auxiliary activity with low added value. Therefore, an automatic oil filling machine interconnected with the management system was developed in-house and fitted with SEW components. Automating this step freed operators from repetitive tasks and improved quality control over this phase.

## 3

### Automatic Motor Press

The third repetitive activity with low added value identified was the manual pressing of the bearing and/or motor cap. The solution involved designing an automatic motor pressing machine interconnected with the management system, developed in-house by SEW technicians and fitted with SEW components. In addition to better quality control of the pressing parameters, automating this step relieved operators of ergonomic strain and allowed them to focus on activities with higher added value.

The process is guided by the SAP management system and ensures real-time visibility into the plant's production performance through constant communication.



# Service and circularity

Our service initiatives have fostered internal processes that align with circular economy principles, emphasizing the 3 Rs: Reduce, Re-use and Recycle.

Specifically, there are two major projects.

+ **Product remanufacturing:** this consists of comprehensive maintenance of internal mechanical components in gearboxes and electric motors. Parts prone to wear are replaced to extend component life and reliability, restoring performance comparable to new.

+ **End-of-life product recycling,** which consists of recovering the valuable raw materials contained in the electric motor. A special machine (motor splitter) enables us to recover the copper in the stator and rotor of electric motors, as well as the aluminium that makes up the casing.

This allows us to recycle the raw materials which are then treated appropriately and re-used for new products. We also offer our customers a Pickup & Delivery service - the end user can store the mechanical and electronic assemblies for repair or remanufacturing in a special plastic container, which we supply at our cost and responsibility.

Reuse processes are integral at SEW-EURODRIVE, allowing entire products or individual components that have not yet become waste to be repurposed. For instance, our Service department uses a dedicated sandblasting machine to recover intact gearbox housings. In addition, in close cooperation with the factories in Graben, Haguenau and Brumath, Product Support and Release Management is in charge of developing reuse and recycling processes for the motor brake assemblies as well, so that the brake body and copper coil can be fully recovered. We also prioritize sustainability in our coating processes, with 93% of the products and preparations used being water-based paints.

# 93%

proportion of water-based paints used

This choice offers numerous environmental benefits, including reduced emissions (VOCs), absence of endocrine-disrupting components, low flammability, and no classification for carcinogenicity, reproductive toxicity, specific target organ toxicity, and aspiration toxicity.

The proportion of water-based paints used 93%.



# Support and loyalty

Customer Service is of paramount importance in order to be able to ensure punctual and rapid support for our customers in the event of product failures, which would inevitably lead to sudden and damaging plant downtimes. Customer Service also provides a 24-hour emergency repair service for mechanical and electronic components, directly at the customer's premises if the repair work cannot be carried out at our Service Centre.

A seven-day-a-week support service is also available. The DriveRadar® software platform and the APPredict application allow customers to constantly monitor the wear and tear of mechanical and electronic components installed on their machines, predicting potential causes of faults and preventing sudden plant downtime. These services enhance customer loyalty, positively impacting our reputation and consequently our business.

The latest version of web-based APPredict application, designed to monitor component health through vibration data and predict faults, introduces new functionalities for enhanced predictive maintenance. APPredict provides constant, targeted monitoring of installations, preventing failures and scheduling maintenance operations only when necessary, thereby ensuring continuous operation of the plant. The sensors enable real-time analysis of indicator data, allowing for continuous and focused monitoring of the installation. Key parameters such as temperature, vibrations, oil condition, and FFT frequency spectrum are displayed in a simple and straightforward manner. With APPredict 2.0, predictive maintenance becomes more efficient, reliable, and smart. Key features of the new version include a dashboard for managing multiple account levels, trend observation with 2 years of cloud-stored data monitoring seasonal changes, and configuring multiple production lines with respective line alarms and relative temperature parameters.

Utilizing wireless sensors in predictive maintenance not only enhances operational efficiency but also supports environmental sustainability. By reducing failures and optimizing resource usage, material waste is minimized, and emissions associated with frequent repairs and equipment replacements are limited. Moreover, reducing machine downtime translates into lower energy consumption, favouring reduced environmental impact.

Ultimately, sustainability is meaningful only when it creates value for people. Using sensors eliminates the "race" to faults and improves the working life of operators, who can then focus on scheduling maintenance without the stress of emergencies. By leveraging advanced sensor technology, junior staff can engage in maintenance activities confidently from the start, reducing dependency on more experienced colleagues for fault detection and ensuring smoother operations.

More sustainable maintenance from multiple perspectives:



+ Preventing environmental damage caused by faults

+ Extending useful life



+ Identifying faults and hazards before they occur



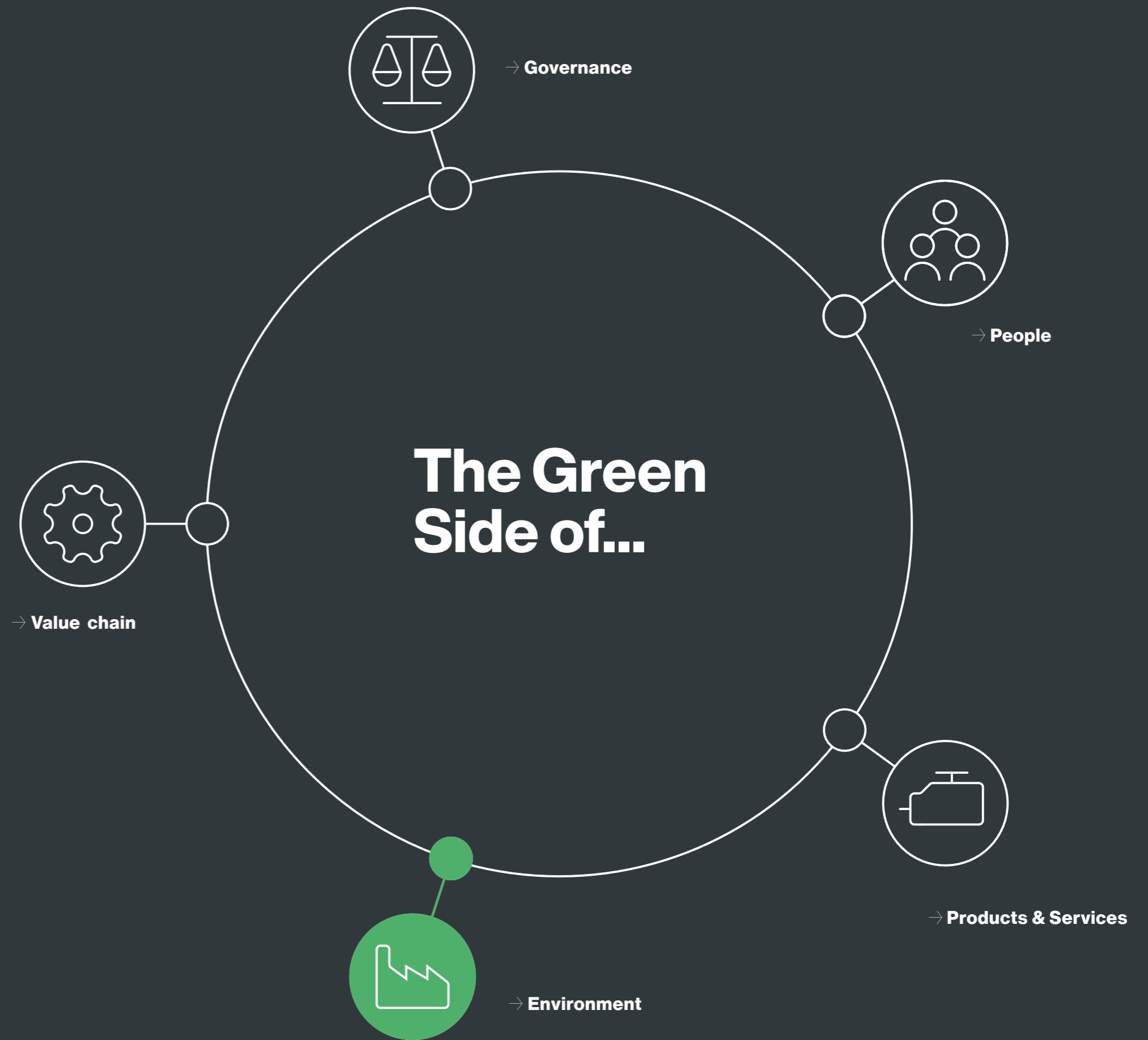
+ Better production efficiency, eliminating downtime

+ Optimization of maintenance strategies



# Environment

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- 101 Greenhouse gas emissions
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- 109 Biodiversity



# Road to Net Zero, our main commitment

Climate change is the biggest environmental, social, and economic threat globally.

We all need to make an effort to reduce the greenhouse gas and CO<sub>2</sub> emissions resulting from human activities. We want to play an active role in creating a sustainable future, contributing to the evolution of the social and economic system while protecting the environment.

# 100%

energy from renewables

# 8.2%

decrease in energy consumption

# 99.2%

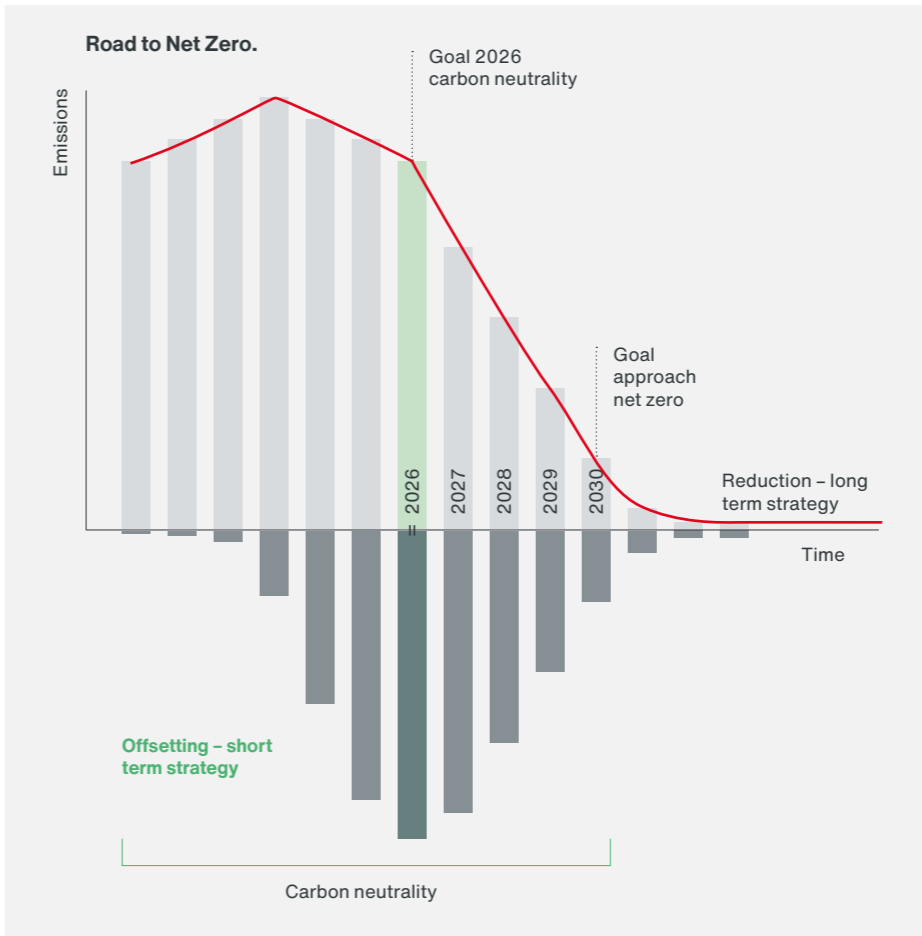
waste recovered

Thanks to our focus on efficiency, we have been able to reduce our energy consumption year after year.

Our efforts have really paid off: we have cut energy use by 8.2% compared to the previous year, building on our 2022 achievement when we already reduced consumption by 3.8%. We are successfully moving along a path of decreasing consumption, bringing us closer to Net Zero.

**We put a lot of time and effort into sorting and storing recoverable waste to ensure materials that can be reused do not end up as landfill.**

**This is the case with the packaging of material received from the parent company: SEW-brand cartons are opened without being damaged, stored without being crushed and used again. The same applies to pallets.**



# Green Policy

In early 2023, we implemented an updated Green Policy, expanding on the previous version by covering more topics and introducing new measures related to digital pollution, energy consumption, renewables, car fleet management and biodiversity.

**Digital pollution:** activities like surfing the web, sending emails, storing data and using search engines have a real environmental cost. In order to reduce CO<sub>2</sub> emissions and energy consumption associated with the use of smart devices, digital equipment and corporate software, we advocate behaviours that minimize the environmental impact of the digital world, and encourage healthy habits among employees, raising awareness about this relatively unknown issue.

**Energy consumption:** heating and cooling systems should be used with a view to minimizing energy consumption. Therefore, activation and temperature settings in business premises must comply with new national regulations. Additionally, all those behaviours aimed at optimizing climate control usage should be adopted, such as wearing appropriate clothing for the weather and keeping windows closed, except when airing the room.

**Renewable energy sources:** we are committed to making the group's sites energy efficient when building new structures or renovating existing ones. This includes increasing insulation levels, installing photovoltaic panels, replacing heating/cooling systems over 10 years old with new generation systems, and installing systems to monitor and optimize power consumption of building systems and work equipment.

**Sustainable mobility:** we want to accompany and accelerate the transition to electric mobility by organizing informational and awareness-raising events on the topic and introducing a significant number of electric cars into our fleet. We actively support sustainable transportation with charging stations for electric vehicles and bike racks. Additionally, we encourage SEW employees travelling for work to use public transport, planes, or preferably trains, avoiding car trips whenever possible.

**Biodiversity:** the company's landscaped areas are planted with native perennials that are suitable for the local environmental conditions, are low-maintenance and do not require much irrigation. We leave natural meadow with native grasses and wildflowers that grow wild to create a suitable environment for pollinating insects. The tall grass is not mowed, also helping to maintain the temperature and humidity of



**Green Policy**  
strategic document that charts the actions and initiatives to implement in order to develop our sustainability goals

the topsoil even in the event of drought and high outside temperatures. For the same reason, the lawn areas are mowed as little as possible.



## Environment: the ESG material topics

- + Adapting to climate change
- + Combat climate change (reducing consumption and emissions)
- + Increase circularity
- + Spreading and growing a sustainable culture

# Consumption, recycling and reuse



To reduce environmental impact, we invest in circular processes, focusing on three main actions:

- + Reduce
- + Recycle
- + Reuse

(Annex C of Italian law no. 152 of 3 April 2006 defines the waste we have sort and deliver to disposal companies:

Recovered [R] = destined for energy production in waste-to-energy plants or re-introduced into the processing chain, as is the case for metals

Disposed [D] = sent to disposal facilities such as landfills

Reused [RIU] = Waste sorted and set aside for reuse. This category also includes materials sold as products rather than waste).

## ↓ REDUCE

Use fewer resources.

This includes reducing electricity consumption, carbon emissions from the company fleet, paper usage, and the amount of waste generated in each area.

## ↓ RECYCLE

The commitment to correctly dispose of waste to transform it into new resources.

We carefully sort waste and work with waste disposal suppliers that ensure a high recovery rate and minimal disposal.

## ↓ REUSE

Extend the useful life of materials and product components instead of considering and treating them as waste.

We concretely put "reuse" into practice in two areas:

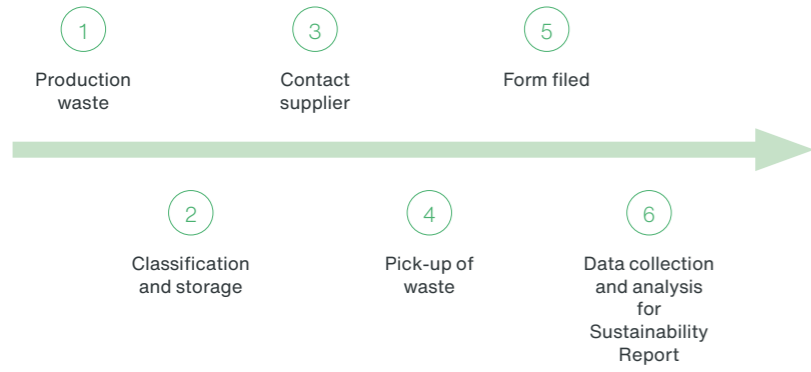
**PACKAGING:** we recover and reuse packaging received in our warehouses for product shipments.

**PRODUCTS:** our business model has always included services for repairing, extending the life of, and recovering usable components from engines

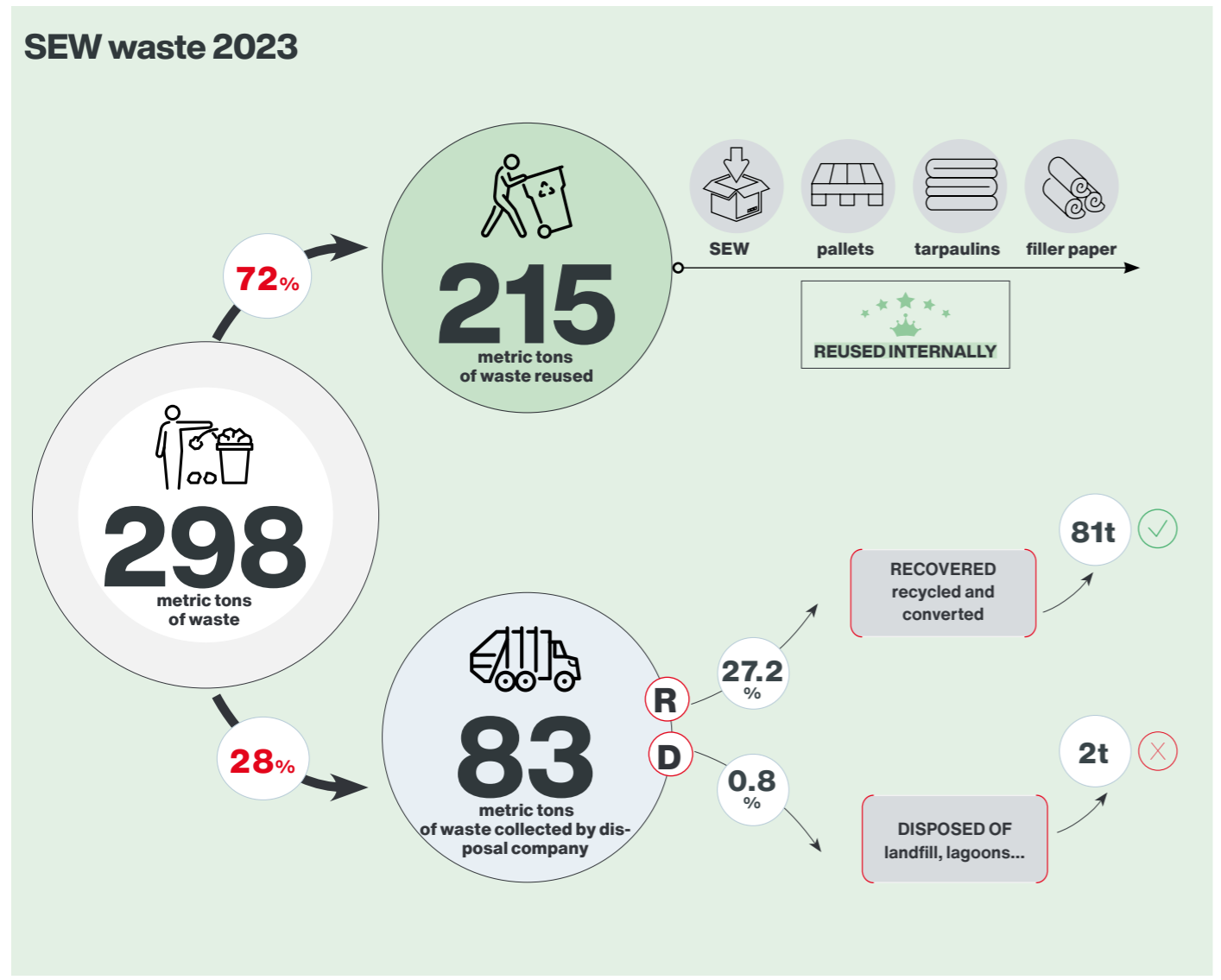


# Waste management

The disposal of the waste we produce in our workshop follows a linear flow based on 6 macro-activities:



Dedicated storage containers are set up in the company buildings for each category of waste, marked by signs showing the name of the waste and the relevant CER code. The CER waste codes outsourced to disposal companies currently number 24, which is five more than the previous year due to better sorting. The waste sent to the disposal company will be treated in two ways, which the disposer must legally report through forms: recovered (R) or disposed of (D).



Waste **recovery** operations, known as R operations, involve processes that allow the recovery and reuse of materials considered waste, reducing the environmental impact of their management. These operations are essential for conserving natural resources and reducing the amount of waste sent to landfills.

Common waste recovery operations include recycling, which recovers materials like paper, plastic, glass, and metal, and turning them into new products. Waste-to-energy plants convert certain types of waste into thermal energy, generating heat, steam, or electricity from domestic, commercial, and industrial waste.

**Reuse** operations involve internally reducing waste managed by external companies; the 215 metric tons of reused waste are potential waste materials that are committed to recovering and repurposing. For example, SEW-branded cartons are carefully opened, stored, and reused for shipments, as are the pallets. This reuse accounts for 72.1% of our total waste, or 215 metric tons.

**Disposal** operations, or D operations, eliminate waste without recovering any value. Common disposal methods in Italy include landfilling and incineration without energy production, which are harmful to the environment and ecosystem.

Fortunately, the proportion of waste sent for disposal is decreasing thanks to better sorting, allowing disposal companies to receive homogeneous waste that can easily enter the recovery and circularity circuit. At SEW, only 0.8% of our waste is disposed of, with 99.2% recovered and reused.

Additionally, 98% of our waste is non-hazardous, making it easier to recover. Hazardous waste, which poses risks due to its toxic, flammable, corrosive or reactive properties, must be managed and disposed of safely to prevent environmental and public health damage. All potentially hazardous waste is analysed by a qualified laboratory for correct classification and treatment instructions, followed by recovery or disposal.



Total waste (kg)	2021	2022	2023
Non-hazardous waste	286,671	277,354	285,851
Hazardous waste	6,406	10,507	11,975
<b>Total waste</b>	<b>293,077</b>	<b>287,861</b>	<b>297,826</b>

Recovered and reused waste (kg)	2021	2022	2023
Non-hazardous waste recovered and reused	286,616	277,354	285,851
Hazardous waste recovered	646	5,310	4,354
<b>Total waste recovered and reused</b>	<b>287,262</b>	<b>282,664</b>	<b>295,568</b>

Waste directed to disposal (kg)	2021	2022	2023
Non-hazardous waste	56	-	-
Hazardous waste	5,760	5,197	2,149
<b>Total waste directed to disposal</b>	<b>5,816</b>	<b>5,197</b>	<b>2,149</b>

We put a lot of time and effort into sorting and storing recoverable waste to ensure materials that can be reused do not end up as landfill.

However, we have noticed a decline in the quality of our waste sorting. The percentage of unsorted waste increased from 2.1% in 2022 to 2.9% in 2023. Unsorted waste, which is non-separable or contaminated, includes items like work gloves made from inseparable textiles and rubber.

We take this increase seriously and plan to conduct an analysis to understand the reasons and launch an awareness campaign to improve future results.

	2021 (kg)	2022 (kg)	2023 (kg)
Unsorted waste = dry from workshop [kg]	9,820	6,040	8,660
% of total	3.4%	2.1%	2.9%

Another portion of waste we continuously monitor is the waste sent for disposal (D), which is the worst in terms of climate impact. In 2023, we reduced this waste to 2,149 kg, half of the previous year's amount (0.8% of total waste).

Cardboard (kg)	2021	2022	2023
Recovered	29,460	23,130	27,994
Reused	35,222	35,329	39,331
<b>Total</b>	<b>64,682</b>	<b>58,459</b>	<b>67,325</b>

Wood packaging (kg)	2021	2022	2023
Recovered	9,920	16,440	5,480
Reused	170,034	176,584	175,406
<b>Total</b>	<b>179,954</b>	<b>193,024</b>	<b>180,886</b>

## Water withdrawal

Water is used only in the restrooms and common areas for the consumption of meals. No water is used in the production processes, except for small quantities to refill the engine washing machines. These machines do not use running water; instead, they use water mixed with solvents and reused for numerous washing cycles and finally disposed of as special waste. The annual water consumption for these purposes is 2,217 cubic metres.

An error was identified in the water consumption reported for 2022: it was not 12,000 litres but rather 6,480 cubic metres. Upon discovering the error, we conducted a more thorough investigation of water usage. The estimated volumes were found to be excessive compared to expected consumption. As a result, we initiated a network check that led to the repair of a leak in the external supply system and a leak in the climate system circuit.

The lawn and flower beds are irrigated, but the selected plants do not require large amounts of water. Additionally, the system is equipped with rain sensors that deactivate the irrigation system in case of precipitation, preventing water waste.

As part of the flowering field project, it was decided to allow the portion of the lawn sown with flowers to grow. Among the various benefits of not mowing are the maintenance of moisture in the turf, the reduction of water needed for irrigation, and the moderation of temperatures in the topsoil layer.

## Energy consumption

Energy consumption of the Solaro plant is monitored through a network of approximately one hundred measurement points located in the most energy-intensive systems. The data is continuously collected and archived, enabling the analysis of consumption trends for each monitored machine, the identification of anomalies and waste, and the reduction of overall site consumption.

This efficiency-oriented approach allows us to reduce energy consumption year after year, as required by Directive (EU) 2018/2002, which sets a target of increasing energy efficiency by at least 32.5% by 2030.

### Total energy consumption at SEW-EURODRIVE Solaro

#### Office consumption

HVAC	Lighting	Power
AHUs (1, 2, 3)		
Chiller system (hot/cold)		

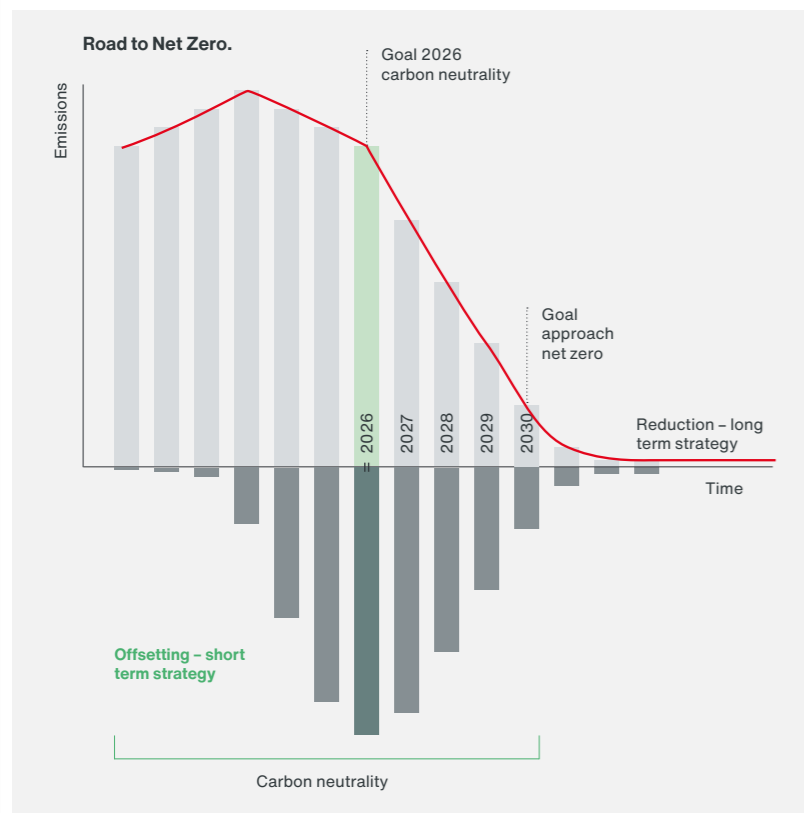
#### Workshop consumption

HVAC	Lighting	Assembly	Logistics	Service	Compressed air
Thermostat (hot)		EPS	Forklift charging	Coating	
Rooftop (cold)		MTP		Part washing	
Air curtains		Movitrans (AGVs)		Test machines	
		Catenary			
		Oil filling			



Our approach consists of:

- + measuring point consumption,
- + analysing it for anomalies and potential improvements,
- + planning reduction actions,
- + monitoring the actual results.



For 2024, we have planned further maintenance and improvements in system management, aiming for at least a 3% year-on-year reduction in consumption.

Local production in 2023 decreased by 8.9% compared to the previous year, contributing to a reduction in consumption. However, we can see that much of the energy consumption is fixed, with systems remaining switched on regardless of the number of products assembled in Solaro.



In 2023, the most important actions to save energy consumption were:

- + turning off and optimizing the operating times of Movietrans platforms for charging AGVs in production;
- + adjusting settings of the multi-purpose climate control system;
- + extraordinary maintenance of some climate control system components;
- + maintaining office temperature limits as indicated by the 2021 MISE decree (28°C in summer, 19°C in winter);
- + better management of production lighting with automatic shutdown during breaks;
- + turning off the compressor at the end of shifts;
- + replacing neon lights with low-consumption LED lights in logistics and service areas.

Our efforts have really paid off: we recorded an 8.2% reduction in energy consumption compared to the previous year, improving on the 3.8% reduction achieved in 2022. We are successfully reducing consumption, moving towards Net Zero.



## Electricity and natural gas consumption

Electricity consumption within SEW Italia	UoM	2021	2022	2023
Total electricity consumption HQ + DC Solaro	kWh	1,279,850	1,211,811	1,079,315
Year-on-year % change HQ + DC Solaro		9.1%	-5.3%	-10.9%
Total electricity consumption DC	kWh	111,103	126,274	148,429
Year-on-year % change DC		12.9%	13.7%	17.5%
Total electricity consumption SEW Italia	kWh	1,390,953	1,338,085	1,227,744
	GJ	5,007	4,871	4,420
Year-on-year % change SEW Italia		9.4%	-3.8%	-8.2%

Gas consumption within SEW Italia	UoM	2021	2022	2023
Methane natural gas consumption HQ + DC Solaro	Sm <sup>3</sup>	116,387	86,640	65,693
Methane gas consumption DC	Sm <sup>3</sup>	1,871	1,629	1,150
Total gas consumption SEW Italia	Sm <sup>3</sup>	118,258	88,269	65,267
	GJ	4,172	3,114	2,595

Total energy consumption within SEW Italia	UoM	2021	2022	2023
Total energy consumption SEW Italia	GJ	9,180	7,931	7,015
Year-on-year reduction in energy consumption (%)		16.8%	-13.6%	-15.1%

Gas consumption significantly decreased compared to 2022, mainly due to extraordinary maintenance of the climate control system, which prevented waste. This confirms the critical importance of maintaining and professionally managing climate control systems, which often account for a large share of the total energy demand. Considering total energy consumption of both electricity and gas, normalized and converted to GJ, the overall reduction in consumption is 15.1% compared to 2022.

### Conversion parameters:

Higher Heating Value (HHV)  
The Higher Heating Value (HHV) of methane gas for heating in 2023 is 0.039508 GJ/1000 Sm<sup>3</sup>;

(\*conversion data from 2023 bills)

Energy intensity	UoM	2020	2021	2022	2023
Total energy consumption SEW Italia	GJ	7,857	9,180	7,931	7,015
Total turnover	EUR	127,056,000	138,662,000	166,448,000	164,620,000
Parts assembled in Italy	no. of parts	39,380	44,660	50,297	45,837
Quantity of goods shipped from Solaro	[metric tons]	4,479	5,112	6,220	5,662
Quantity of goods shipped from Solaro	[packages]	83,134	93,433	105,686	98,727
Total area (offices + DC)	m <sup>2</sup>	12,181	12,181	12,181	13,321
Energy consumption/Turnover	MJ/€	9.23	9.23	7.28	6.55
Energy consumption/Area	GJ/m <sup>2</sup>	0.65	0.75	0.65	0.53
Energy consumption Solaro/no. of parts	GJ/part	0.19	0.20	0.15	0.15
Year-on-year reduction in energy consumption (%)		0.9	16.8	-13.6	-11.5

Energy intensity is benchmarked against multiple values (turnover, area and number of assembled parts) and shows a downward trend.

Since 2021, we have been purchasing 100% renewable energy. Our supplier for 2023 is Enel Energia, which has provided us with certificates of origin and authorization to display the logo.

**100% of the energy that we purchase and use comes from renewables.**

## Photovoltaic

The solar park at SEW Eurodrive Italia currently has the following characteristics:

### Solaro

+ **174 m<sup>2</sup>**  
of PV panels placed on the roof of the office building.

+ **32.4 kWp**  
maximum power

+ **32,007 kWh**  
energy production in 2023

### Caserta

+ **64 m<sup>2</sup>**  
of PV panels placed on the roof of the office building.

+ **12.8 kWp**  
maximum power

+ **16,000 kWh**  
awaiting activation by the GSE authority, with an expected annual production of approximately 16,000 kWh.

	UoM	2021	2022	2023
Photovoltaic energy self-generated and consumed	kWh	33,367	35,721	32007
% of self-generated energy out of total consumption Italy		2.4%	2.7%	2.6%
% of self-generated energy out of total consumption Solaro		2.6%	2.9%	3.0%

In 2024, it is planned to install solar panels on the roof of the new site's workshop in Caserta. The installation will have a total power of 89.6 kWp. The installation will have a total capacity of 89.6 kWp. This expansion of the solar park is expected to cover 9% of the annual national energy requirement.

The targets for the years 2025-2027 are more ambitious, aiming to cover between 25% and 40% of the energy needs (with reference to the group's 2022 consumption) through self-generation, thanks to the company's expansion plans which include the construction of new buildings. Specifically, a new building has already been designed in Bologna, offering 6,000 m<sup>2</sup> of roof space for the installation of a photovoltaic system with a power of 250 kWp.



## Greenhouse gas emissions

Our operations do not generate significant atmospheric pollutants, except in minimal quantities. Mandatory periodic checks for emission stacks on some production machinery confirm annual compliance with thresholds and indicate no need for continuous, pinpoint monitoring.

We monitor direct and indirect greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol, classifying emissions into Scope categories:

+ **Scope 1:**  
direct emissions from sources owned and controlled by the company. This includes emissions from our company car fleet, even for personal use by employees with company cars. We have chosen to keep all these trips within Scope 1 due to the difficulty in accurately distinguishing between business and personal trips. This way, we are also committed to offsetting the personal trips of employees;

+ **Scope 2:**  
indirect emissions from the generation of electricity purchased from the grid and consumed by the company;

+ **Scope 3:**  
other indirect emissions. These will not be explicitly detailed in this report, as we are still working to gather and reliably quantify information from suppliers.

Every year, we calculate the organization's carbon footprint, quantifying Scope 1 and Scope 2 emissions. Starting from 2024, we will publish the initial product carbon footprint results.

**In 2023, we consumed 1,227 GWh of 100% green energy, avoiding the emission of 309 metric tons of CO<sub>2</sub> due to electricity consumption.**

The emission

factor used is

**252**  
gCO<sub>2</sub>/kWh

(source EEA: [https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-14/#tab-googlechartid\\_chart\\_41](https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-14/#tab-googlechartid_chart_41))



In 2023, total direct and indirect Scope 1 and Scope 2 greenhouse gas emissions in CO<sub>2</sub>-eq amounted to 471.12 metric tons.

**-20%**

in 2023  
of direct (Scope 1)  
GHG emissions

Direct (Scope 1) GHG emissions	UoM	2021	2022	2023
Emissions from transport - company car fleet	[mt CO <sub>2</sub> -eq]	329.51	408.87	338.33
Emissions from gas consumption for heating	[mt CO <sub>2</sub> -eq]	239.04	178.42	132.79
Gas leaks climate control systems	[mt CO <sub>2</sub> -eq]	no leak	4.90	0
<b>Total emissions (Scope 1)</b>	<b>[mt CO<sub>2</sub>-eq]</b>	<b>568.55</b>	<b>592.20</b>	<b>471.12</b>

Indirect (Scope 2) GHG emissions (marked based)	UoM	2021	2022	2023
Emissions from electricity consumption	[mt CO <sub>2</sub> -eq]	0.00	0.00	0.00
<b>Total emissions (Scope 2)</b>	<b>[mt CO<sub>2</sub>-eq]</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

100% renewables

Calculation parameters for emissions, 2.0214 kg CO<sub>2</sub>/Sm<sup>2</sup> Source: GHG conversion factor UK. Data and factors for calculating transport emissions are detailed in the following paragraph.

Our goal by 2026 is to obtain a clearer picture of Scope 3 emissions, gathering necessary information from at least 100% of intra-company supplies and 50% of remaining suppliers. Scope 3 emissions due to the use of SEW products by end-users will be provided by our parent company, which has planned to make these data available for SEW group products. By 2024, our parent company will release the first results of "Product Carbon Footprint" (PCF), measuring CO<sub>2</sub>-eq from production to disposal, for product lines demanded by the market.

**100%**

of energy from renewable sources for indirect GHG Scope 2 emissions (market based).



Again, the emission intensity was measured against several factors: the number of assembled parts and the turnover.

TOTAL GHG EMISSIONS	UoM	2021	2022	2023
Total GHG emissions (Scope 1+2)	[mt CO <sub>2</sub> ]	568.55	592.20	471.12
Year-on-year change (%)		-30.8	3.2	-19.7

KPI - [tCO <sub>2</sub> /no. assembled parts]	UoM	2021	2022	2023
Intensity of GHG emissions - Scope 1	[kg CO <sub>2</sub> /part]	12.73	11.66	10.28

KPI - [tCO <sub>2</sub> /Turnover]	UoM	2021	2022	2023
Intensity of GHG emissions - Scope 1	[kg CO <sub>2</sub> /part]	2.86	3.53	4.10



# Mobility

## Car Policy and Sustainable Mobility

For several years, we have been committed to reducing emissions generated by our fleet. Concrete actions include revising our car policy, introducing low-emission vehicle models, and requiring 100% electric vehicle adoption under specific conditions. The recent update of our corporate green policy also renewed our commitment to reducing car usage and encouraging eco-friendly driving habits.

## Car Policy

Aligned with Agenda 2030, promoting sustainable transportation is pivotal for achieving various Sustainable Development Goals (SDGs) and targets, such as SDG 11 (sustainable cities), SDG 12 (responsible consumption and production), and SDG 13 (climate action).

In our continuously evolving social landscape, mobility emerges as a critical factor in addressing environmental challenges and improving quality of life. Prioritizing sustainable mobility in daily commutes is essential, given the direct impact of these movements on the health of the planet and individual wellbeing.

In late 2022 we embarked on sourcing mobility service providers committed to transitioning towards an efficient, sustainable future. These providers also give customers detailed reports on consumption data and greenhouse gas emissions.

Through a new partnership with a fuel supplier, we now present comprehensive fuel consumption data for 2023 in litres. Emissions are calculated based on fuel consumed, departing from our previous metric of kilometres travelled. This approach makes emission calculations from mobility much more precise and reliable.

The declared conversion factors used by our partner company are:

+ 2.66 kg of CO<sub>2</sub> produced from burning one litre of diesel.

+ 2.34 kg of CO<sub>2</sub> produced from burning one litre of petrol.

**Direct mobility**  
generated by  
the corporate fleet

**Indirect mobility**  
Generated by  
home-office travel



**For each electric vehicle we have chosen, our supplier plants a tree in the Carpignano Salentino forest. In 2023, 11 trees were planted which will sequester 1.65 metric tons of CO<sub>2</sub> over 30 years.**



Fuel Consumption 2023	Quantity	Total metric tons of CO <sub>2</sub> -eq
AdBlue	440 L	N/A
Electricity	2,102 kWh	0.00
Petrol	6,466 L	15.14
Diesel fuels	12.1580 L	323.20
<b>Total</b>		<b>338.33</b>

The fleet recorded emissions of 409 metric tons of CO<sub>2</sub> in the 2022 report. In 2023, these emissions decreased to 338 metric tons, marking a 17% reduction.

**17%**

fewer emissions generated by the vehicle fleet in 2023 compared to 2022

To compare these figures and confirm the improvement, we recalculated the 2023 emissions using the same method applied in 2022. This method involves deriving emissions by multiplying the kilometres reported by drivers by the average emissions of the fleet vehicles for that year, as declared in their registration documents.

Corporate vehicle use	UoM	2022	2023
Total distances traveled by company vehicles	Km	2,779,759	2,632,702
Average emissions of SEW Italia company vehicles	gr CO <sub>2</sub> /Km	147.09	124.36
CO <sub>2</sub> emissions	t CO <sub>2</sub> -eq	408.87	327.41

We can see that the result of 327 metric tons of CO<sub>2</sub> is not significantly different from the more precise calculation of 338 metric tons of CO<sub>2</sub> based on the litres of fuel consumed. Therefore, starting in 2023, this calculation method will be adopted.

Additionally, we are actively working to reduce emissions from our corporate fleet. The average emissions have decreased from 147.09 g CO<sub>2</sub>/km to 124.36 g CO<sub>2</sub>/km, representing a reduction of 15.5%.

This year, we have also compiled the fleet's carbon footprint for the first time.

## + Fleet's carbon footprint as of 31 December 2023

The SEW fleet consists of 99 vehicles, including 95 cars and 4 small vans.

Total vehicles	95	%
0-20 g/km	6	6%
21-60 g/km	4	4%
61-120 g/km	15	16%
121-160 g/km	62	65%
161-190 g/km	7	7%
> 190 g/km	1	1%

**Average emissions of the car fleet: 125.32 g/ CO<sub>2</sub>-eq**

**The 2023 car policy included the introduction of hybrid and electric engines as alternatives to traditional diesel engines.**

	Total	%
Total traditional cars	79	83%
Total electric cars	6	6%
Total electrified cars*	10	11%

\*Electrified = vehicles with plug-in, full hybrid, and mild hybrid engines

Total LCVs	4	
0-20 g/km	1	25%
21-60 g/km	0	0%
61-120 g/km	2	50%
121-160 g/km	0	0%
161-190 g/km	1	25%
> 190 g/km	0	0%

**Average emissions of the light commercial vehicle (LCV) fleet: 101.56 g/ CO<sub>2</sub>-eq**

	Total	%
Total traditional LCVs	3	75%
Total electric LCVs	1	25%
Total electrified LCVs*	0	0%

LCV  
Light Commercial  
Vehicle

The emission average of all our 99 fleet vehicles is 124.36 g/CO<sub>2</sub>-eq.

To support all colleagues who have chosen electric cars for their mobility, we presented a series of incentives:

- + Home Wallbox installation bonus
- + Reimbursement for personal electric refuelling
- + Electrification of offices with charging stations (scheduled for Solaro and Caserta)
- + Dedicated training course including a day of classroom training, test drives with a professional coach, and a week of electric car use for personal testing.



## Home-work commute plan

The home-work commute plan (piano spostamento casa lavoro - PSCL) aims to reduce commuting traffic by proposing initiatives that guide employees towards more sustainable commuting methods. It includes an analysis of home-work commutes based on geographical data and worker habits collected through a questionnaire, providing a snapshot of mobility in comparison to local resources like public transport and company resources, and proposing mobility improvement solutions. The PSCL also calculates emissions generated by commuting traffic, estimated at 59 metric tons of CO<sub>2</sub> for 2023.

We have implemented various solutions to reduce home-work commutes. Key actions include the purchase of two electric shuttle cars and authorization for remote working up to three days a week, along with initiatives such as encouraging online meetings to reduce travel, promoting the use of public transport for long trips, and providing a laundry service with pick-up and drop-off at the office twice a week.

### Sustainable mobility

In Italy, Ministerial Decree No. 179 of 12 May 2021, established the role, function, and requirements of the mobility manager, along with the purposes and adoption methods of the home-work commute plan (Piano degli Spostamenti Casa-Lavoro - PSCL), making it mandatory for companies with more than 100 employees.

## Shuttle Cars and Carpooling Contest

We have made two 100% electric shuttle cars available for daily employee carpooling. Crews are selected through an internal contest designed to raise awareness and encourage participation among colleagues through a collective and fun initiative.

How does the contest work? Participants form their own crew of 3 to 5 passengers and define the route. Evaluation is fully transparent and based on the output of a mathematical formula that considers:

- + the car's occupancy rate;
- + percentages of remote working among passengers from the previous year's attendance data
- + the amount of CO<sub>2</sub> saved in the carpooling route compared to the total of individual routes taken by participants

The shuttles are geolocated and equipped with booking and mileage tracking tools, allowing data collection for analyses on kilometres travelled and CO<sub>2</sub> emission savings.



### October - December 2023 survey

Name	Km travelled	Km avoided	metric tons of CO <sub>2</sub> avoided
Shuttle 1 (3 participants)	1,983	2870	0.46
Shuttle 2 (4 participants)	3,129	4772	0.76
Total	5,112	408.87	327.41

Total CO<sub>2</sub> emissions avoided through carpooling were calculated considering 163 g CO<sub>2</sub>/km. (Source: ISPRA environmental data for medium-sized cars)

### Carpooling: feedback from participants

#### “What do you think of the SEW Corporate Carpooling service?”

- + “Great, I saved money, and apart from that, we're a very close-knit group, and it was very easy for us to organize. It's a very important benefit for us workers.”
- + “I'm very satisfied for various reasons: the economic factor is a benefit, and also, compared to initial expectations, picking everyone up is not a problem. On the contrary, it turned the journey into a pleasant experience, effectively breaking up the traffic.”



# Biodiversity

## Collaboration between SEW-EURODRIVE Italia and the Groane & Brughiera Briantea Regional Park

We are mindful of protecting the environment and biodiversity and are keen to play an active role in creating an eco-sustainable future, offsetting the CO<sub>2</sub> emissions resulting from our activities; we have entered into an interaction agreement with the Groane & Brughiera Briantea Regional Park, right on the eastern border of our Solaro (MI) office.

The Memorandum of Understanding signed in Solaro on 16 November 2022 by the President of the Park Authority Emiliano Campi and our Managing Director Giorgio Ferrandino calls for collaboration in environmental protection and sustainability activities to make the most of the scenic resources of the Groane & Brughiera Briantea Regional Park, a regional protected area identified and classified by Regional Law no. 32 of 8 November 1986 as a woodland and metropolitan area park.

We aim to raise awareness of the issues in the area with various stakeholders: workers, customers, schools and other entities, promoting social inclusion and relations with the community around us, through programmes and initiatives for their active engagement.

We are specifically interested in:

- + making our areas available for possible studies or monitoring by the Park Authority or appointed personnel,
- + curbing non-native species, especially Invasive Alien Species (IAS),
- + considering the possibility of contributing to environmental rehabilitation, protection and conservation projects in the Cesate Pinewood area, part of the Natura 2000 Network or in another area in the natural park, signing an agreement with the managing body.



### Invasive Alien Species (IAS)

Also known as non-native species, these are animal or plant species transferred by humans outside their natural geographical area, either deliberately or accidentally.

These species reproduce and expand rapidly at the expense of native species and can cause damage to biodiversity, human health, farm crops or structures.



# Flowering Field project

In 2022, we often wondered how we could address the important topic of biodiversity within our daily work activities.

We decided to focus on our beautiful company garden, which spans approximately 5,000 square metres of tree-covered lawn. Our goal was to implement actions that would benefit the environment and biodiversity while providing an opportunity to observe and engage with a nature-focused project.

This led to the creation of the flowering field. We selected a section of the lawn, sowed it with native wildflowers, and allowed it to grow naturally without regular mowing.

The project followed the natural seasonal cycle: soil preparation in the winter, sowing in the spring, and blooming in early summer.

2023 marked the first year of flowering, a spectacle appreciated by colleagues and especially by pollinating insects such as bees, bumblebees, butterflies, and beetles. To further support biodiversity, we also installed pollinating insect houses and birdhouses for the birds inhabiting our woods.

The project was developed with the consultation of a beekeeper and farmer and was approved by the Parco delle Groane.

Only native flowers were planted. To share information and engage people admiring the field, we put up a sign with information.



Benefits:

- + biodiversity protection by supporting pollinators and soil-dwelling insects
- + less moisture loss from the soil compared to a traditional lawn, and better drought resistance
- + less exposure of the topsoil to heat waves
- + longer roots benefit the soil
- + more nutrients for the soil over time
- + less energy because there is no need for mowing
- + requires less water to stay green.



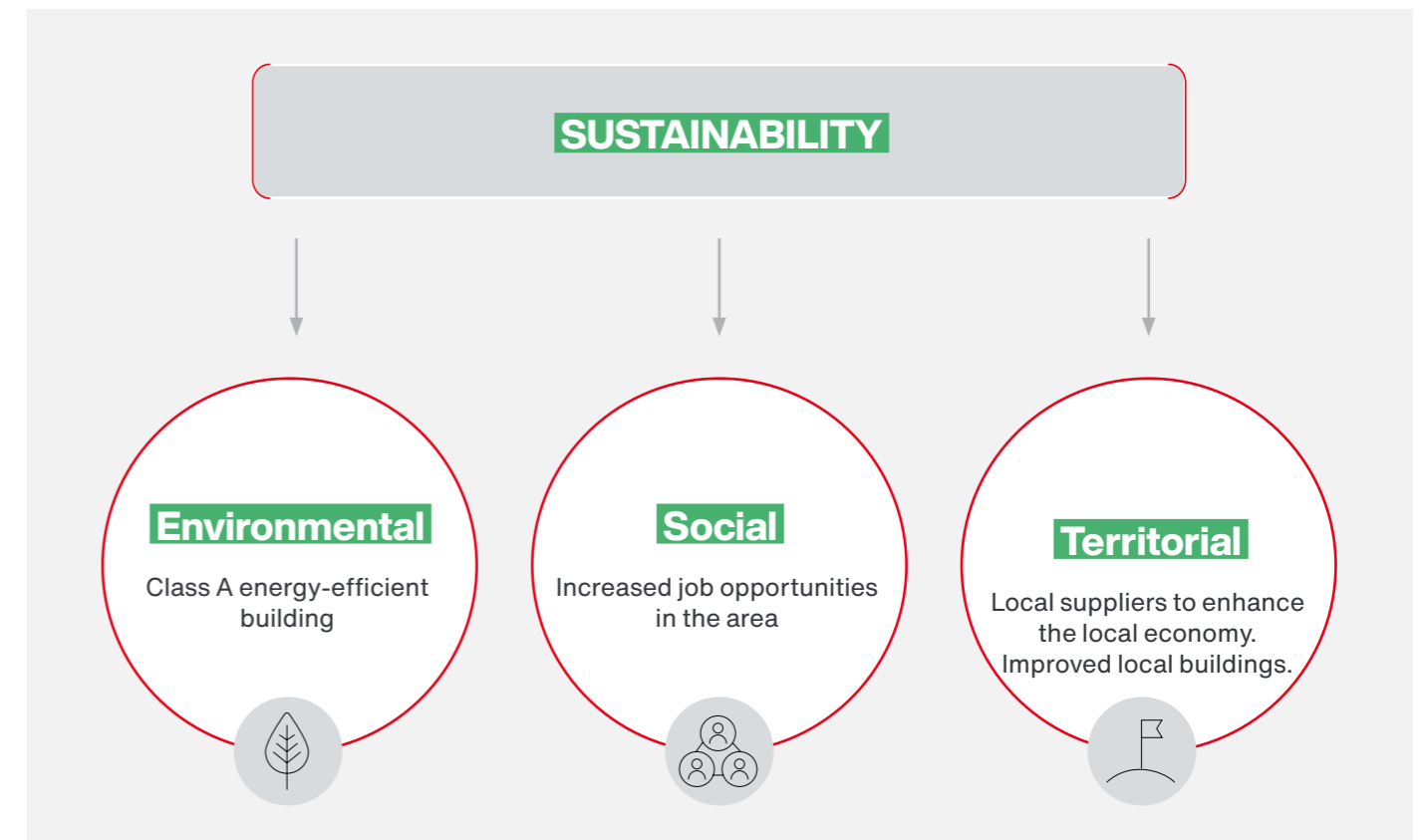
# Caserta : new, sustainability - focused headquarters

At the end of 2022, we began renovating a building in Caserta's industrial area to transform it into a site for commercial offices and a centre for the repair and servicing of products sold in southern Italy. The refurbishment was completed in May 2023, and the new site was inaugurated in June. The new facility, now operational, has achieved a Class A energy rating and meets all criteria for energy consumption containment and sustainability. This represents a significant achievement in our efforts to improve efficiency and reduce our environmental impact.

The new site features rooftop solar panels, natural ventilation, fully electrified heating systems, electric vehicle charging stations, and home automation and consumption monitoring systems. These features demonstrate our commitment to improving our buildings and optimizing their energy performance.



The inauguration event on 15 June was also marked by sustainability. The emissions generated by the event (calculated at 9,636 kg of CO<sub>2</sub>) were offset through LifeGate's Impatto Zero project, involving the creation and protection of 19,272 square metres of growing forests in the Siro Negri Forest in the Ticino Park.



## Efficiency in the new building

The existing building underwent a complete refurbishment, improving its energy class from E to A. Enhancements include:

- + New facade
- + Wall insulation
- + Roof insulation
- + VRF climate system
- + Night ventilation
- + BMS and home automation system
- + Rooftop solar panels
- + Electric vehicle charging



# Supply chain

- 116 Purchasing
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- 121 Supplier Evaluation
- 122 Sustainable Procurement
- 123 Customer Satisfaction



# Ethical management of the value chain

In sustainable growth process, customers and suppliers play pivotal roles as integral parts of our production and organizational processes. It is essential that they align with our goals and strategic direction.

Our goal is to cultivate transparent, robust relationships that generate value over the short and long term.

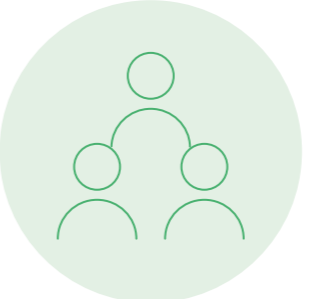
SEW prioritizes decisions that aim to contain and diminish the environmental impact of our production activities. We recognize our social and ethical responsibilities to the communities where we operate.



In 2023, the economic value of our purchases increased by 2% compared to 2022.



We are committed to sourcing from local suppliers to foster the development of the local ecosystem. Over the past year, the number of our suppliers has grown from 502 to 558 (11% higher than the previous year).



In Italy, our purchases account for 8% of the total, consistent with figures from 2022.

**76**

companies contacted in the materiality process (43 in 2022)



of which:

**8**

partners

**33**

top clients

**22**

customers

**13**

suppliers

# Purchases

We categorize our procurement into direct and indirect purchases. Direct purchases consist of services directly supporting production, while indirect purchases encompass goods and services essential for other aspects of business operations. To ensure consistent quality, our business model requires production materials to be sourced from the parent company, which upholds stringent standards and serves as our primary supplier.

In 2023, total purchases can be broken down as follows:

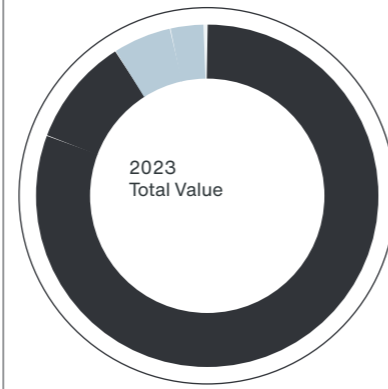
+ **Direct purchases from the SEW Group**  
This includes components like electronic and mechanical parts sourced from our parent company for assembly in Italy, as well as finished products dispatched directly to customers. Additionally, it covers special tools & equipment developed by SEW-EURODRIVE Germany specifically tailored for processing our products.

+ **Purchases from domestic suppliers**  
These include consumables such as packaging materials, oils, adhesives, etc., along with indirect purchases like clothing, stationery, and personal protective equipment (PPE). It also encompasses all Facility services such as maintenance, cleaning, security, utilities, and our company fleet.

+ **Purchases from suppliers abroad**  
This category involves paints and adhesives specially formulated for SEW-branded products, as well as IT equipment.

In 2023, the economic value of our purchases increased by 2% compared to 2022, when it amounted to EUR 131,894,421.

The distribution of spending has increased evenly, demonstrating consistent allocation of our purchases year after year.



91.5% Purchases from the Group  
8% Purchases from Italian suppliers  
0.5% EU purchases + purchases from suppliers abroad (non-Group)

Group	Supply Chain Origin	EUR/year	Number of suppliers
B	Purchases from SEW Group	123,383,346	5
A	Purchases from Italy	10,202,716	506
C	Purchases from other suppliers abroad	1,068,435	47
<b>Total</b>		<b>134,654,496</b>	<b>558</b>

\*Amounts include VAT, where applicable

Country	Total (EUR)
America	29,363
Europe (w/o Group)	134,424,474
Others*	200,660
<b>Total</b>	<b>134,654,496</b>

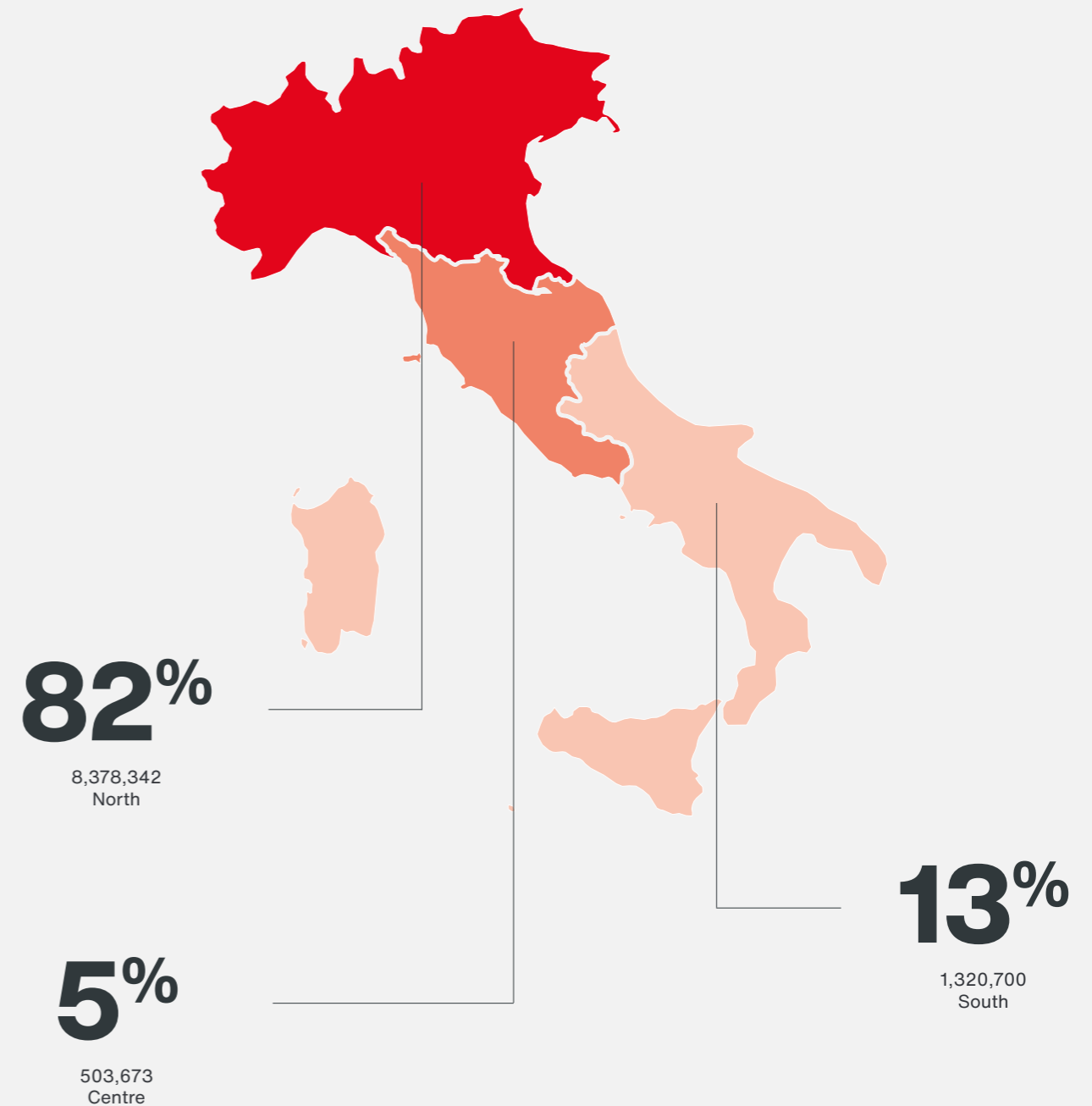
\* Amounts include VAT where applicable

\* "Others" refers to countries outside the European Union: in 2022, which include Switzerland and UK.

## Supply chain: the ESG material topics

+ Spreading and growing a sustainable culture

## Geographical distribution of purchases in Italy



Total expenditure Italy	2022		2021	
	Value (EUR)	%	Value (EUR)	%
North	7,571,130	75%	8,378,342	82%
Centre	613,073	6%	503,673	5%
South	1,936,988	19%	1,320,700	13%
<b>Total</b>	<b>10,121,192</b>	<b>100%</b>	<b>10,202,716</b>	<b>100%</b>

Purchases are mainly concentrated in Northern Italy, where three Drive Centers and the headquarters in Solaro (MI) are located.

Compared to 2022, there has been an increase in purchases in the North and a decrease in the southern regions. This change is due to the completion of construction work and the inauguration of the new Drive Technical Center (DTC) in Caserta (see page 110). Consequently, local purchase volumes were higher in 2022 than in 2023.

## Local purchases

In the Northern regions, more than half of the purchase value comes from suppliers located in provinces near the headquarters, particularly for service-related supplies.

This demonstrates the company's commitment to maintaining value in the local area, building relationships, and creating an ecosystem with nearby partners.

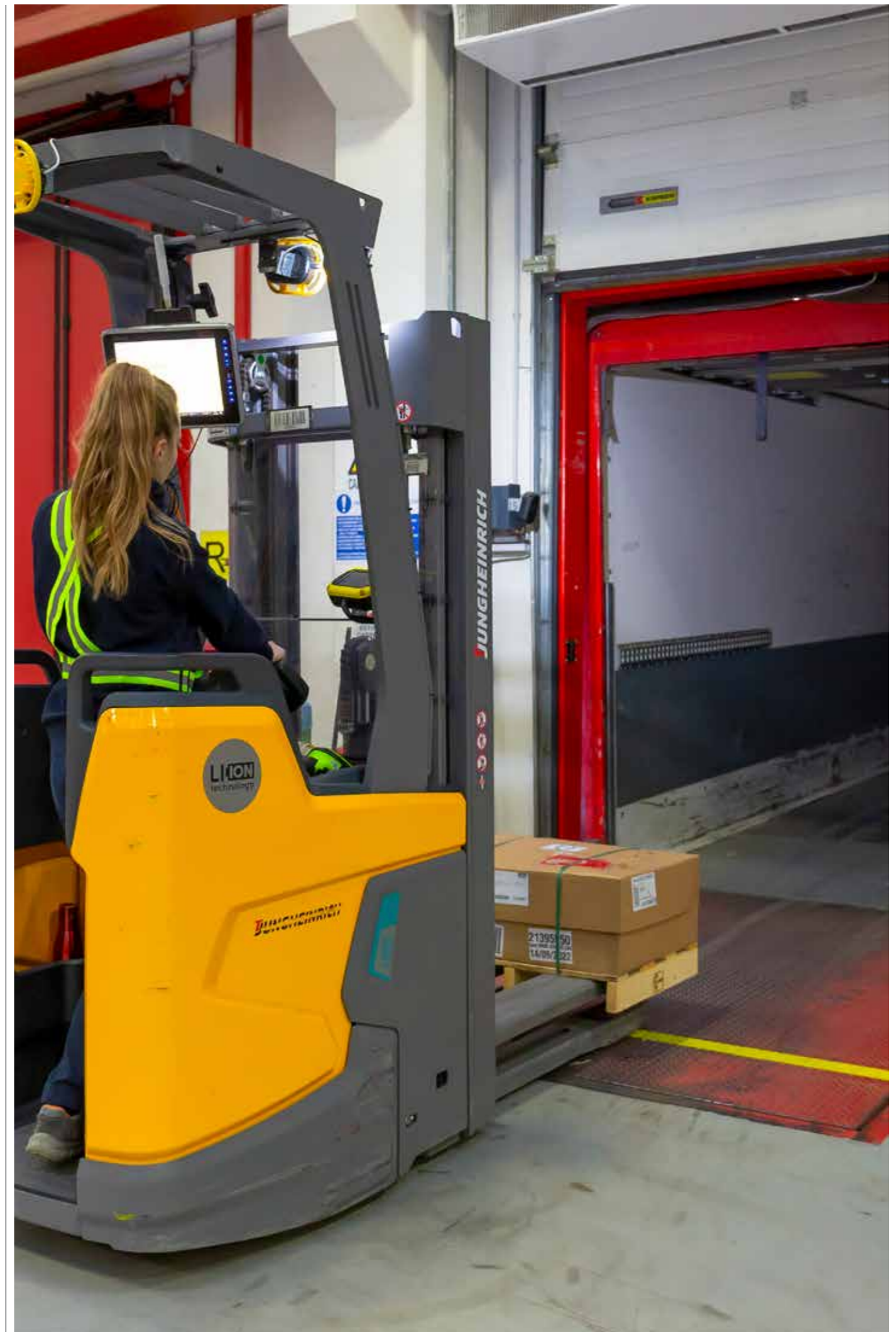
Percentage purchases by region out of total purchases made in Italy (including VAT where applicable)

Breakdown of suppliers by region where SEW is located	2021	2022	2023
Lombardy	62%	52%	52%
Veneto	3%	2%	2%
Piedmont	6%	4%	4%
Campania	1%	19%	12%
Emilia-Romagna	11%	9%	14%
Other regions	17%	14%	16%

Two teams are responsible for purchasing:

+ the Material Production Planning team oversees direct production-related purchases, monitors and schedules inventory, and orders necessary components and tools for local production from the Parent Company;

+ the Purchasing Office team handles ordering goods and services from other suppliers, including international suppliers with whom SEW-EURODRIVE Germany has framework agreements, for both production and day-to-day business. For this latter type of purchasing, to ensure the best products and services for the company, the Procurement team collaborates with area/sector specialists.



# Supplier Management

In 2023, we reaffirmed our commitment to seeking local suppliers to support the development of our surrounding ecosystem. While the distribution of suppliers remains the same as the previous year, the number has increased from 502 to 558 active suppliers, marking an 11% rise.

Our Procurement team selects goods and service suppliers based on criteria that consider environmental and social impacts alongside traditional factors like price and quality. Sustainable Procurement means choosing and evaluating suppliers not just by cost, but also by their environmental, social, and ethical practices, as well as their GHG Scope 3 emissions, which contribute to the carbon footprint of our organization and products.

Due to judicial investigations into one of our suppliers, and a lack of transparency in declaring their emissions, we have reduced our business with them, in line with our principles and values.



This year, we added “sustainability” as an assessment criterion for tenders. Suppliers now need to present documents proving their commitment to sustainability, such as a legality rating, a code of ethics, a sustainability report, and certifications, along with their economic and financial documents.

We use the same approach in drafting contracts, always including a sustainability reference to raise awareness among all parties concerned.



# Supplier Evaluation

In 2023, we had 558 active suppliers, with 506 based in Italy. Not all suppliers are evaluated; for example, we do not evaluate suppliers with whom the Parent Company has international agreements or local suppliers and utilities, etc.

Once a supplier is qualified and added to the list of qualified suppliers, the procurement office identifies strategic suppliers to monitor closely, based on criteria like turnover volume and the criticality of the product or service they offer.

We schedule periodical audits for these suppliers as follows:

- + for material suppliers, audits include site visits to the supplier’s location;
- + for service suppliers, quality audits are conducted at our site and, in some cases, also at the supplier’s site to verify equipment and working conditions.

Audits are scheduled internally and arranged with the supplier, who is given advance notice

## 10

suppliers audited in 2023

so that they can prepare the documentation to be viewed during the audit.

Each audit is followed by a report and a shared discussion with the supplier to provide feedback and strengthen the partnership for continuous improvement. This activity aims to create better connections between us and the suppliers to reinforce the business ecosystem. Economic, social, and environmental sustainability topics are always addressed, providing an opportunity to exchange perspectives and discuss concrete actions and results in sustainability.

In 2023, we conducted 10 audits, with 9 positive results and 1 negative result, prompting us to initiate specific feedback meetings for improvement and close monitoring to track progress.

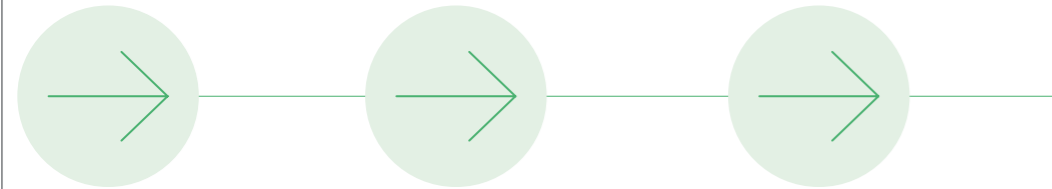
50% of the audits conducted covered companies that supply us with products and 50% with services.



# Sustainable procurement

We have declared our goal to approach Net Zero by 2030. To achieve this, we have begun raising awareness among our suppliers and collecting data on their Scope 3 emissions. These aspects are now integrated into our supplier qualification and evaluation process.

## Sustainable Procurement System



## Goal

By 2030: understand, reduce, and offset emissions from Procurement activities in Italy to approach the NET ZERO 2050 target.

2022

### Phase 1

Initiated preparatory activities for developing Sustainable Procurement. Mapped suppliers, identified vulnerabilities, and assessed their impact on the company. Defined supplier qualification procedures.

2023

### Phase 2

Continuous internal training. Collected information from suppliers and started audit activities on specific suppliers. Mentored existing suppliers and engaged in company activities. Estimated the internal carbon footprint generated by the supply chain and set goals and strategies.

2024-30

### Phase 3

Continuous internal training. Defined criteria for awarding contracts that include supplier emissions reporting. Sought out and integrated suppliers who provide emission data. Continuously monitored supply chain emissions.

Mentored and supported active suppliers within the company.

In 2023, we continued our awareness-raising efforts through events involving suppliers, such as the INNOVATION LAB day focused on systems thinking and creating a sustainable ecosystem, held in November 2023 (see pages 26 and 28).

Additionally, we launched an internal training program in procurement to raise awareness and spread knowledge among our colleagues.



## Sustainable Procurement Projects

To foster collaboration and promote sustainability within our ecosystem, in 2023 we positively responded to a supplier's request for assistance in obtaining ISO 14067 certification, which focuses on Carbon Footprint. We provided our facilities for on-site sampling, data collection and analysis.

This ISO certification will allow the supplier to quantify their cleaning service's carbon footprint, measured as CO<sub>2</sub> equivalent per square metre cleaned annually (CO<sub>2</sub>-eq/m<sup>2</sup>). This assessment includes the carbon footprint of all processes involved in the cleaning service.

The final audit and certification are scheduled for May 2024, marking a significant step toward promoting sustainable practices within our ecosystem.

To raise awareness of ESG topics among suppliers, we offered specific consultancy to one of our main transport suppliers, a medium-sized, family-run business. We helped them engage with sustainability issues and start collecting data and reporting consumption. The goal is to create a sustainability plan with improvement targets, allowing us to monitor progress over time.



# Customer satisfaction

Being sustainable means listening to stakeholders to understand their needs and establish balanced relationships that create value for both parties. We strive to apply this concept throughout the entire value chain, from suppliers to customers.

Customer satisfaction is of paramount importance to us. Our strategy is customer-centric - the ability to understand and meet their needs and expectations is the number one value underpinning our corporate culture.

Customer Satisfaction is monitored every three to four years by means of a questionnaire. The process is important for measuring customer satisfaction with online support and the website, sales staff, processes for managing offers and orders, and technical support. The questionnaire also analyses the degree of customer preference for digital channels and our positioning in relation to competitors.

Lastly, it seeks to identify specific needs both in the area of service (after-sales service and maintenance) and in the area of technological solutions, new products and software. The last questionnaire was conducted in 2021, so we decided not to carry out a new survey in 2022, but to postpone it to subsequent years.

As highlighted on pages 26 to 29, our customers are consistently involved in the materiality process. This year, thanks to the Systemic Thinking and Sustainability event, they also worked in subgroups and expressed their expectations on this strategic subject. This effort continues to promote a culture of sustainability, in line with the material theme of spreading a sustainability culture.





# Report drafting process

SEW-EURODRIVE Italia does not fall within the scope of Italian Legislative Decree No. 254/2016, which requires an annual Non-Financial report, or of European Directive 2013/34/EU on sustainability reporting. However, we believe it is essential to report our commitments and responsibilities regarding sustainability, and we do so with this document, prepared according to the latest version of the Sustainability Reporting Standards 2021 of the Global Reporting Initiative (GRI), using the “in accordance with” reporting option. In particular, to define the contents and quality of the reporting, SEW-EURODRIVE Italia followed the principles set by the GRI Standards, which provide a set of criteria for selecting the information to include in the report and how it should be represented:

- + **Accuracy** – The reporting scope of the economic and financial data and information corresponds to that of SEW-EURODRIVE Italia’s Financial Statements at 31 December 2023. The quantitative data is primarily extracted from SEW-EURODRIVE Italia’s operating systems. Information for the reporting period is compared with the previous two years. To ensure data reliability, estimates are minimized, and if present, they are appropriately indicated and based on the best available methodologies (including emission factors, noted next to each relevant table).
- + **Balance** – The description of the results of SEW-EURODRIVE Italia’s activities aims to report information objectively, providing a fair representation of both positive and negative impacts.
- + **Clarity** – The report format is designed to make the information easily identifiable and understandable. The Sustainability Report opens with a letter from the General Manager and consists of 6 sections: Sustainability and SEW, Sustainability and Governance, Sustainability and People, Sustainability and Products/Services, Sustainability and Environment, Sustainability and Value Chain. The document concludes with the Report Drafting Process, GRI Content Index and an independent third-party audit report. The level of detail of the information ensures the report is comprehensible, accessible and usable by the various stakeholders.
- + **Comparability** – To enable stakeholders to analyse the changes in the company’s performance, the Sustainability Report presents data for the 2021 to 2022 period, where necessary highlighting changes or refinements in the measurement methods compared to previous periods. Internationally accepted units of measure are used, consistency in data calculation methods is maintained for the three-year period, and absolute values, percentages, and normalized data are reported to enable comparisons.

+ **Completeness** – The report is designed to give stakeholders a comprehensive picture of the activities carried out by SEW-EURODRIVE Italia during the reporting period, without excluding any information needed to understand the impacts produced by the company.

+ **Sustainability Context** – The “Sustainability Strategy and Goals” section clearly represents how the company interprets sustainability related to its business sector, indicating the sustainability context analysis (drawing from objective data and authoritative measures on sustainable development to report information on impacts), stakeholder engagement methods, and material topic identification. SEW-EURODRIVE Italia also highlights the close link between these topics and the UN’s Sustainable Development Goals (SDGs).

+ **Timeliness** – The Sustainability Report is prepared annually and aligns with the financial reporting schedule. The information in the document covers the period from 1 January 2023, to 31 December 2023, with quantitative information also provided for the previous two years.

+ **Verifiability** – This Sustainability Report was approved by the general partner SEW-EURODRIVE S.a.s., i.e., SEW-EURODRIVE Italia S.r.l., represented by Mr. Ferrandino, on 17 June 2024.

The Sustainability Report was audited by an independent third party, PKF Italia SpA, in accordance with the criteria specified in the “International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than full audits or limited audits of historical financial information” (hereinafter also “ISAE 3000 Revised”) issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements.

# GRI Content Index

<b>Statement of use</b>	SEW-EURODRIVE Italia has reported in accordance with the GRI Standards for the period 1 January 2023 - 31 December 2023
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	None

GRI Standard other source	Disclosure	Location
General disclosures		
GRI 2: General disclosures 2021	2-1 Organizational details	Pages 40, 124
	2-2 Entities included in the organization's sustainability reporting	Pg. 40
	2-3 Reporting period, frequency and contact point	Pages 124 and 132
	2-4 Restatements of information	Pg. 96
	2-5 External assurance	Page 132 to 136
	2-6 Activities, value chain and other business relationships	Pages 8, 9, 14, 15, 78, 79, 114-119,
	2-7 Employees	Pages 53, 54, 55
	2-8 Workers who are not employees	Pg. 53
	2-9 Governance structure and composition	Pages 40, 41, 42, 43
	2-10 Nomination and selection of the highest governance body	Pages 40, 41, 42, 43
	2-11 Chair of the highest governance body	Pages 40, 41, 42, 43
	2-12 Role of the highest governance body	Pages 40, 41, 42, 43
	in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	Pages 40, 41, 42, 43
	2-14 Role of the highest governance body in sustainability reporting	Pages 40, 41, 42, 43
	2-15 Conflicts of interest	Pg. 40
2-16 Communication of critical concerns	Pg. 40	

	2-17 Collective knowledge of the highest governance body	Pg. 40
	2-18 Evaluation of the performance of the highest governance body	Pg. 40
	2-19 Remuneration policies	Pg. 40
	2-20 Process to determine remuneration	Pg. 40
	2-21 Annual total compensation ratio	Pg. 62
	2-22 Statement on sustainable development strategy	Pages 18, 19, 21, 22
	2-23 Policy commitments	Pages 18, 19, 21, 22, 28, 29
	2-24 Embedding policy commitments	Pages 18, 19, 21, 22, 28, 29, 42
	2-25 Processes to remediate negative impacts	Pages 30, 31, 32, 33
	2-26 Mechanisms for seeking advice and raising concerns	Pg. 42
	2-27 Compliance with laws and regulations	Pages 43, 45
	2-28 Membership associations	Pages 72, 73
	2-29 Approach to stakeholder engagement	Pages 18, 19, 22, 24, 25, 26, 27, 28, 29
	2-30 Collective bargaining agreements	Metalworking contract
Material Topics		
GRI 3 - Material Topics 2021	3-1 Process to determine material topics	Page 132 to 35
	3-2 List of material topics	Pages 19, 34, 35
Combating climate change: reducing consumption and emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 92 to 107
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 95 to 100
	302-2 Energy consumption outside of the organization	Page 95 to 100
	302-3 Energy intensity	Pg. 99
	302-4 Reduction of energy consumption	Page 95 to 100
	302-5 Reduction in energy requirements of products and services	Page 80 to 87
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 102, 103
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 102, 103
	305-3 Other indirect (Scope 3) GHG emissions	Pages 102, 103
	305-4 GHG emissions intensity	Pg. 103

	305-5 Reduction of GHG emissions	Pg. 22
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 93, 94, 95
	306-2 Management of significant waste-related impacts	Pages 93, 94, 95
	306-3 Waste generated	Pages 93, 94, 95
	306-4 Waste diverted from disposal	Pages 93, 94, 95
	306-5 Waste directed to disposal	Pages 93, 94, 95
Adapting to climate change		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 92 to 111
Energy	Self-generation of energy from solar PV systems	Pg. 100
Mobility	Car Policy, Sustainable mobility and Commuting	Page 104 to 107
Increasing circularity		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Waste circularity		Page 93 to 96
Lean smart factory		Pages 84, 85
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 65 to 68
GRI 403: GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Page 65 to 68
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 66, 67, 68
	403-3 Occupational health services	Pg. 68
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 66, 67, 68
	403-5 Worker training on occupational health and safety	Pages 57, 58, 66
	403-6 Promotion of worker health	Pages 60, 61, 66, 67, 68
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg. 67
	403-8 Workers covered by an occupational health and safety management system	Pages 64, 65
	403-9 Work-related injuries	Pages 64, 65
	403-10 Work-related ill health	Pages 64, 65
Enhancing skills and wellbeing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg. 52

GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Pages 56, 57, 58
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Pg. 56
GRI 404: Training and education 2017	404-3 Percentage of employees receiving regular performance and career development reviews	Pg. 56
GRI 405: Diversity and equal opportunities - 2016	405-2 Ratio of basic salary and remuneration of women to men	Pages 62, 63
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 60, 61
GRI 401: Employment 2016	401-3 Parental leave	Pg. 63
Economic performance/Market presence		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78 to 87
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	page 47
GRI 206: Anti-competitive behavior	206-1 Legal actions for anti-competitive, antitrust and monopolistic practices	No pending legal action
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	100% of employees receive a wage higher than the living wage.
Spreading and growing a sustainable culture		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 28, 29, 42, 122 and 123
Sustainability Team	Sustainability Team	Pg. 42
Spreading and growing a sustainable culture	Dissemination and growth of a sustainable culture	Pages 70, 71, 72, 73, 77, 78, 79, 109, 110, 111, 120, 122, 123

## SEW Eurodrive S.a.s. di SEW S.r.l. & Co.

### INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT 2023

#### INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

To the Shareholders of  
SEW Eurodrive S.a.s. di SEW S.r.l. & Co.

We were appointed to perform a limited assurance engagement on the attached Sustainability Report of SEW Eurodrive S.a.s. di SEW S.r.l. & Co (hereinafter referred to as the "Company") for the year ending 31 December 2023.

#### Responsibilities of the General Partner for the Sustainability Report

The General Partner of the Company is responsible for preparing the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by the GRI - Global Reporting Initiative ("GRI Standards"), as described in the "Report drafting process" section of the Sustainability Report.

The General Partner is also responsible for that part of the internal control that they deem necessary to ensure that the sustainability report is free from material misstatement, whether due to fraud or error.

The General Partner is also responsible for defining the Company's goals in relation to its sustainability performance and for identifying the stakeholders and the material aspects to report.

#### Independence of the auditor and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Performing its task, the auditing firm applied the International Standard on Quality Control (Italy) 1 (ISQC Italy 1) and accordingly maintained a comprehensive system of quality control system including documented policies and procedures regarding compliance with ethical principles, professional standards and applicable legal and regulatory requirements.



### Independent Auditor's responsibilities

We are responsible for expressing a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the GRI Standards. We performed our work in accordance with the criteria of the "International Standard on Assurance Engagements 3000 (revised) – Assurance Engagements other than audits or reviews of historical financial information" (hereinafter also "ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and performance of limited procedures in order to gain limited assurance that the Sustainability Report is free from material misstatement.

Our examination involved less work than what would be required to perform a "reasonable assurance engagement" in accordance with ISAE 3000 Revised. Consequently, the level of assurance obtained is substantially lower and we cannot be certain that we obtained knowledge of all material facts and circumstances that would have been obtained had reasonable assurance engagement been performed.

The procedures conducted on the Sustainability Report were based on our professional judgement and included interviews, mainly with the Company personnel responsible for preparing the information presented in the Sustainability Report, as well as document reviews, recalculations and other procedures aimed at obtaining sufficient appropriate evidence.

Specifically, we performed the following procedures:

- analysis of the process for defining the material topics reported in the Sustainability Report, with reference to the methods used to analyse and understand the context of reference, identify, evaluate and prioritize the effective and potential impacts, and the internal validation of the results of the process;
- comparison between the economic and financial data and information reported in the "Economic value generated and distributed" section of the Sustainability Report and the data and information contained in the Company's annual financial statements;
- comprehension of the processes underlying the generation, collection and management of the significant qualitative and quantitative information included in the Sustainability Report.

More specifically, we conducted interviews and discussions with personnel from the Company's management, and carried out limited document verifications, to gather information about the processes and procedures that underpin the collection, aggregation, processing and transmission of non-financial data and information to the function responsible for preparing the Sustainability Report.

Additionally, for material information, taking into account the activities and characteristics of the Company:

- with reference to the qualitative information contained in the Sustainability Report, we conducted interviews and acquired supporting documentation to verify its consistency with the available evidence;
- with reference to quantitative information, we carried out both analytical procedures and limited verifications to ascertain the correct aggregation of data on a sample basis.



Based on the procedures we performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Company as at 31 December 2023 was not prepared, in all material respects, in accordance with the GRI Standards, as described in the "Report drafting process" section of the Sustainability Report.

Milan, 26 June 2024

PKF Italia S.p.A.

Edoardo Colombo  
(Partner)

## Credits

For information about Sustainability at SEW-EURODRIVE Italia, please contact:  
[sustainability@sew-eurodrive.it](mailto:sustainability@sew-eurodrive.it)

The Sustainability Report was prepared with the contribution and coordination of:  
Eva De Col, Sustainability Manager.

The Sustainability Report is available on the site of SEW-EURODRIVE Italia, at [www.blog.sew-eurodrive.it/sustainability](http://www.blog.sew-eurodrive.it/sustainability)

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The 2023 Sustainability Report  
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Scan the QR code:



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