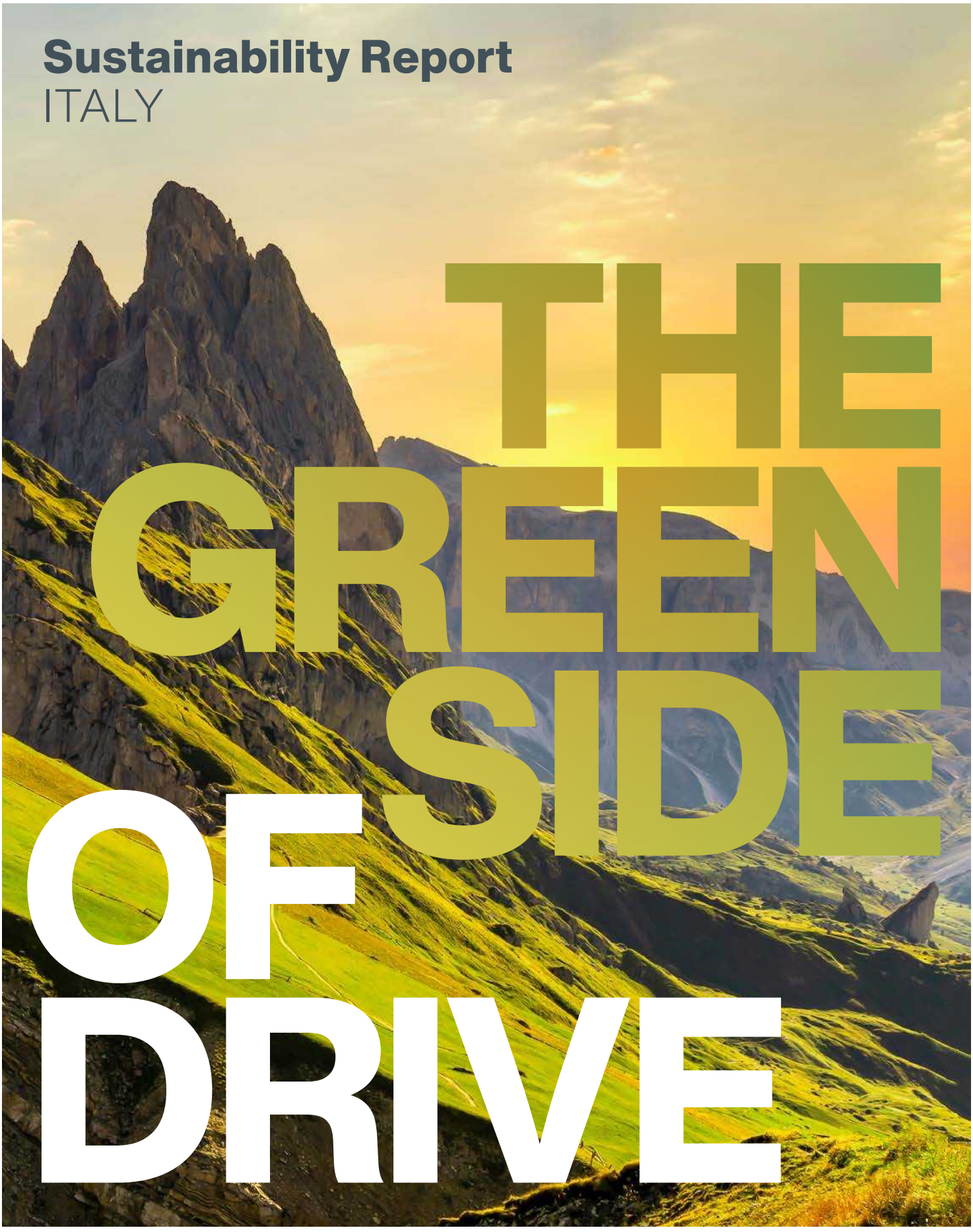
2025

SEW EURODRIVE

Sustainability Report
ITALY



THE GREEN SIDE OF DRIVE

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Sustainability is neither a passing trend nor a label to be applied to projects. It is our guiding principle, the yardstick by which we make our decisions, invest and build the future

Letter from the General Manager

Dear Stakeholders,

we are proud to present the 2025 edition of our Sustainability Report, not just a collection of figures but an ***account of the process*** *through which we reiterate our vision of a responsible, innovative and long-term-oriented business year after year.*

2025 was a year of profound change for industry and for our sector.
Market volatility, rapid technological change and the now tangible effects of the climate crisis have made what has long been clear to us even more evident: ***that sustainability is neither a passing trend nor a label to be applied to projects. It is our guiding principle, the yardstick by which we make our decisions, invest and build the future****, regardless of passing fads or fluctuations in public interest.*

Whilst sustainability seems to have lost its central role in many narratives, we are firmly committed to ***keeping it at the heart of our corporate culture****. Not because it makes sense economically, but because it is necessary: for the planet, for people, for the communities in which we operate, and for the stability of our business model.*

In 2025, we made significant progress across all ESG dimensions, building on the work we had begun in previous years:

Environment *– we continue our efforts to reduce greenhouse gas emissions, with the aim of achieving carbon neutrality for Scope 1 and 2 emissions by 2026, in accordance with internationally recognised methodologies. This commitment is based on concrete measures to improve energy efficiency, increase the use of energy from renewable sources and strengthen environmental data monitoring systems. At the same time, we invest in the development of solutions designed in line with the principles of the circular economy and technologies aimed at improving energy efficiency, both in our own processes and in applications for our customers.*

People *– we have strengthened our training programmes and wellbeing, safety and inclusion projects, increasingly incorporating the principles of Industry 5.0: people at the centre, human-machine collaboration and the development of human capital. Our people remain the real driving force behind the innovation and quality of the service we provide.*

Innovation and Governance *– with the launch of the new Innovation Hub in Bologna and investments in research and digitalisation, we are expanding our ability to generate value for the entire ecosystem through collaborative models with universities, SMEs, customers and technology partners. At the same time, we are strengthening both our governance and our ethical standards in the knowledge that a company's credibility depends on its transparency and integrity.*

Region and community *– we remain committed to working with schools, local authorities, social projects and environmental initiatives, in particular to protect biodiversity and promote educational programmes for the new generations.*

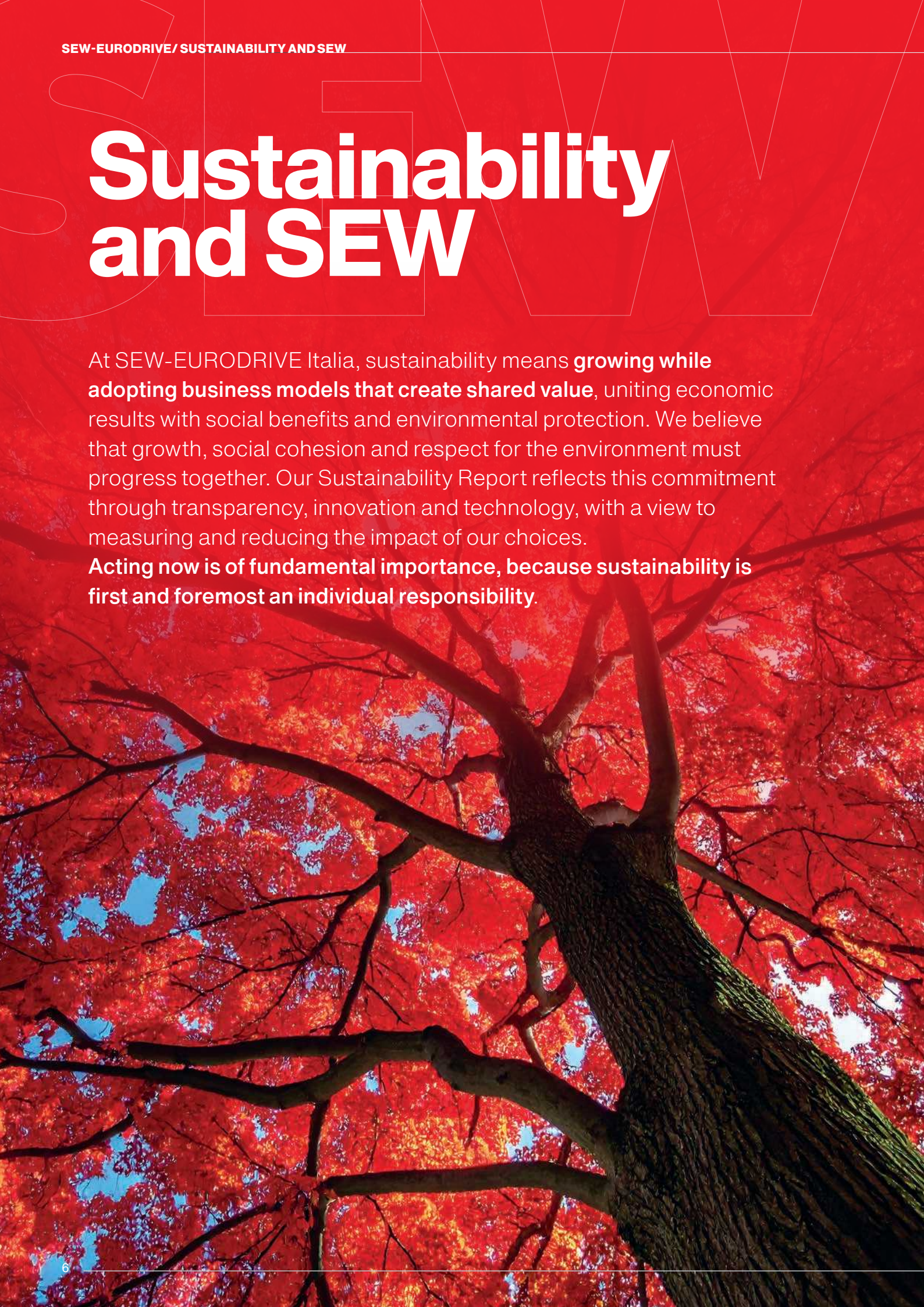
We look forward to the coming years with determination and confidence. Our vision remains unwavering: to create a ***business model that combines technological excellence, sustainability,*** *personal wellbeing and regional development. A vision that does not follow trends but which responds to the real need to build a future that is more balanced, more human and more respectful of the planet's limits.*

Thank you for joining us on this journey.

Giorgio Ferrandino

Sustainability and SEW

At SEW-EURODRIVE Italia, sustainability means **growing while adopting business models that create shared value**, uniting economic results with social benefits and environmental protection. We believe that growth, social cohesion and respect for the environment must progress together. Our Sustainability Report reflects this commitment through transparency, innovation and technology, with a view to measuring and reducing the impact of our choices.
Acting now is of fundamental importance, because sustainability is first and foremost an individual responsibility.



The SEW-EURODRIVE offering

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**.

Technologies

Drive technologies

Industrial gear units

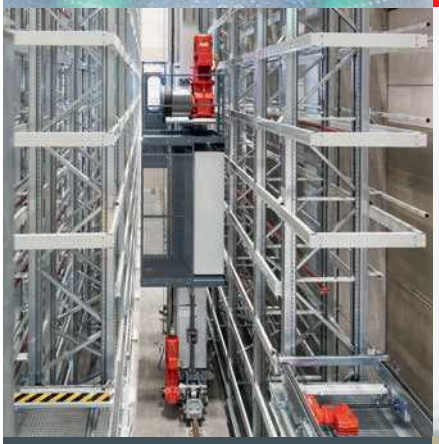
Automation technologies

Control and visualization technology

Solutions

AGV

Complete automated guided vehicles



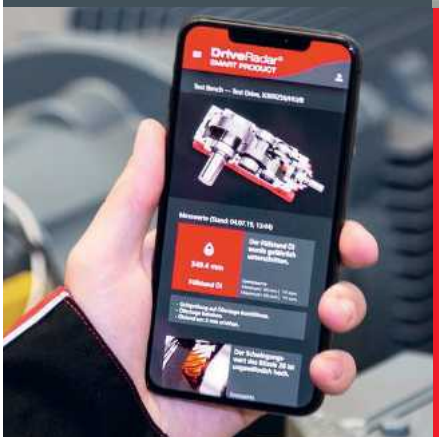
PE-S

Power and Energy Solutions

Intelligent power management system

Delta Robot

Tripod

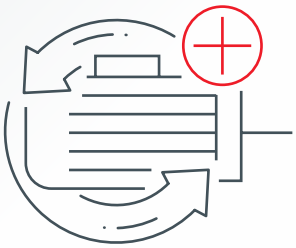


DriveRadar® and APPredict

Condition monitoring and predictive maintenance solutions

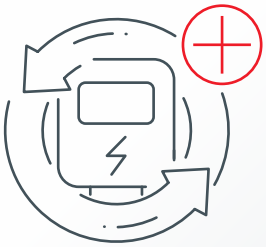
Services

Repair of electric motors, gear units and complete gearmotors

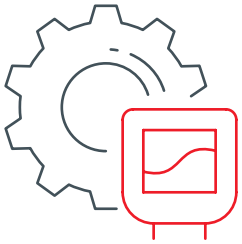


Repair of electronic components such as inverters and servo inverters

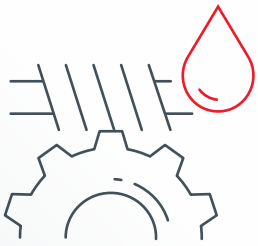
Mapping on products installed at end users' premises



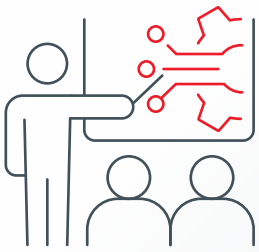
Qualitative oil analysis of gear units installed at end users' premises



Analysis of operating parameters and diagnostics of installed components

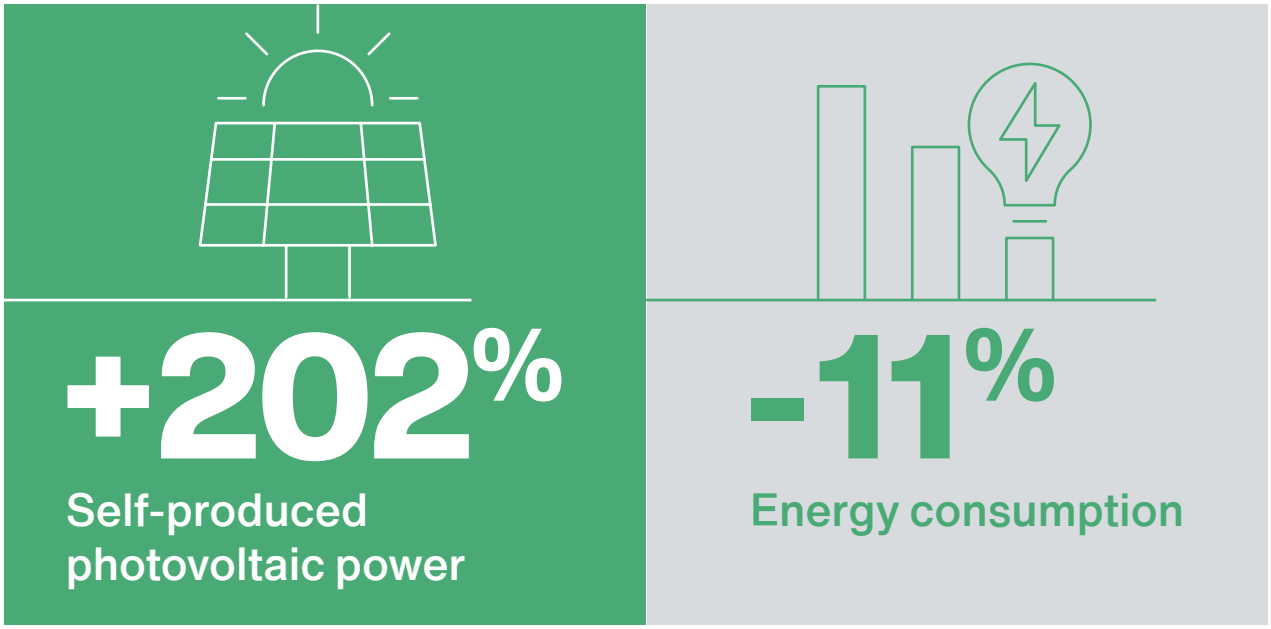


Basic training courses on programming electronic devices



Highlights

For SEW-EURODRIVE Italia, sustainability is based on data and figures that we monitor constantly and which confirm and demonstrate the results we have achieved.
The transparency and passion with which we pursue our sustainability goals enables us to adopt a **virtuous approach that is measurable, traceable and tangible**, focusing careful and constant attention on reducing our environmental impact and improving the conditions of our people.



-12.2%
Scope 1 and Scope 2 emissions

93%
NON-hazardous waste

22%
Fully electric vehicles in fleet

25% Female share of the workforce

219
Employees

1,780
Hours dedicated to improving Digital Culture

2.1%
Total number of hours dedicated to training

3.5%
Absenteeism rate

Below the national average of **6.6%**

and that of companies with more than 100 employees, of **7.2%**

(Source: Confindustria, 2024 figures)

The sustainability behind our development

Five strategic areas to contribute to the goals of the 2030 Agenda

The SEW-EURODRIVE Italia strategy is structured around five key areas, in line with the principles of the 2030 Agenda: Governance, People, Products and Services, Environment and Value Chain. An integrated approach that combines financial stability, social responsibility, quality and environmental protection with the aim of creating lasting value for customers, employees and the local community, making a tangible contribution to sustainable development in the process.


8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Governance
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
People
ENVIRONMENT
SOCIETY
ECONOMICS
QUALITY
Value chain
8 DECENT WORK AND ECONOMIC GROWTH
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS
Products and Services
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
Environment
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

Our history

In **1931**, **Christian Pähr**, a banker from Baden-Württemberg, founded **Süddeutsche Elektromotorenwerke**. Back then, few could have predicted that this company would one day grow into one of the most pioneering companies in drive technology.

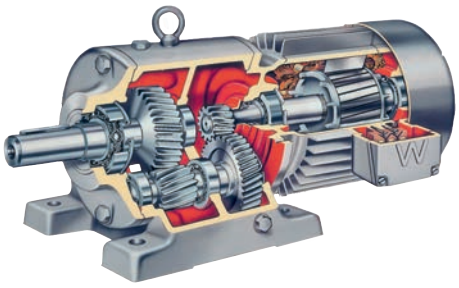
We invite you on a journey through our history, starting with an event that is truly extraordinary!

Our origins

1945
After the war**, Ernst Blickle**, the owner's son-in-law, took over the running of the company.

1948
The foundation stone for a new **10,000 sqm** production site was laid in Graben.

1960
SEW already counted **600 employees** and a turnover of **20 million Deutschmarks**.
Ernst Blickle invented a gear unit and motor assembly kit, which could be combined flexibly and economically. This modular system, mass produced at a low unit cost, opened the door to foreign markets.



Arrival in Italy

1968
The company expanded into Italy with two small offices, in **Milan** and in **Bologna**, followed a year later by the inauguration of the first production facility in **Limbiate, Monza Brianza**. Soon after, two representative offices were opened in Bologna and **Caserta**.

1973
The company acquired its main post-war competitor, **Obermoser in Bruchsal** (direct drives, refrigerator motors, worm drives, electric motors). Two new representative offices were opened in **Turin** and **Verona**.

Passing the baton

1987
Our great founder passes away. **Rainer** and **Jürgen Blickle** become the Group's chairmen.

1990
A majority stake was acquired in **Pfeffer** & **Partner Getriebebau GmbH**.

Our guiding principle since 1931

"People don't want products, they want solutions"

Ernst Blickle
Son-in-law of the founder of Süddeutsche Elektromotoren Werke (SEW)

Expansion in Italy and China in the pursuit of innovation and recognition

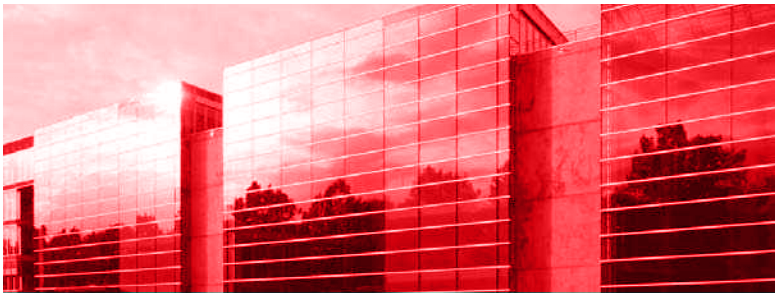
1999
New **Solaro** site. First foray into China with the new branch in **Tianjin**.

2000
New facilities were constructed and launched in **Bruchsal** for the production of electronic components, becoming the '**Best factory of the year' in 2000**.

2003
Turnover exceeded €1 billion for the first time.
The **Ernst-Blickle-Innovation-Center** (EBIC) was opened in Bruchsal.
The futuristic glass building with adjoining experimentation and testing area would thereafter serve as the nerve center of all of the company's R&D activities. The construction was built as a tribute to Ernst Blickle's futuristic business model and created **400 jobs**.

2004
A **Service Competence Center** was opened in Graben Neudorf.

2007
The facilities in Solaro transitioned from in-line production to **work islands**.



2017
A new building was added to expand the Solaro site, the original 1991 facility was renovated, and the assembly workshop layout was redesigned, enabling the implementation of new processes and the integration of **smart technologies**.

2023
The **Drive Center in Caserta** was inaugurated. This is a modern, advanced, spacious facility that includes a Service Center for even greater speed and efficiency, and a **DriveAcademy®** for technical training.

2024
Construction began on a **new assembly plant and research center** in the province of **Bologna**, a project that will expand the range of products and activities of the Italian branch.

Our global presence

57 Countries in the world

18 Production facilities

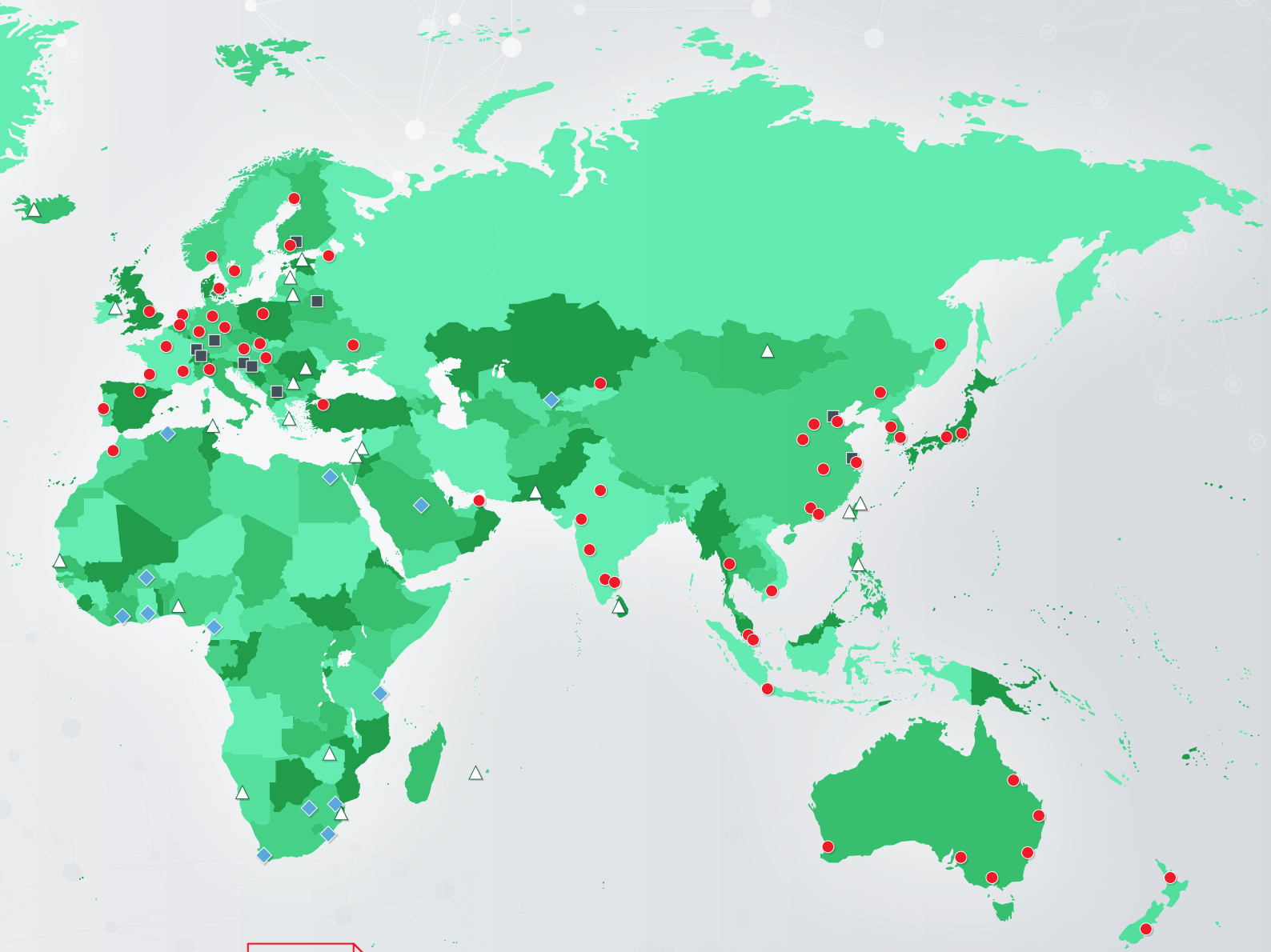
92 Drive Technology Centers

+230 Commercial branches

38 Partners

850
in Research and Development

+22,700
Employees (2024)



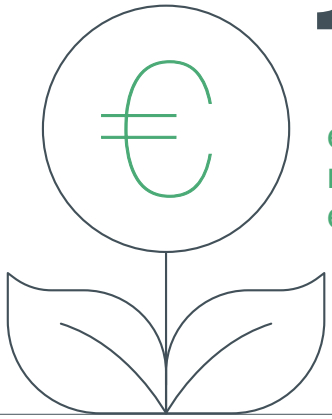
4.2bn€
turnover (2024)

Industry 5.0: a more human and sustainable future

Sustainability, together with a people-centred approach and resilience, is one of the pillars of Industry 5.0, which pursues **a more human future with lower environmental impact**. Today, industrial development is shifting from digitalisation towards a more sustainable and human-centric approach.

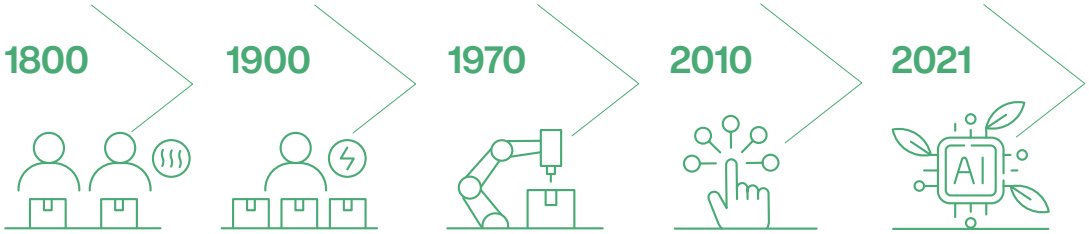
"When we talk about smart factories, Industry 5.0 and human-machine interaction, **the digitalisation of production processes** represents a strategic evolution in this direction.
However, people still remain at the heart of every innovation. It is no surprise, therefore, that **the wellbeing, safety and value of our people drive every technological choice**"

100%
employees who received training during the year



11%
economic value redistributed to employees

The main features of the **five industrial revolutions**, in which the increasing role of technology and humans in production processes emerges, can be summarised as follows:



	Industry 1.0	Industry 2.0	Industry 3.0	Industry 4.0	Industry 5.0
Key technology	Steam machine	Electricity and assembly line	Electronics and IT	Internet of Things (IoT), Big Data and AI	Artificial intelligence and sustainability
Main features	Mechanisation, the birth of factories	Mass production, standardisation	Automation, robotics, computing, birth of industrial computers	Digitisation, interconnection, smart production, advanced automation	Customisation, human-machine collaboration, circular economy, resilience
The role of man	Intense manual work	Repetitive work in the factory, increased productivity	Supervision and control of machines, less manual work	Strategic role, data and technology management	More creative work, human-centricity, improved safety and wellbeing

The European Commission states that, whilst it has focused on Industry 4.0 as a technological model geared towards efficiency, digitalisation and artificial intelligence, this paradigm is not suitable for tackling the climate crisis and social tension as it reinforces economic and business models that favour technological monopolies and growing inequalities in wealth.

Industry 5.0: the evolution of 4.0

Industry 5.0 does not replace 4.0; it is an evolution that **puts people, sustainability and resilience first**.
As with the fourth industrial revolution, this transformation requires a paradigm shift that involves the entire organisation, starting with its culture and guiding values.

A complex challenge for a sustainable future

The industrial transition is a social as well as an economic necessity:
the current model, described by the European Commission as “winner-takes-all” and based on a linear “take-use-dispose” approach, is now under scrutiny.
At SEW-EURODRIVE Italia, we are working towards a circular economy model.
Our commitment also extends to our people’s wellbeing, promoting a healthy work-life balance and the full and responsible development of all our employees.

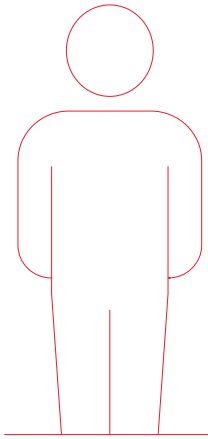
> “At SEW-EURODRIVE Italia, we are working towards a circular economy model”

The challenges of SEW-EURODRIVE

For SEW-EURODRIVE Italia, Industry 5.0 is an opportunity to align ourselves with the principles of the civil economy, focusing not only on efficiency and digitalisation, but also on **sustainability**, **personal wellbeing** and **social responsibility**. This makes us key players in a transformation that goes beyond traditional industry and paves the way for a more balanced and human-centric future.

The table below illustrates the integration between Industry 5.0 and the civil economy, confirming **our commitment to sustainable and human-centric production**.

	Environmental impact	Human-centricity and social wellbeing	Economic impact and social responsibility
Industry 5.0	Green technologies and circular production processes	Man-machine collaboration, safety at work, creative work, inclusiveness	Balance between production efficiency and socio-environmental and economic impact
Value-driven economy	Environmentally friendly economy geared towards sustainable development	Enhancement and full development of people, social inclusion and workers' welfare	Economy that looks beyond profit to promote the common good
The SEW-EURODRIVE Italia approach	**We adopt products, technologies and circular solutions that reduce environmental impact**	**We implement systems, processes, technologies and projects to improve the quality of people's work and their wellbeing; we promote equity and inclusiveness**	**We aim for an economic model that balances profit with a positive impact on society and the environment**



> “Our focus is not only on production efficiency and digitisation, but also on sustainability, the wellbeing of all workers, and social and economic responsibility”

Our vision and mission

Our "Be SEWstainable!" vision

Create an environment of creativity, trust and personal development to guarantee the progress of the social, environmental and economic ecosystem by achieving excellence in the areas of:

Innovation | Automation leadership | Financial independence

Driving the world
in a SEWstainable way

Mission

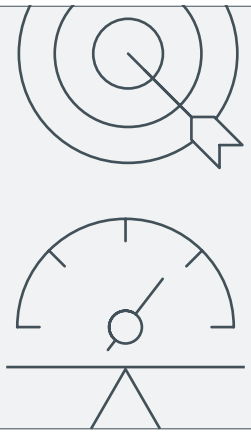
We develop technologies and solutions for industrial automation, logistics and the process industry to ensure long-term success for our customers, improve living standards, and conserve energy resources.

At SEW-EURODRIVE Italia, we have initiated strategic initiatives to achieve our vision with the aim of:

+ **Implementing measures for an increasingly circular and sustainable business**
+ **Achieving excellence in customer services**
+ **Developing team spirit and engaging employees by promoting diversity**
+ **Developing growth projects in the fields of automation, service and heavy industrial solutions and through a direct channel with end users**
+ **Digitally transforming all processes — including component assembly and logistics — into the state-of-the-art**

We pursue our vision and mission through these tools:

1. **Strategic map**
   Shows how values and distinctive elements are the foundation stones of the company's Vision and Mission
2. **Balanced Scorecard (BSC)**
   Allows us to articulate our strategy by linking strategic objectives to ESG criteria, and defines a set of three-year goals linked to concrete initiatives and measurable indicators
3. **Annual MBO targets**:
   Annual Management by Objective targets assigned to managers and linked to BSC objectives



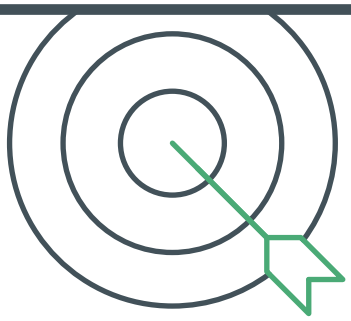
Balanced Scorecard (BSC)

A Balanced Scorecard (BSC) is a **performance measurement system** that translates strategy and vision into operational objectives, organising the activities of every division of an enterprise around a common understanding of that enterprise's goals.

The goal of SEW-EURODRIVE Italia is to focus on the interests of all stakeholders, without resorting to the pure growth strategies typical of the linear economy, from which we seek to depart, and thereby approaching a **circular generative model**.

> "Flexibility, collaborative spirit, transparency and ethical behaviour are the values that guide our actions and those of our employees, guaranteeing efficient, safe and customised solutions for all major industries"

Sustainability strategies and goals



Economic sustainability

GRI 200

Positive impact results > Create and distribute value to all players in the ecosystem

Environmental sustainability

GRI 300

Value for stakeholders > Reduce the CO_2 footprint
Sales strategy towards green & digital solutions

Environmentally friendly process innovation > Innovative and sustainable processes | Processes aimed at creating a circular economy

Social sustainability

GRI 400

Enablers and value for society > Increase employment and develop skills | Ensure high standards of safety and health for all stakeholders | Develop a fair environment and embrace diversity

A data-driven approach to sustainability

Over time, awareness of sustainability has grown, evolving into a data-driven model integrated into the Balanced ScoreCard (BSC) at both the corporate and ecosystem levels.
The sustainability strategy is defined at the highest level of management, through the Sustainability Team and the Core Team.

> We pursue our goals with passion and transparency, reporting on them through a verifiable and measurable process

Be SEWstainable!, our commitment continues
Sustainability Plan for 2030

- **Increasing low-emission solutions** and products, increasing the related business and extending our sales markets.

  Focusing on products and services that enable the sustainability of customers.

  Increasing service and monitoring services to enable predictive and preventive maintenance services for customers.

- **By late 2026**, we intend to reduce and offset Scope 1 and 2 greenhouse gas emissions generated, to achieve the Carbon Neutral target as scheduled by the parent company. By the end of 2030: reduce and offset Scope 1, 2, 3 greenhouse gas emissions.
- **By 2030**, against an overall headcount growth of 30%, which is expected to bring the company to around 300 employees, we intend to reach a 35% share of women in the company and a 25% share of under 35s, a GPTW Trust Index of at least 80%, and 100% awareness among the company population of their DISC© profile, as well as to close the gender pay gap.

Process of determining material topics

In 2025, we confirmed the sustainability issues relevant to SEW-EURODRIVE Italia by aligning with the **GRI Standards 2021** and measuring ourselves against the **CSRD** via the ESRS. We confirmed the most material impacts on the economy, the environment and people, including human rights, defining priorities and the materiality threshold.

The analysis was carried out by the **Sustainability Team** via an internal survey of all employees (including the parent company) and an external survey of a panel of stakeholders.

Materiality analysis and priorities

Also in 2025, we carried out a materiality analysis, breaking the entire process down into the phases required by the 2021 GRI

Phase 1

Understanding the business environment

We repeated the analysis with the Sustainability Team, under the supervision of the General Manager, taking account of the company's operations, the BSC, the ESRS, the parent company's financial statements, the external environment and stakeholder requirements.

This phase confirmed the key environmental, social, economic and governance issues.

Phase 2

Identification of actual and potential impacts

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

Phase 3

Impact materiality assessment

We also assessed the severity and likelihood of the impacts, taking into account their scale, the difficulty of mitigating them and their frequency.

Phase 4

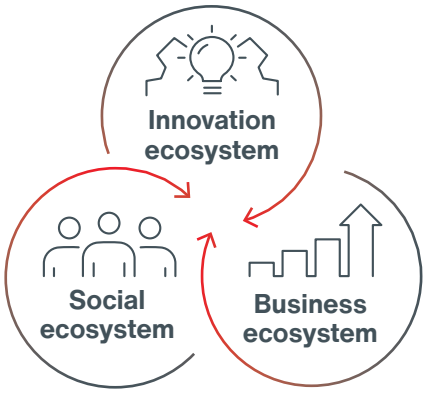
Prioritising impacts for reporting purposes

In order to set priorities, we considered the evaluations of various stakeholder categories, including employees, the parent company, customers, suppliers and institutions, actively involving them in the evaluation process.

Stakeholder mapping and classification

The ecosystem in Industry 5.0

One of the cornerstones of Industry 5.0 is the ecosystem, which replaces a competitive approach with a collaborative one. With this in mind, and in line with our BSC, we mapped stakeholders into **three ecosystems**:



recognising that, given the complexity and rapid pace of technological change, no company can operate in isolation.
Stakeholder engagement has made it possible to overcome barriers, include vulnerable groups, protect human rights and operate sustainably.

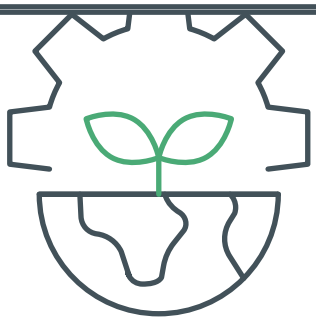
> “Given the complexity and rapid pace of technological change, no company can operate in isolation.”

In summary, **stakeholder dialogue and engagement activities** were organised throughout 2025 in a variety of ways, represented in the table below:

STAKEHOLDER	ENGAGEMENT METHOD	STRATEGY
Owners	▪ Boards, assemblies, communications for authorisation of specific initiatives/ investments, issuing of sustainability reports ▪ Regular meetings between European sustainability managers on the progress of the sustainability programme ▪ Sending data to our parent company for the annual reporting of sustainability results	Active and productive engagement of the owners, to guide the company towards sustainable and innovative growth
Customers and Business Partners	▪ Materiality analysis survey ▪ Live events to raise awareness and cultural insights	Customer satisfaction survey
Suppliers	▪ Intensification of knowledge and relationships through mapping and audits of the most strategic suppliers ▪ Frequent meetings when defining orders, checking/reviewing the quantity of material kept in stock ▪ Forecast discussions on purchases, prices, stock to be kept on their premises to ensure deliveries ▪ Materiality analysis survey	Preference of suppliers capable of providing detailed reports on GHG emissions associated with the services offered to SEW-EURODRIVE Italia, in order to achieve a better understanding of Scope 3 emissions by 2026
Employees	▪ Regular meetings, internal communications ▪ Publication and dissemination of the sustainability report ▪ Materiality analysis survey	Cross-department projects with cross-functional teams that always have a focus on sustainability, regardless of the subject matter

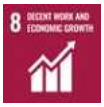
STAKEHOLDER	ENGAGEMENT METHOD	STRATEGY
Colleagues from our parent company	▪ Technical updates, institutional communication, product sales releases, monitoring international technical and commercial agreements ▪ Regular monthly on-line meetings of the ISN (international sustainability network) group promoted by our parent company ▪ Materiality analysis survey	Engaging and sharing experiences, ideas and best practices to improve sustainability performance and create international collaboration
Local communities	▪ Student visits to the Smart Assembly Plant in Solaro ▪ Contributions to sector, technology and market research ▪ Scholarship sponsorship ▪ Annual meeting with Parco delle Groane for activities proposed under the memorandum of understanding signed by SEW-EURODRIVE Italia with the park	▪ Sponsoring a Master in Mechatronics ▪ Recruitment of interns in the departments of Innovation Technology, Marketing, Operations, HR, IT, P&F, HSQ ▪ Use of training courses for Middle Management / consultancy for HR activity workshops ▪ Lecturing/presentations at university courses in Engineering, Mechatronics, Marketing, Economics ▪ Technical training on automation, handling and control technologies ▪ Post-secondary school specialisation at the Camerana School in Turin, aimed at training specialised technicians after high school graduation

Impact materiality assessment



The identified sustainability issues are listed below together with their main impacts on the economy, the environment and people, and their link to the 2030 Agenda:

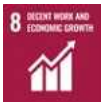
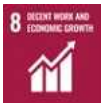
Economic and governance impacts

MATERIAL TOPICS	POSITIVE IMPACT	NEGATIVE IMPACT
Ethics and transparency in business 	▪ Reduction of offences and violations of rights through the implementation of procedural and organisational safeguards aimed at providing a barrier to the commission of offences and behavioural anomalies	▪ Reputational damage that could undermine business and financial soundness ▪ Disaffection of employees and other stakeholders towards the company and its Management ▪ Lawsuits, including criminal ones
Economic performance/ Market presence 	▪ Business development and building strong stakeholder relationships	▪ Reputational loss ▪ Low attractiveness ▪ Risk of interruption of major projects and investments
Resource scarcity/ shortage 	▪ Ability to correctly control the entire supply chain, ensuring customer satisfaction and corporate competitiveness	▪ Supply difficulties, with economic consequences and repercussions in terms of competitiveness
Cybersecurity 	▪ Increased expertise in identifying and assessing vulnerabilities, threats and weaknesses in the corporate data security system ▪ Increased ability to ensure the protection of data, information and corporate assets	▪ Increased vulnerabilities and weaknesses in the corporate data security system and in the ability to protect data and information

Environmental Impacts

MATERIAL TOPICS	POSITIVE IMPACT	NEGATIVE IMPACT
Increased circularity 	▪ Efficient waste management, reuse and reduction of materials and mechanical components, with positive consequences on costs	▪ Non-compliance with regulations on waste production/disposal and shortages in the supply of raw materials (costs, availability), with negative consequences on business results
Protecting biodiversity 	▪ Positive repercussions in terms of reputation vis-à-vis product sectors and associations sensitive to this issue	▪ Repercussions on corporate business performance due to the impact of the topic on the food & packaging sectors
Dissemination and growth of a sustainable culture 	▪ Attracting new generations in the recruiting and engagement process ▪ Positive impact on talent and customer retention	▪ Risk of exclusion from a market sector that is evolving towards sustainability, with unequivocal signals from customers through their demands ▪ Reputational risk, when employees — especially younger staff — no longer feel represented by the company's values and therefore leave
Fighting climate change (reducing consumption and emissions) 	▪ Use of renewable energies, energy efficiency initiatives and ability to seize climate change opportunities, with positive consequences on business results and reputation (cost reduction, access to financing/ incentives, reputation) ▪ Reduction of the company's contribution to climate change resulting from the amount of energy consumed; energy efficiency ▪ Ability to seize opportunities related to climate change, with positive consequences on business results and reputation, as well as beneficial effects of reduced operating costs	▪ Vulnerability of physical assets such as buildings and the material and equipment they contain, due to high winds, floods, fires, ground subsidence ▪ Continued contribution of the company to climate change resulting from the amount of energy consumed ▪ Increased production costs and loss of competitiveness
Ability to adapt to climate change 	▪ Increased ability to anticipate the adverse effects of climate change and to take appropriate measures to prevent or minimise the damage they may cause	▪ Physical and economic damage to company resources due to failure to take appropriate preventive measures, resulting in loss of competitiveness

Social impacts

MATERIAL TOPICS	POSITIVE IMPACT	NEGATIVE IMPACT
Cost of living and social cohesion 	▪ Increased trust and esteem for the company, employee loyalty, greater peace of mind in the workplace ▪ Reputational growth	▪ Deterioration of people's quality of life, increasing the risk of poverty. Increased psychological tension in employees, with a reduction in the ability to feel safe in the workplace
Enhancing skills and wellbeing 	▪ Ensuring employee skills, engagement and satisfaction remain high, with positive consequences on productivity, business results and talent retention	▪ Loss of key personnel due to inadequate recruitment, training, development, retention and employee welfare plans, with negative consequences on productivity and business results
Diversity and inclusion 	▪ Maintaining high levels of employee motivation and satisfaction through the creation of an inclusive workplace culture, with positive consequences on productivity and business results	▪ Failure to meet customer, employee and market expectations regarding diversity and inclusion and potential occurrence of harassment, discrimination and unequal treatment, with negative consequences for reputation
Digital culture 	▪ Increased IT competence, protection and security ▪ Understanding the environmental impact of the IT sector and of IT activities	▪ IT security risk due to lack of staff competence ▪ Lack of awareness of the environmental impact of the IT sector and IT activities
Occupational health and safety 	▪ Reduction in occupational accidents and illnesses, with positive impact on people's health	▪ Inadequacy of procedures, processes and controls to identify/ mitigate occupational health and safety risks and to ensure compliance with regulations, with economic and reputational consequences
Sustainable supply chain assessment 	▪ Maintaining a responsible and socio-environmentally aware supply chain, also through the development of synergies with partners along the value chain, with positive consequences on reputation ▪ Increased synergies with partners along the value chain, with positive environmental and economic consequences	▪ Insufficient monitoring of suppliers' socio-environmental performance, failure to meet responsible sourcing targets, and costs for increased supply chain surveillance, with negative consequences on business results and reputation

Product impact

MATERIAL TOPICS	POSITIVE IMPACT	NEGATIVE IMPACT
Product and process research and innovation	▪ Ability to seize business opportunities for product and service innovation, also through collaboration with experts and competitors, with positive consequences on business results and positioning	▪ Inability to anticipate new trends in product and service innovation compared to competitors, with negative consequences on market share and business results
Assessing the environmental and human impact of products	▪ Greater attractiveness for young people ▪ Positive impact on results and corporate positioning	▪ Risk of losing market share and losing competitiveness in a constantly evolving industry ▪ Risk of damage to corporate reputation, resulting in loss of stakeholder trust, both internally and externally
Servitization	▪ Ability to seize business opportunities by introducing products/services with emission reduction benefits, with a positive impact on business results and positioning	▪ Risk of losing market share and losing competitiveness in a constantly evolving sector ▪ Damage to corporate reputation, resulting in loss of stakeholder trust, both internally and externally

Determination of material topics

The **materiality threshold** was defined by taking into account both internal and external analyses, ranking the topics by external impact and including those with an internal impact and an average score of ≥ 2.5.
7 material topics emerged: 4 of which already identified last year and 3 new ones. The "Increased circularity", "Servitization" and "Ability to adapt to climate change" topics are no longer included:

Ranked by external impact and internal impact: > = 2.5 and average > = 2.5

ESRS	SDGs	MATERIAL TOPIC	External impact	Weighted internal impact	WEIGHTED AVERAGE
	8 16	**Ethics and transparency in business**	**2.91**	**2.96**	**2.94**
S1	3 8	**Occupational health and safety**	**2.88**	**2.98**	**2.93**
	8 9	**Process research and innovation**	**2.81**	**2.61**	**2.71**
S1	3 8	**Skills enhancement and wellbeing**	**2.79**	**2.98**	**2.89**
	3 12	Assessing the environmental and human impact of products	2.77	1.43	2.10
	6 12	Resource scarcity - shortage	2.75	1.61	2.18
E1	8 13	**Fighting climate change (reduction in consumption and emissions)**	**2.71**	**2.78**	**2.74**
	4 12	Dissemination and growth of a sustainable culture	2.68	2.24	2.46
	8 10	Cost of living and social cohesion	2.67	1.95	2.31
	8 12	Sustainable supply chain assessment	2.65	1.57	2.11
S4	9 12	Servitization	2.61	2.42	2.51
	9 16	Cybersecurity	2.55	1.92	2.24
	5 10	Diversity and inclusion	2.49	2.24	2.37
	15	Protecting biodiversity	2.48	1.23	1.85
G1	8 9	**Economic performance/Market presence**	**2.39**	**2.79**	**2.59**
	4 9	**Digital culture**	**2.27**	**2.75**	**2.51**

Confirmed topic New topic Outgoing topic

	2023	2024	2025
			✓
	✓	✓	✓
			✓
	✓	✓	✓
	✓	✓	✓
	✓		
		✓	
	✓	✓	✓
			✓

Sustainability and governance

Governance, ethics and integrity for real sustainability

We address today's challenges with a robust form of governance based on ethics, transparency and control mechanisms, enabling us to integrate ESG factors and effectively manage risks and our sustainable strategy.

+ Our governance
+ Instruments of governance and control
+ Management systems and certifications
+ Economic value generated and distributed


Governance
People
THE GREEN SIDE OF
Value chain
Products and Services
Environment

ESG material topics

Ethics and transparency in business

SEW-EURODRIVE Italia conducts its business in a fair, responsible and transparent manner, in compliance with all applicable **regulations**, **the company values** and **the rights of all stakeholders**.

Economic performance/ Market presence

SEW-EURODRIVE Italia guarantees **economic and financial solidity** and **operational continuity**, supporting sustainable development, innovation and long-term competitiveness.

100%

Attendance of the three directors at Board meetings

17

internal audits conducted in 2025

+12.2%

Growth in economic value for employees

€14.5 million

Investments in fixed assets in 2025

Our governance

The governance of SEW-EURODRIVE Sas is entrusted to the general partner SEW S.r.l., whose **Board of Directors** (BoD) consists of three members, none of whom receives remuneration for the role of director.

Giorgio Ferrandino, as General Manager of the Sas (limited partnership), is classified as an executive with a fixed salary subject to annual review, and a variable salary linked to the achievement of objectives.

There is no specific body or independent committee entrusted with supervising the remuneration process of the Board of Directors of SEW S.r.l. or the General Manager of the Sas. However, the **4-eyes principle** is guaranteed, with at least two people being in charge of signing the relevant deeds.

Board of Directors of SEW S.r.l.

POSITION	NAME	EXECUTIVE	INDEPENDENT	ATTENDANCE AT MEETINGS
Chairman	Jürgen Dietmar Blickle	NO	YES	100%
Managing Director	Giorgio Ferrandino	YES	NO	100%
Director	Hans Krattenmacher	YES	NO	100%

Appointment processes and criteria in governance bodies are based on the role played by members, with assignments being defined by meritocratic criteria applied in recruitment processes and professional development paths, both supported by competence evaluation systems.

Compliance, guaranteed by the Code of Ethics, ensures the independence of members.

Conflicts of interest

Giorgio Ferrandino can make decisions concerning management staff or personnel with a gross annual salary (GAS) of over €80,000 (hirings, dismissals, salary changes, etc.), given his dual role as General Manager of the Sas (limited partnership) and Managing Director of the S.r.l. (private limited liability company). In the event of conflicts of interest between Members of the Board and stakeholders in general, the provisions of the Code of Ethics, as well as those contained in the **By-Laws**, described in more detail in the following paragraph, shall apply. In such cases, the decision falls within the remit of the Board of Directors, and the Managing Director must abstain.

Operations of particular significance

The Group "By-Laws" set out a series of matters subject to restrictions, for which it necessary to launch an internal authorisation procedure – irrespective of the powers conferred by the notarised powers of attorney – to obtain authorisation from the German headquarters.

These include but are not limited to:

- investments or purchases of a particularly large scale
- the issuing of offers and the acceptance of orders from customers above certain thresholds
- the assignment of professional duties in connection with extraordinary operations
- dealings with companies or organisations in which the General Manager or associated person has a joint interest
- speculative financial and investment transactions, or capital investments with a duration of more than six months
- abnormally large increases in the annual remuneration of individual employees or categories of employees
- sponsorships exceeding certain thresholds and, in any event, sponsorships that could be linked to decisionmakers involved in commercial activities with companies within the SEW-EURODRIVE Group.

In 2025 these limits were the subject of an information campaign aimed at all managers and were also formally incorporated into the governance framework at a meeting of the Board of Directors on 19/02/2026.

Coordination on sustainability

The General Manager regularly updates the Board of Directors on sustainability initiatives during the ordinary meetings of the Board of Directors and upon approving the SEW S.r.l. draft financial statements.
These updates also take place at specific times, such as the presentation of the **Sustainability Report** by the German parent company.

Contacts between the Italian Sustainability Team and that of the parent company are frequent and take place on a monthly basis, involving an increasing number of Sustainability Managers of the European subsidiaries. This constant dialogue makes it possible to share news and proposals for improvement, and to promptly report any — actual or potential — critical or negative impacts to both the Italian Sustainability Team and the Board of Directors.

Powers

Powers in the Sas (commandite company) are currently entrusted to:

General Manager
Holds broad powers with limitations and deferral to the Board of Directors of the S.r.l. (private limited liability company) on certain specific issues

Chief Financial Officer
Holds the power of legal representation, in addition to dispositive power with joint signature with another legal representative

Chief Supply Chain Officer
Holds joint signatory powers with another legal representative

The system of powers is currently under review.

> "Contacts between the Italian Sustainability Team and that of the parent company are frequent and take place on a monthly basis"

Financial Management

We have adopted an internal system based on the **4-eyes principle**, which requires the approval of at least two people for every payment, regardless of its nature or amount.

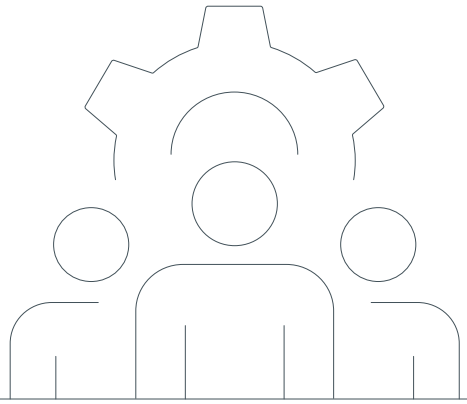
Sustainability Team

The Sustainability Team comprises the Core Team, a number of members of the MMT and other managers. The Core Team is the senior body and actively participates in the sustainability reporting process, promoting dissemination and training on sustainable development among the various stakeholders. Moreover, the Core Team is committed to the Balanced ScoreCard goals, ensuring positive impacts on corporate sustainability.

The various company bodies are set out below.

BODY	MEMBERS	GOAL	MEETING FREQUENCY
Core Team	▪ **Managing Director** ▪ **Chief Financial Officer** ▪ **Chief People Officer** ▪ **Chief Supply Chain Officer** ▪ **Chief Technology Officer** ▪ **Chief Business Officer**	The Core Team shares decisions having an impact on the **business or management model or on the company's image in both the short and the long term**. Core Team members update each other on **significant business events**, also through the impromptu participation of other colleagues.	Fortnightly
Sustainability Team	▪ **Core Team** ▪ **Sustainability Manager**	Defines actions to promote **corporate sustainability**.	Monthly

BODY	MEMBERS	GOAL	MEETING FREQUENCY
Extended Team	▪ **Core Team + Regional Managers**	Addresses the performance of **business results** and **any deviations from the budget**. Defines the **management mode in the Drive Centers**.	Quarterly
Sales Management Team	▪ **Chief Business Officer** ▪ **Regional Managers** ▪ **Marketing Manager** ▪ **Servitization Sales Manager** ▪ **Central Sales Manager**	Addresses different **business experiences** at Drive Center level. Elaborates actions to implement the **commercial strategy** on each Drive Center. Monitors the **sales trend** and introduces corrective measures where necessary, seeking harmonisation at SEW-EURODRIVE Italia level.	Monthly
Middle Management Team	▪ **Executives with responsibility for one or more core departments and for teams** ▪ **They report directly to Core Team members**	The team promotes **incremental innovation, cross-functionality and a culture of quality and safety** through the empowerment and enhancement of employees.	Monthly
Senior Technical Team	▪ **Chief Technology Officer** ▪ **Leader Application Eng. Consultants**	Discusses **technical issues** of general interest and defines how to introduce **new products and solutions**.	Quarterly
Application Meeting	▪ **Chief Technology Officer** ▪ **Technical structure**	Establishes **technical implementation activities, best practices and technical news**.	Half-yearly
Management Team	▪ **Core Team** ▪ **Regional Managers** ▪ **Middle Management Team**	Keeps up-to-date on and discusses significant aspects of the **Business Model** and **Management Model**.	Quarterly
Sales Meeting	▪ **Extended Team + Technical and Commercial Structure**	Establishes business trends and the main corporate initiatives affecting the **technical and commercial structure**.	Annual
Departmental Meeting	▪ **Contact person and staff of each department**	Discusses the **progress of departmental activities** and **projects**, and stimulates proposals for solving any problems. Ensures **operational business goals** are adequately achieved, optimising workloads among all employees. Establishes the **corporate strategy**. Helps to **define departmental goals**, actions to be pursued, and performance indicators (Balanced Scorecard).	At least monthly



Instruments of governance and control

We have voluntarily adopted the Organisational Model pursuant to Italian Legislative Decree 231/2001, strengthening internal controls and appointing a **Supervisory Board (SB)** to monitor its effectiveness, identify critical issues and carry out audits.
The Model also covers the prevention of predicate offences and specific types of fraud, including cyber and environmental fraud, as well as offences relating to handling stolen goods, money laundering, self-laundering and the protection of cultural and landscape heritage.

We promote the prevention of corruption and compulsory training on the **Code of Ethics** using tools such as an informative video on Model 231. The risk assessment did not reveal any significant issues, and no legal proceedings have been brought in relation to corruption. The Code of Ethics guides our activities and our relationships with stakeholders, forming an integral part of the internal control system.

The Italian Code of Ethics consists of:

- Compliance with laws
- Management culture
- Human rights
- Workers' rights
- Health and safety
- Cooperation and respect, fighting any form of discrimination
- Environmental protection
- Compliance with tax obligations
- Respect for the free market and competition
- No to any form of corruption
- Traceability and transparency of trade agreements
- Restrictions on gifts and invitations
- Attention to conflicts of interest
- Confidentiality and data protection.

All new employees receive training on the Code of Ethics, ensuring 100% of employees are properly trained.

Reports of unethical or illegal conduct may be reported through various channels while protecting the anonymity of the reporter. To date, no reports have been received via the whistleblowing channel.

The **Compliance Board** is an internal system dedicated to promoting the Code of Ethics, collecting any reports and intervening promptly in case of need.

Compliance Board

Christopher Iliou
Compliance Officer
SEW-EURODRIVE Germany

Franco Zannella
Research & Innovation
Ecosystem Senior Expert
SEW-EURODRIVE Italia

Mirko Otranto
Chief People Officer
SEW-EURODRIVE Italia

We also disseminate the **Supplier Code of Ethics**, which must be accepted by all business partners of SEW-EURODRIVE. This document defines the principles to be observed in any business dealings with SEW-EURODRIVE Italia, ensuring transparency and compliance with our corporate values.
The Special Section of the Organisational Model devoted to procurement includes criteria for assessing suppliers, consultants and contractors, which are also based on anomaly indicators designed to identify potential suspicious transactions.
Whilst these measures do not constitute profiling tools within the meaning of Italian Legislative Decree 231/2007, they strengthen the internal control system, limiting risk due to the non-financial nature of the company's activities.

Management systems and certifications

Sustainability monitoring with EcoVadis and Open-es

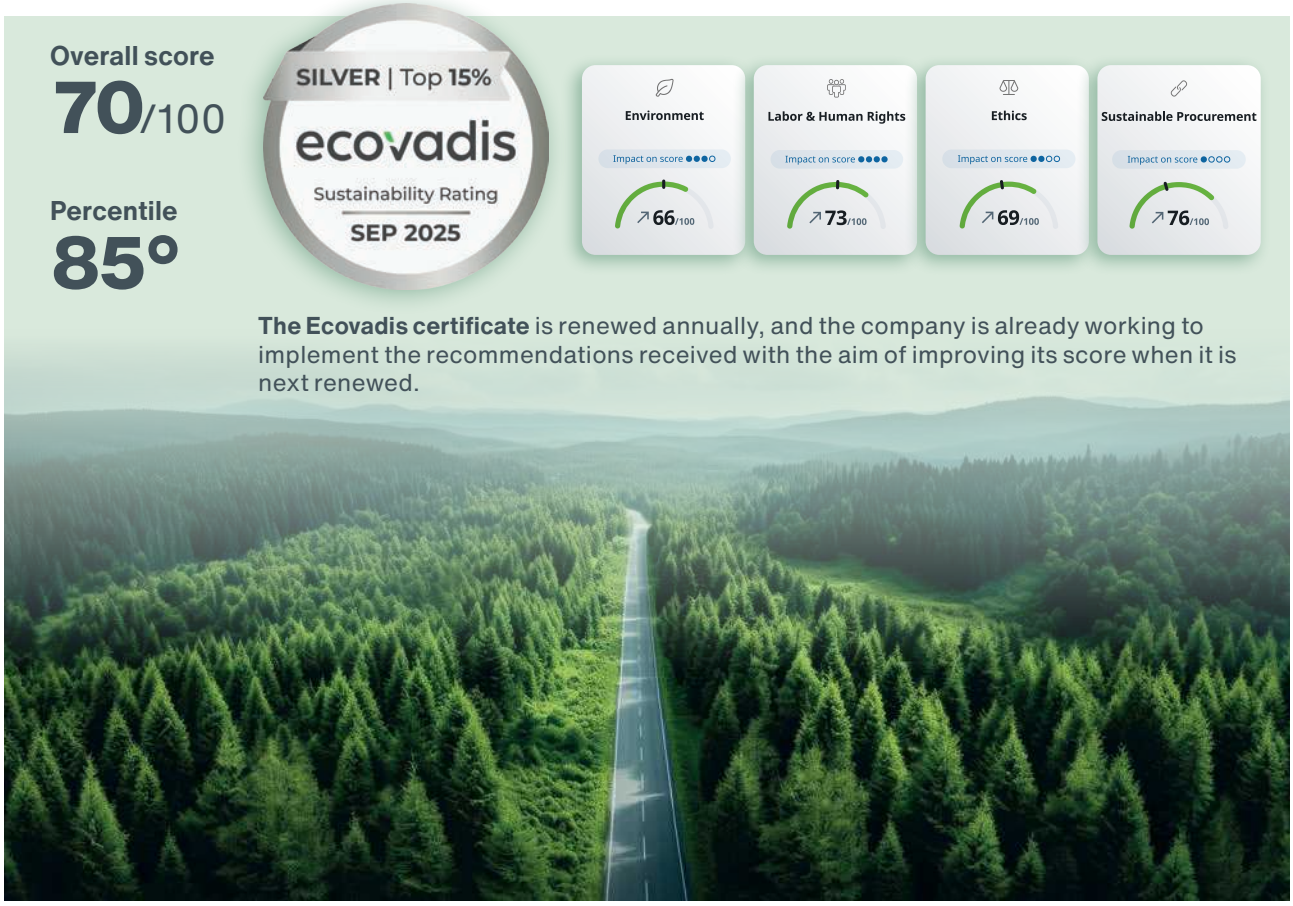
In 2025, we used the EcoVadis and Open-es platforms to objectively monitor our sustainability performance along the entire value chain. The completed surveys enabled us to score **70/100 on EcoVadis** and **83/100 on Open-es**.

The results demonstrate the soundness of the approach we have adopted and confirm that we are moving in the right direction in the ESG field. At the same time, the corrective action plan and the recommendations provided by the platforms offer valuable support for the continuous improvement of our sustainability practices.

In particular, EcoVadis, an independent platform that assesses corporate performance in social, ethical and environmental terms, recognised our commitment by awarding us the **Silver medal**, placing us in the **top 15%** of organisations assessed worldwide.

This acknowledgement strengthens our commitment to ensuring greater transparency in the reporting and definition of policies and procedures focused on sustainability.

> "These results make us proud of the path we have undertaken, confirming that we are on the right track"



The Ecovadis certificate is renewed annually, and the company is already working to implement the recommendations received with the aim of improving its score when it is next renewed.

System certifications

We are subject to regular quality management audits by our parent company every three years.

CERTIFICATIONS OBTAINED IN ACCORDANCE WITH THE SEW STANDARDS:

+ **ISO 9001:2015**
  Quality Management System for the Production, Sales and Service Processes involving Gearmotors, Gear units and Electronic Drives;
+ **IEC 61508:2010**
  Functional Safety Management System, an international standard governing the entire life cycle of safety-related electrical, electronic or programmable electronic products and systems, including their application, design, use and maintenance;
+ **IEC 60079-19:2019**
  Explosive atmospheres. A technical standard that provides guidelines for the repair, overhaul and reclamation of equipment designed for use in explosive atmospheres, specifically addressing Ex (explosion-protected) gear units, motors and gearmotors;
+ **UL and CSA**
  Product conformity certifications to guarantee the requirements recognised by the US and Canadian markets respectively, valid for the Solaro plant and Service Center in Carinaro. The certification is issued by accredited external bodies through quarterly product inspections.

Quality Management System

Quality management is based on three fundamental guidelines to ensure operational excellence:

- **Process monitoring**
- **Troubleshooting**
- **Standardisation**

Two main areas have been defined within the Quality department:

SMART FACTORY QUALITY
This focuses on **operational processes** and includes the control and calibration of measuring instruments, procedures, internal audits, monitoring of customer complaints and the validation of new processes and products (process releases).

OFFICES QUALITY
This concerns the **offices** and the **Drive Centers**, with activities such as the implementation of parent company projects, the definition of procedures and work instructions, the adoption of Organisational Model 231, the development of continuous improvement actions in staff functions, and the optimisation of Service processes.

In order to ensure compliance with SEW-EURODRIVE Italia's quality standards, the HSQ (Health, Safety, and Quality) department carries out periodic internal audits, identifying any critical issues with respect to standard operating procedures, and guiding corrective and preventive actions. This process follows the guidelines of ISO 9001 and the company's quality standards.

In 2025, our Drive Centre in Carinaro (CE) was awarded the following SEW Standard certification:

- **ISO 9001:2015**
- **ISO 61508:2010**

In 2025, 17 internal audits were carried out.
At least 14 internal audits are planned for 2026 to ensure the accurate coverage of all business functions.

17 internal audits conducted in 2025

14 expected in 2026

Environmental Management System

We do not currently hold any voluntary environmental certifications (ISO 14001 and EMAS), as we have chosen to focus primarily on **concrete implementation of internal procedures** aimed at achieving **regulatory compliance** and **continuous improvement of our environmental performance**.

The soundness of our management structure, combined with the constant commitment and expertise already acquired, provides a solid basis for effectively adopting such certification models in the future.

Product certifications

All mechanical and electronic products for industrial automation solutions have received the main certifications issued by the relevant bodies. These certifications guarantee **conformity to regulations**, ensuring the prescribed **functional characteristics** and contributing to the **reduction of energy consumption and environmental impact**, both in terms of product footprint and of our entire automation solutions.

	Perimeter of validity	Type of inspection	Audit frequency
ISO9001-2015 Quality Management	SEW IT/ SEW DC Caserta	Second-Party Audit (Parent Company)	3 years
IEC61508:2010 Functional Safety Products	Sales & Service /Sales	Second-Party Audit (Parent Company)	3 years
IEC6007919:2019 Ex Products	Sales & Service /Sales	Second-Party Audit (Parent Company)	3 years
UL (Underwriters Laboratories Inc)	Solaro Plant (Assembly)	Third-party audit (accredited body)	3 months
CSA (Canadian Electrical Code) Product conformity to the Canadian market	Solaro Plant (Assembly)	Third-party audit (accredited body)	3 months

Economic value generated and distributed

The 2025 financial statements show a significant increase in turnover, which came to over **€173 million**, a **12.5% increase** compared with 2024, exceeding the market average of +4% as calculated by ANIE.
This performance resulted in an increase in the economic value generated, only partially offset by the reduction in stock of approximately **€3 million**, which should however be viewed as a positive factor when considered as a consequence of the exceptional growth – particularly in electronic components – recorded in previous financial years to counteract the effect of the shortage experienced in the 2022–23 period.

The **Economic value distributed** also showed significant growth as a result of several factors, primarily:

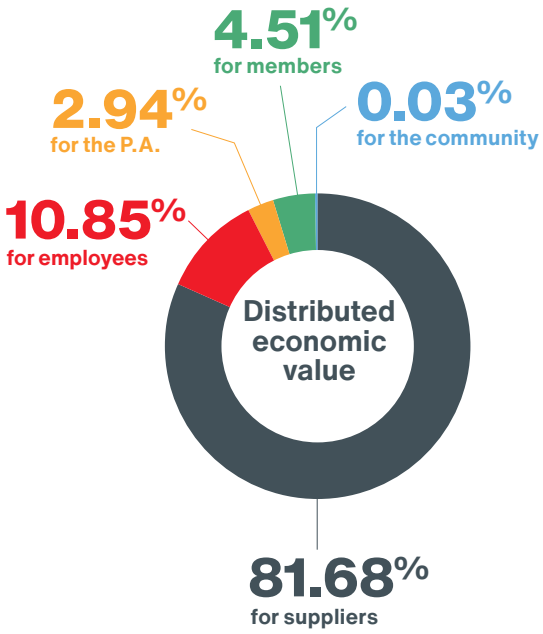
- the growth in purchases linked to turnover trends
- the ongoing construction of the new plant in Bologna, for which the 2025 SAL (progress report) stands at over €13 million
- the resumption, following a non-positive 2024, of the payment of substantial performance-related bonuses to employees (the cost of which is estimated at over €1.9 million)

The financial outlay just mentioned, in particular that relating to the investment in Bologna, led to a partial drop in Economic value for shareholders given that **the investment is funded entirely** with cash generated from operating activities, without therefore resorting to either third-party capital (banks) or group financing.
Nevertheless, the amount distributed to shareholders remained at a more than respectable level.

Finally, Economic value for the **community** also included the cost of an employee hired on a permanent contract during 2025 and seconded to Pizzaut, an innovative social inclusion model, as a small contribution towards the creation of an opportunity for lots of young people with autism to acquire dignity and independence through work.

The Retained economic value is therefore negative (Distributed value > Generated value).

ECONOMIC VALUE GENERATED AND DISTRIBUTED (k Euro)	2023	2024	2025
A. Economic value generated	**171,160**	**152,989**	**170,699**
B. Distributed economic value	**162,755**	**153,544**	**179,388**
Economic value for suppliers	133,063	120,154	146,522
Economic value for employees	16,474	17,342	19,463
Economic value for the public administration	6,079	5,921	5,267
Economic value for shareholders	7,098	10,097	8,087
Economic value for the community	41	30	48
(A-B) Retained economic value	**8,405**	**-555**	**-8,688**



Sustainability and people

Expressing personal potential

At SEW-EURODRIVE Italia, our corporate culture is based on nurturing individual potential and social responsibility: we believe that individual talent alone is not enough and that synergy between departments is essential.
We promote growth, the delegation of power and shared responsibility to empower the organisation, creating a fertile environment and an organisational culture that enables everyone to realise their potential.


Governance
People
THE GREEN SIDE OF
Value chain
Products and Services
Environment

ESG material topics

Health and safety

At SEW-EURODRIVE Italia, safety is a core value pursued through training, prevention and a structured management system.
Every person is an active participant in building a safe and compliant working environment through shared processes.
Smart technologies, health surveillance and continuous audits strengthen a culture focused on prevention and the continuous improvement of risk management.

Enhancing skills

SEW-EURODRIVE Italia invests in ongoing training, with technical, management and transversal programmes for all employees.
Internal growth is fostered by feedback tools, performance appraisals and development paths.
Internal initiatives and partnerships with universities enrich a solid and inclusive development pathway.

Wellbeing

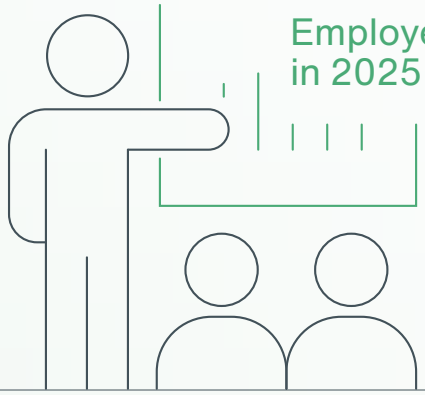
SEW-EURODRIVE Italia promotes people's wellbeing through practical initiatives focused on the work-life balance, health and psychological support.
SEWelfare and dedicated projects like SEWellness improve the quality of life at work.
The Great Place To Work certification confirms our commitment to a positive and inclusive environment.

Digital culture

The development of digital skills, the informed use of innovative technologies and the promotion of a digital mindset throughout the organisation are all key factors for doing business at SEW-EURODRIVE Italia.

219
Employees in 2025

7,513
Employee training hours



1,780
Hours of training on Digital Culture

Growth starts with people

SEW-EURODRIVE Italia has transformed its business model, moving from a product-centred approach to an approach based on **integrated solutions and systems**, not only emphasising the technology itself, but also how it is sold, the experience offered and the relationship with customers; in this evolution, guided by the principles of Industry 5.0, **people**, **sustainability**, **innovation**, **training**, **inclusion** and **wellbeing** become pillars of the corporate ecosystem and collective resilience.

Our business model is based on a **sustainable ecosystem** built on engagement and mutual trust, and supported by continuous training, up-to-date forms of leadership and participatory assessments of the climate and management with the goal of fostering an inclusive environment.
SEW-EURODRIVE Italia integrates sustainability and a people-centred approach in its corporate strategies, promoting wellbeing, inclusion and growth as part of an ecosystem founded on balance, trust and innovation.

At SEW-EURODRIVE Italia, wellbeing, inclusion and training are at the heart of the corporate culture: at the Smart Factory in Solaro, technology enhances safety and ergonomics, but real progress depends on a trained, engaged and valued workforce.
We promote an inclusive environment that respects diversity, with D&I policies that have led to the creation of a dedicated team and the appointment of a facilitator to support specific initiatives and projects. Continuing professional development programmes – covering soft skills, technical and specialist skills, and safety – are delivered both in-house and in collaboration with the parent company, promoting professional growth, empowerment and international networking.

> “SEW-EURODRIVE Italia integrates sustainability and a people-centred approach in its corporate strategies, promoting wellbeing, inclusion and growth as part of an ecosystem founded on balance, trust and innovation”

Our team

The number of employees remained more or less **stable** compared with the previous year.

PROFESSIONAL CATEGORIES	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Managers	9	1	**10**	9	1	**10**	10	0	**10**
Executives	26	3	**29**	25	4	**29**	28	4	**32**
Office workers	83	47	**130**	86	46	**132**	84	46	**130**
Manual workers	41	6	**47**	44	6	**50**	42	5	**47**
Total	**159**	**57**	**216**	**164**	**57**	**221**	**164**	**55**	**219**

Employees as at 31/12

The largest functional area remains the **Commercial area of the Drive Centers**, followed by Operations.

EMPLOYEES BY DEPARTMENTAL AREA		2023			2024			2025		
		M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Administration, Finance and Credit		3	8	**11**	3	8	**11**	3	8	**11**
General Management, Marketing, IT, HR		7	7	**14**	8	7	**15**	10	6	**16**
Operations		47	16	**63**	50	15	**65**	51	16	**67**
Business Management Innovation Technology		36	11	**47**	40	12	**52**	37	10	**47**
Solaro Total		**93**	**42**	**135**	**101**	**42**	**143**	**101**	**40**	**141**
Drive Centers (DC)		**66**	**15**	**81**	**63**	**15**	**78**	**63**	**15**	**78**
of which:	Milan	14	2	**16**	14	2	**16**	14	2	**16**
	Bologna	16	6	**22**	17	6	**23**	15	6	**21**
	Turin	10	2	**12**	9	2	**11**	11	2	**13**
	Verona	15	3	**18**	14	3	**17**	14	3	**17**
	Caserta	11	2	**13**	9	2	**11**	9	2	**11**
Total		**159**	**57**	**216**	**164**	**57**	**221**	**164**	**55**	**219**

Employees as at 31/12

We recorded an increase in the number of employees under the age of 30 compared with the previous year, demonstrating our commitment to young people and their skills.

EMPLOYEES BY AGE GROUP	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Up to 30	9	10	**19**	6	4	**10**	9	3	**12**
31-50	100	30	**130**	97	30	**127**	95	30	**125**
>50	50	17	**67**	61	23	**84**	60	22	**82**
Total	**159**	**57**	**216**	**164**	**57**	**221**	**164**	**55**	**219**

Employees as at 31/12 (excluding interns and temporary staff)

EMPLOYEES BY QUALIFICATION	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Middle school diploma	20	1	**21**	23	1	**24**	23	1	**24**
High school diploma	88	38	**126**	87	37	**124**	86	36	**122**
Bachelor's degree	13	6	**19**	13	5	**18**	13	6	**19**
Master's degree	36	12	**48**	38	14	**52**	39	12	**51**
Postgraduate diploma	2	0	**2**	3	0	**3**	3	0	**3**
Total	**159**	**57**	**216**	**164**	**57**	**221**	**164**	**55**	**219**

Employees as at 31/12 (excluding interns and temporary staff)

Contract types

Almost all employees have permanent contracts, while **part-time** employees represent **3.6%** of the population, all of them women.

TYPE OF CONTRACT EMPLOYEES	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Permanent employees	158	56	**214**	161	56	**217**	161	52	**214**
Temporary employees	1	1	**2**	3	1	**4**	2	3	**5**
Total	**159**	**57**	**216**	**164**	**57**	**221**	**164**	**55**	**219**

FULL-TIME AND PART-TIME EMPLOYEES	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Full-time	159	50	**209**	164	49	**213**	164	47	**211**
Part-time	0	7	**7**	0	8	**8**	0	8	**8**
Total	**159**	**57**	**216**	**164**	**57**	**221**	**164**	**55**	**219**

We make **very little use** of non-employees:
we only have 5 people on fixed-term contracts, 7 on temporary contracts, and 1 intern.

TYPE OF CONTRACT EXTERNAL STAFF	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Temporary agency employees	1	1	**2**	5	2	**7**	4	3	**7**
Internship staff	1	0	**1**	1	1	**2**	0	1	**1**
Total	**2**	**1**	**3**	**6**	**3**	**9**	**4**	**4**	**8**

Employees as at 31/12

Recruitment and turnover process

Our screening process involves an in-depth analysis of candidates through interviews and dedicated tools. Every new recruit follows a structured induction programme comprising induction days on the company's culture, values and processes, regular mentoring sessions and ongoing feedback, including 360° reviews.

Priority is given to internal talent, whilst external recruitment takes account of existing staff, who are supported by the SEWanted! referral programme, which rewards referrals that lead to successful hires.

To retain talent, we offer an environment based on trust and professional growth, with development reviews, ongoing training, performance appraisals and competitive remuneration packages, helping us to keep staff turnover low.

> We attract and retain talent through trust, ongoing training and the development of our people

Training and career development

To ensure staff have the right skills, we draw up an annual training plan based on the **needs of the different departments** and the **performance appraisal**, involving 100% of staff. The plan sets out budgets and standard career paths by role, and supports strategic projects by providing technical and managerial training, both in-house and in collaboration with academic institutions.

Furthermore, together with the adoption of the Balanced Scorecard, our communication and governance model, structured around committees, dedicated teams and regular meetings, is designed to promote business transparency and alignment at all levels of the organisation, ensuring **broad awareness of the company's performance and main KPIs**.
The introduction of the Supervisory Board and the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 further strengthens the company's ethical framework, in line with the Code of Ethics.

All employees on permanent contracts are included in an **MBO** bonus system based on individual and/or departmental targets.
Since 2025, this model has been based exclusively on objective and measurable indicators linked to the company's performance.

> "We promote skills, transparency and shared performance through ongoing training, structured governance and a bonus system based on objective and measurable indicators"

Our mission is to build **solid and lasting partnerships with our clients**, moving away from short-term utilitarian thinking to promote a business approach based on mutual satisfaction and the creation of shared value. To date, there is no evidence to suggest that the MBO system has had any distorting effects on business relations.

Finally, in line with this approach and with the aim of strengthening a shared and sustainable performance framework, a **Company Productivity Bonus**, open to all employees and based on the ratio of turnover to Full-Time Equivalents, was introduced in 2025. This bonus is eligible for the tax relief scheme provided under current legislation, generating significant financial benefits for a wide range of workers.

Main training programmes in 2025

- **DISC**: a course for managers and team leaders on how to use and interpret the DISC Behavioural Model, a useful tool for improving their ability to understand and make the most of behavioural dynamics, elevate their leadership skills, and improve their communication and feedback.
- **People Management Courses**: designed for team leaders.
- **Business Coaching**: aimed at middle managers with the aim of providing tools for the growth and development of their teams.
- **English**: a large-scale course featuring one-to-one lessons with native speaker teachers, with the option of participating in international classes.
- **Theatre performance on safety**: the Solaro site hosted a theatre company which offered an engaging and deeply moving opportunity for reflection on the theme of safety. An innovative approach to raising awareness of a highly topical issue and fostering a new corporate culture of safety.
- **Lean Six Sigma Course**: a course aimed at fostering a data-driven culture and improving the efficiency of production and decision-making processes by reducing waste.
- **Use of AI**: more specifically, a practical and hands-on project management training programme was launched for a group of employees who need to manage complex projects with efficiency, up-to-date tools and the support of Artificial Intelligence.
- **Executive MBA**: executive programme for managers designed to develop advanced innovative management and leadership skills.
- **Management training**: launched in 2024 and continuing in the first half of 2025, it is focused on cultural integration, organisational development and innovation.

The course methods are defined based on the type of training offered.
The figures shown in the tables below refer exclusively to people hired on employment contracts.

TRAINING HOURS*	2023		2024		2025	
	M.	W.	M.	W.	M.	W.
Managers	275	218	522	53	745	27
Executives	2160	246	1349	285	1,390	260
Office workers	3338	4190	2813	981	2,538	928
Manual workers	629	352	777	92	1,446	179
Hours of training by gender	**6403**	**5006**	**5461**	**1411**	**6,119**	**1,394**

* Learning hours (classroom hours x no. of learners)

NO. OF EMPLOYEES INVOLVED IN TRAINING*	2023		2024		2025	
	M.	W.	M.	W.	M.	W.
Managers	9	1	10	1	10	1
Executives	30	3	25	4	29	4
Office workers	86	47	88	46	88	47
Manual workers	39	5	44	6	42	5
Total	**164**	**56**	**167**	**57**	**169**	**57**

* Also includes employees who left the company during the year but participated in training activities

TYPES OF TRAINING

- Classroom training
- Training on the job
- E-learning
- Video-conferencing
- Train-the-Trainer

THERE ARE THREE TYPES OF TRAINING AREAS:

- **Soft skills**
  aimed at enhancing skills common to various corporate roles (communication, leadership, languages, coding, digitisation, coaching)
- **Technical-specialist**
  aimed at enhancing skills specific to each corporate role
- **Quality - Safety - Environment**
  aimed at developing skills in the field of Quality, Safety, Environment

TRAINING HOURS* BY TYPE OF SKILL	2022		2023		2025	
	M.	W.	M.	W.	M.	W.
Universal training	3,572	4,449	3,019	1,116	2,960	779
Specialist technical training	2,105	459	1,711	201	2,392	478
Health-Quality-Safety training	726	98	731	94	767	137
Total	**6403**	**5006**	**5461**	**1411**	**6,119**	**1,394**

COST OF TRAINING BY TYPE OF SKILL (€)	2022		2023		2025	
	M.	W.	M.	W.	M.	W.
Universal training	75,642	87,291	71,253	24,649	89,957	15,621
Specialist technical training	14,539	7,877	27,044	5,790	41,153	8,395
Health-Quality-Safety training	14,662	2,154	16,480	2,364	15,613	3,010
Total by gender	**104,843**	**97,322**	**114,777**	**32,803**	**146,723**	**26,666**
Total		**202,165**		**147,579**		**173,389**

The average number of training hours per person, broken down by gender, increased from 31 to **34.3 hours**. As regards contract types, there was an increase in the training hours provided to both managers and, to an even greater extent, manual workers, where the average number per person rose from 17.4 to **34.6 hours**. In 2025, the total number of hours worked within the company by all categories amounted to 363,902, of which 7,513, or **2.1%**, were devoted to training.

Digital culture

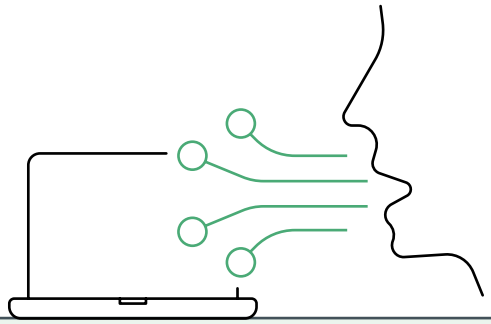
A digital and data-driven culture is a key enabler for navigating an environment that is constantly and rapidly changing. Investing in the development of digital skills means strengthening the organisation's ability to analyse data, understand phenomena and make more informed decisions. As part of this programme, **continuing professional development**, **curiosity** and a **focus** on the practical applications of digitalisation and artificial intelligence are key elements for generating real and widespread value.

In 2025, we launched a **Lean Six Sigma** training programme aimed at key figures at the top and middle management levels and in certain strategic departments. The six-month course was designed to develop skills in the areas of process analysis, data utilisation and the application of statistical tools to support continuous improvement. The initiative helps to foster a culture focused on efficiency, quality and decisions based on objective data, in line with the organisation's digital transformation.

We have dedicated approximately **1,780 hours** to strengthening our data-driven digital culture. Courses include:

- **Cyber Security**, on which all new recruits are trained
- **Lean Six Sigma**, for managers, team leaders and specialists
- **AI and HR Analytics**, for HR Specialists
- **Project management**, designed for those who need to manage complex projects with efficiency, up-to-date tools and the support of Artificial Intelligence.
  Target audience: system consultants and industry consultants
- **Robot operator training course**, for Smart Factory manual workers and office staff.

> "Investing in the development of digital skills strengthens an organisation's ability to analyse data and make more informed decisions, generating real and widespread value"



When digital culture improves processes

During the **Lean Six Sigma** programme, a group of participants chose to work on an internal process that had long been a source of inefficiency and widespread dissatisfaction.
The causes seemed unclear, and the solutions proposed over the years had often been based on intuition and personal experience.

Thanks to the course's methodological approach, the team began to view the process from a different perspective, using analytical tools and examining the available data in a more structured way.
This change in perspective made it possible to challenge long-established practices, bring hidden critical issues to light and rethink the process in a more rational and effective way.

This work fits perfectly with the key objectives represented for us by two material topics:

- **Process research and innovation**
- **Digital culture**

Wellbeing of people

SEW-EURODRIVE Italia puts the wellbeing of its employees at the centre of its social policies: at the Smart Factory in Solaro, **ergonomic automation** and **AGVs** (Autonomous Guided Vehicles) improve productivity and working conditions, whilst the **SEWelfare plan** offers work-life balance, health protection and family support services, strengthening internal relations and ties with the local community.

The **SEW FUN** project stems from a spontaneous initiative by a group of volunteer employees who, with enthusiasm and team spirit, organise events and social occasions with a simple yet important aim: to create opportunities for enjoyment that strengthen the sense of company community.

Throughout the year, numerous initiatives were organised involving staff from various departments and sites, including the **in-house cinema**, the **cooking course**, the **summer party** and the **winter party**.

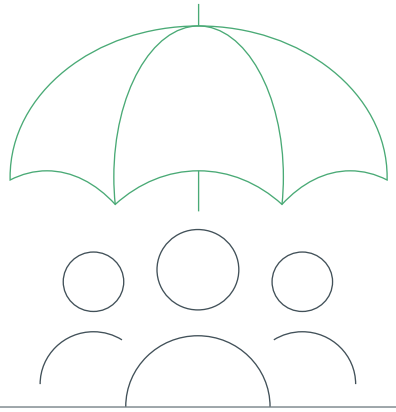
SEW FUN is a concrete example of active participation and demonstrates how organisational wellbeing can also be fostered through moments of light-heartedness, connection and sharing which strengthen the bonds between people also outside of the workplace.

The **SEWellness** project includes physical activities in the workplace to improve quality of life; a counselling service is available for those who need it, along with initiatives the sales offices, including collaborations with partners that offer online training sessions, sports facilities and nutritional advice. We also offer **Lady Care**, for female wellbeing, and the **Healthy Break** initiative, which provides fresh fruit every week, helping to create a healthy and people-centred environment.

> “The SEW FUN project promotes moments of sharing and enjoyment that strengthen the sense of community and wellbeing outside of the workplace”

EMPLOYEE BENEFITS	2023				2024				2025			
	ATI	ATD	FT	PT	ATI	ATD	FT	PT	ATI	ATD	FT	PT
Hourly flexibility	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Life insurance	✓	✓	✓		✓	✓	✓		✓		✓	
Supplementary health care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Willingness to grant part-time	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Insurance cover in the event of disability and incapacity	✓		✓	✓	✓		✓	✓	✓		✓	✓
Extension of paternity leave	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Supplementary pension	✓		✓	✓	✓		✓	✓	✓		✓	✓
Filling in form 730	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Scholarships for children of employees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Time-saving services (laundry, fruit, water, car maintenance/ washing, parcels delivered onsite)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Baby bonus, marriage bonus, Sewanted bonus for successful candidate referrals					✓	✓	✓	✓	✓	✓	✓	✓
Carpooling					✓	✓	✓	✓	✓	✓	✓	✓
Credit on top on welfare portal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Listening desk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pink parking spaces for pregnant colleagues	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paid leave for medical examinations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Company internships for children of employees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate conventions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Loans to employees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Restaurant ticket	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sports services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Monthly supply of female hygiene products					✓	✓	✓	✓	✓	✓	✓	✓

ATI: permanent
ATD: fixed-term
FT: full-time
PT: part-time



Equal opportunities and remuneration

We are committed to equal opportunities through:

- programmes to **increase the representation of women**, despite the relative difficulty of recruiting women in a largely male-dominated sector, by breaking down barriers in traditionally male-oriented areas such as technical departments, assembly lines and logistics warehouses
- **salary review** policies based on objective merit-based criteria that take account of both external and internal benchmarks
- the appointment of a D&I **facilitation body**

> "We are committed to guaranteeing equal opportunities, increasing female representation and breaking down the barriers to the technical, assembly and logistics sectors"

RATIO OF FIXED GROSS ANNUAL SALARY (GAS) BETWEEN WOMEN AND MEN BY CATEGORY*	2023	2024	2025
	W./M.	W./M.	W./M.
Executives	0.93	0.92	0.90
Office workers			
B1	0.85	0.83	0.85
B2	0.84	0.86	0.84
B3	0.78	0.81	0.82
C2	-	-	-
C3	0.89	0.82	0.84
Manual workers			
C1	0.96	0.96	0.90
C2	0.88	0.90	0.95
C3	-	-	0.83

RATIO OF VARIABLE PAY BETWEEN WOMEN AND MEN BY CATEGORY**	2023	2024	2025
	W./M.	W./M.	W./M.
Executives	1.17	0.84	0.85
Office workers			
B1	0.82	0.78	0.77
B2	0.79	0.71	0.94
B3	0.74	0.78	0.87
C2	-	-	-
C3	1.07	0.76	0.72
Manual workers			
C1	0.60	-	-
C2	0.91	1.08	0.93
C3	-	-	-

* Minimum fixed amount paid to an employee for carrying out the duties assigned to them, excluding any additional remuneration such as overtime or bonuses.

** reference for variable bonuses: amounts actually received in the reporting year.
Eligible employees are employees hired on a permanent basis after having passed the probationary period.
Those hired during the year receive a proportionate amount based on their months of service, hence the apparent imbalance in the ratio of women to men.

REMOTE WORKING	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Number of employees who remote worked	106	49	**155**	91	49	**140**	95	50	**145**
% who used remote working out of the total	67%	86%		55%	86%	**63%**	58%	91%	**66%**
% employees who used remote working out of the total number of eligible employees	91%	98%	**93%**	76%	96%	**82%**	78%	100%	**84%**
Total days remote worked	4,043	3,253	**7,296**	5,717	2,838	**8,555**	3,934	3,221	**7,155**
% of days remote worked out of the total days worked	38%	68%		30%	30%	**30%**	11%	30%	**16%**

PARENTAL LEAVE	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
No. of employees entitled to leave	9	5	**14**	7	7	**14**	7	4	**11**
No. of employees who took leave	9	5	**14**	7	7	**14**	7	4	**11**
No. of employees who returned to work after leave	9	5	**14**	7	7	**14**	7	4	**11**
No. of employees who returned to work after leave and who were still employed by the organisation for the 12 months following their return	9	5	**14**	6	7	**13**	7	4	**11**
Return rate	100%	100%	**100%**	100%	100%	**100%**	100%	100%	**100%**
Retention rate	100%	100%	**100%**	67%	100%	**93%**	100%	100%	**100%**

EMPLOYEES WITH DISABILITIES	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Managers	-	-	**0**	-	-	**0**	-	-	**-**
Executives	-	-	**0**	-	-	**0**	-	-	**-**
Office workers	2	6	**8**	3	6	**9**	3	6	**9**
Manual workers	1	-	**1**	2	-	**2**	2	0	**2**
Total	**3**	**6**	**9**	**5**	**6**	**11**	**5**	**6**	**11**

Trends in female representation and pay ratios

Over the course of the year, there were changes in the proportion of women in the workforce and pay ratios (W/M).
In some categories these figures improved, whilst in others they declined. These trends are influenced by the structural difficulty in recruiting female candidates, particularly for technical and specialist roles, and by the small size of certain population groups, meaning that even changes of just one or two people can have a significant impact on the indicators.

The company recognises that these results indicate that the path towards full equality is still a work in progress, and that female representation is not yet consistently supported across all roles and career paths.
The **Mandala Team** was set up for precisely this reason, helping to identify practical **support**, **development** and **promotion** measures so that equality and inclusion are progressively translated into real and measurable opportunities.

Mandala Team

At SEW-EURODRIVE Italia, we believe that **equality**, **diversity** and **inclusion** are practical levers for improving people's wellbeing, the quality of their work and the stability of the organisation.
It is against this backdrop that the Mandala Team was formed – a cross-functional working group dedicated to promoting an inclusive culture that respects differences.

The name 'Mandala' evokes the idea of a harmonious system in which different elements help form a common balance. Similarly, the Mandala Team brings together **people with different experiences, skills, roles and perspectives** with the aim of translating the principles of diversity & inclusion into tangible practices consistent with SEW's values.

> "At SEW-EURODRIVE Italia, the Mandala Team translates the principles of diversity & inclusion into concrete actions"

Adopting a pragmatic and action-oriented approach, the Mandala Team is a **space for discussion and proposing new ideas**. Its activities are focused on:

- **promoting diversity** (gender, generational, cultural and professional);
- **helping to promote an inclusive culture** in everyday behaviour;
- **raising awareness** on issues relating to respect, language and listening.

The Team works in **constant dialogue with the management and the relevant corporate functions**, helping to integrate these issues in HR and welfare policies, and organisational processes.

The Mandala Team forms part of a wider initiative to promote diversity across the Group. In Germany, for example, SEW-EURODRIVE has launched **SEWWOMEN**, a network of female colleagues from various departments and professional backgrounds, with the aim of strengthening the female presence, fostering family-friendly working conditions and promoting dialogue on gender issues.

Focus on disability

As part of the Mandala Team's activities, SEW-EURODRIVE Italia pays particular attention to the issue of disability, promoting **workplace inclusion programmes** based on support, respect and the recognition of individual abilities.

In 2025, the company launched a practical initiative in **collaboration with PizzAut**, an organisation recognised nationwide for helping people on the autism spectrum find employment. The programme involved a structured pathway of training and gradual progression towards autonomy, in line with an inclusive business model focused on the centrality of people.

Health and safety at work

The 8 pillars of the Health and Safety System

1. Commitment of Senior Management
2. Management of risks and hazards
3. Safety of equipment and working tools, checking plant and machinery
4. Ongoing training
5. Safety management for contractors and external companies
6. Incident analysis
7. Emergency management and preparedness
8. Risk recognition

For SEW-EURODRIVE Italia, people's health and safety is not just a performance indicator but a fundamental component of our business approach. The Health and Safety function supports business development **by reducing risks and promoting responsible behaviour at all levels of the organisation**.

Our approach to safety is based on a number of key principles: safety stems from everyday behaviour, involves everyone without exception, recognises that zero-risk does not exist, and adopts the **goal of zero injuries** as a shared and ongoing commitment.

To institutionalise this approach, the company has adopted an Occupational Health and Safety Management System (OHSMS) geared towards continuous improvement.
The system is based on eight pillars:

> "Health surveillance is entrusted to an external medical officer, who cooperates with the Health and Safety Service"

1. Commitment of Senior Management

Safety is one of the company's priorities. The management is involved in monitoring performance, assigning responsibilities and analysing anomalies, promoting targeted investments and corrective actions.

2. Risk identification and management

Hazards and risks are identified and assessed with the involvement of the Health and Safety Manager, the employer, supervisors and workers.
The assessments are used to form a **CAPA Plan**, which sets out specific actions, timelines and responsibilities.

3. Plant and equipment safety

Technical inspections and onsite checks are carried out to ensure the safety of operating activities (work at height, handling equipment, hazardous substances, and the prevention of tripping and falls).

4. Ongoing training

Training is a key element of the system. In 2025, the number of people that took part in health and safety training increased by **16%** compared with the previous year. Managed by HR and HSQ, the training programmes comprise compulsory and role-specific training, with **122 employees trained, 904 hours of training delivered and 20 training modules.**

5. Safety management in procurement

A specific procedure, compliant with Italian Legislative Decree 81/08, is applied to activities carried out by external contractors. The suitability of suppliers and contractors is verified by checking required documentation and drafting the **DUVRI** (combined risk-recognition and interference assessment report), with work activities only approved following a positive outcome.

6. Incident analysis and reports

A widespread **culture of reporting** is promoted. Incidents, near misses and unsafe conditions are analysed using root cause analysis models with the goal of identifying corrective and preventive actions and reducing the risk of future incidents

> "In 2025, the number of people that took part in health and safety training increased by 16% compared with the previous year."

7. Emergency preparedness and management

Emergency plans are formalised, accessible and communicated to all staff.
Their effectiveness is verified through **periodic simulations and exercises** designed to test the ability to respond to various scenarios and improve operational readiness.

8. Risk identification and prevention

Prevention is based on observing working conditions and the **systematic reporting of anomalies**. Events with no direct consequences, such as unsafe conditions and actions and near misses, are also recorded in order to form the **safety triangle** and reduce the likelihood of incidents.

EMPLOYEE ACCIDENTS	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
No. of deaths caused by accidents at work	0	0	**0**	0	0	**0**	0	0	**0**
Total no. of recordable occupational accidents	1	0	**1**	2	0	**2**	1	0	**1**
No. of accidents with serious consequences*	0	0	**0**	0	0	**0**	0	0	**0**
Total hours worked	271,502	85,711	**357,213**	269,600	87,946	**357,546**	277,544	86,358	**363,902**
Rate of occupational accidents with serious consequences	0	0	**0**	0	0	**0**	0	0	**0**
Rate of recordable work accidents	0.37	0.0	**0.28**	0.74	0	**0.56**	0.36	0	**0.27**

* Leading to a death or injury from which the worker cannot recover, does not recover, or is unlikely to fully recover and return to their state of health prior to the accident within 6 months.

HEALTH SURVEILLANCE	2023			2024			2025		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Examinations carried out	102	25	**127**	129	45	**174**	105	20	**125**
Fitness for work (out of total examinations)	58	9	**67**	68	12	**80**	66	8	**74**
Fitness with prescriptions and limitations (out of total examinations)	44	15	**59**	61	33	**64**	39	12	**51**
Temporary unfitness (out of total examinations)	0	1	**1**	0	0	**0**	0	0	**0**
No. of reported occupational diseases	0	0	**0**	0	0	**0**	0	0	**0**

There were no deaths as a result of workplace accidents, no accidents with serious consequences for the workers involved, and no deaths caused by occupational diseases.
The total number of hours lost through accidents amounted to 32, and no commuting accidents occurred.

Absenteeism rate

We monitor the sickness absence rate to determine whether the data might reveal organisational or environmental factors which, by causing distress, could affect people's health and wellbeing.

We recorded an overall absenteeism rate of 3.5%, **which is lower than the national average across categories and sectors of 6.6%** – a figure that rises to 7.2% for companies with more than 100 employees *(Source: Confindustria Labour Survey 2024 – reference year 2023)*.

Overall, the company's absenteeism rate is well below the Italian average. However, particular attention is paid to the category of manual workers, for whom a higher figure is recorded. An analysis is currently being carried out to better understand the causes of this phenomenon.

The company consistently monitors aspects such as **workstation ergonomics** and **the microclimate of the workplace** with the aim of keeping the absenteeism rate stable or gradually reducing it over time **by safeguarding people's health and the quality of their work**.

> "The absenteeism rate (3.5%) is below the national average"

ROLE	ABSENTEEISM RATE
Managers	0.28%
Executives	1.53%
Office workers	2.99%
Manual workers	7.15%
Total	**3.55%**

Field service safety

The safety of those work on field services is a priority for SEW-EURODRIVE Italia. Work carried out at customer sites, both in Italy and abroad, is managed through a **standardised and rigorous workflow** designed to ensure safe operating conditions even when working offsite.

Technical consultants and service engineers take part in **training and continuous professional development programmes** which provide specific qualifications and training such as PES (Qualified Person) and PAV (Informed Person), working at height and the use of EWPs (Elevated Work Platforms), the correct use of personal protective equipment and the operation of material-handling vehicles.

This structured approach makes it possible to reduce exposure to risks, protect people's health and guarantee effective and responsible action, even in the most complex operating environments.

Communication activities

The company strategy is supported by communications and marketing, which foster transparent dialogue with stakeholders and promote the brand's positioning. The goal of these activities is the **consistent, responsible and integrated communication of the company's sustainability strategies**.

Internal communication

The aim of internal communications is to actively engage all employees, forging connections between people, functions and processes, and contributing to the creation of shared value.
The company promotes an **open, inclusive and participatory style of communication** founded on human relationships and the sharing of experiences, prioritising increasingly multi-directional approaches.

Internal communications are coordinated by the **HR function** with input from individual departments and support from the **Marketing Team**, which assists with defining messages, producing content and maximising digital tools, with a communication style that emphasises human relationships and the sharing of experiences.

Internal communication tools:

- **Digital signage**
  Monitors installed in common areas that display updates on company events, Corporate Social Responsibility initiatives, innovation projects, activities with strategic customers, financial data and environmental indicators.
- **DriveNet**
  The Group intranet, which hosts organisational charts, internal communications, performance indicators, tools for document management and business and administrative monitoring, and e-learning courses.
- **Email communication**
  Regular, concise and visual updates on sustainability issues and company initiatives, produced in collaboration by the Sustainability and Marketing Teams.
- **Launch of new products and services**
  Dedicated communications on each new market launch.
- **Media updates**
  Periodic reports on the presence of the company in the industry and general media.
- **Webinars**
  Online sessions aimed at customers and employees
- **Newscenter**
  Updates from the parent company on international projects, initiatives and products

"SEW-INFO", a video newsletter that provides updates on events, initiatives and projects of interest to the company community, is also issued on a quarterly basis.

External communication

External communication is a strategic tool for guaranteeing **ongoing dialogue with all stakeholders**. Through structured listening and interaction channels, the company helps to build and consolidate the perception of the quality of its products and services, reinforcing the brand's values and creating content capable of engaging different audiences, including business customers, suppliers and business partners, institutions, associations and organisations, foundations, schools and universities, banks and investors.

External communications also contribute to the **social, cultural and economic development of the brand**, helping to gather feedback that can be used to monitor the needs and expectations of stakeholders.

The corporate image is managed in a consistent and integrated manner using a range of tools, including:

- **Business customers**
- **Suppliers and business partners**
- **Institutions, associations and bodies**
- **Foundations, schools and universities**
- **Banking bodies and investors**
- **Logo and visual identity**
- **Events and initiatives**
- **Promotional visuals and lettering**
- **Social media, blog and website**
- **Co-marketing and printed materials**
- **Customer references and testimonials**.

> External communications help to build a consistent brand image, foster dialogue with stakeholders and support the growth of the business through multi-channel strategies and the monitoring of results

The role of Marketing in external communication

The Marketing function responsible for external communications and engagement with stakeholders, playing a central role in defining and promoting the company's value proposition. Through structured plans and strategies, Marketing helps to create a **consistent, recognisable and effective brand image**, promoting products and services through a multi-channel approach that includes advertising, public relations, social media, the website and events.

Marketing also manages customer relationships throughout the entire customer journey with the brand through **loyalty schemes, feedback management and the continuous improvement of the customer experience**. The effectiveness of these initiatives is monitored using key performance indicators (KPIs), such as sales, web traffic, engagement levels and return on investment (ROI), ensuring the efficient use of resources and a constant focus on results.

The Marketing Plan

Every year, the Marketing Team draws up a Marketing Plan to define the **brand's positioning within its relevant industrial, social, environmental and territorial context**.
This Plan contributes to corporate growth and the achievement of social and cultural sustainability goals, in accordance with the Group's overall strategy.

Through a structured content strategy, the Marketing Team oversees all of the company's communication channels, fostering integration between the various internal functions and dialogue with external stakeholders.
Updated annually, the brand positioning indicators include:

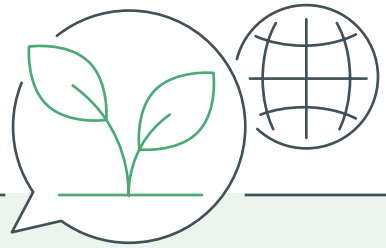
- **Lead Generation targets**
- **types and volumes of content to be produced**
- **dissemination and communication strategies.**

The Marketing Department defines topics and content based on the guidelines of the parent company and the editorial plans of the company blog and the main media outlets, planning:

- **the schedule of content for social networks**
- **the production of graphic materials**
- **the publication of advertisements, press releases and articles across various channels.**

Lead Management and Marketing Automation

The Marketing Department oversees and coordinates the entire lead management process, handling every phase from a strategic and operational perspective: from generating qualified leads through targeted activities, to nurturing initiatives aimed at cultivating and strengthening relationships with potential customers, through to the ongoing monitoring and analysis of sales results, with the aim of optimising performance and supporting the growth of the business.



Marketing and Sustainability

The Marketing Department plays a strategic role in **highlighting the company's commitment to sustainability**, translating ESG content into clear, consistent and accessible communications for stakeholders, and promoting Corporate Social Responsibility initiatives.

Through its management of digital channels, the website, social media and information materials, the Marketing Department promotes the culture of sustainability, helping to **strengthen the company's reputation and foster ongoing dialogue with stakeholders**. The effectiveness of the activities is monitored using visibility, engagement and feedback indicators.

For the territory and the community

Commitment to a community that cares

In line with our aim of building a fairer and more inclusive socioeconomic environment, we continue to support Fondazione Comunitaria Nord Milano for the **"CCC – Comunità Che Cura ('Community that Cares') Project"**, which funds the creation of **COMMUNITY HUBS** and aims to:

- **Strengthen the activities of the hubs**, focal points for initiatives aimed at the entire population and, in particular, vulnerable older people
- **Launch four helpdesks for the over-60s**, including online assistance
- **Organise voluntary activities.**

We organised **awareness-raising sessions** with the project's expert partners, open to the entire company population. The aim is to raise awareness of issues such as the digital divide, digital literacy and social innovation solutions, proposing a series of volunteering opportunities. Another key theme of the meetings was the relationship between different generations.

The company remains committed to its recent pledge **to combat gender-based violence**: SEW-EURODRIVE Italia is a member of the local anti-violence network "**Nemmeno con un fiore**", which operates in the Rho Garbagnate area.

> "SEW-EURODRIVE Italia supports local projects and voluntary initiatives to promote inclusion, digital literacy and the prevention of gender-based violence"

Promoting education and inclusion in STEM

We support the **Girls Code it Better** project, which aims to overcome cultural gender biases and introduce girls to STEM *(Science, Technology, Engineering and Mathematics) subjects*.
The programme involves forming clubs of female students, supported by *coach*- and *coach-makers*, over a period of about four months, with the aim of developing projects in the technology field.

As partner, SEW-EURODRIVE Italia supports the expansion of this initiative throughout the country.

Cooperation with schools, universities and training organisations

We participate actively in initiatives with schools, universities, and training institutions to **foster growth among the younger generations**. Through internship and guidance projects and visits to the Smart Assembly Plant in Solaro, we promote the exchange of knowledge and the cross-fertilisation of ideas, in the pursuit of a **Collaborative Industry**.

We welcome the lower secondary schools of Solaro in collaboration with the Municipalities, the Administration and the Informagiovani/ Informafamiglie Hub of the Municipality of Solaro as part of a school guidance project.
The aim is to play an active role in the community from the very earliest stages of dialogue between the education sector and the local business community.

Being future-oriented and driven by the exchange of knowledge and experience, **we invest in the development of new skills** through agreements with leading vocational training institutes in the areas of **Lean Management**, **Industry 4.0** and **Smart Factory**.

We have created a network of contacts to organise themed workshops, short masters and executive tours, with the aim of promoting SEW-EURODRIVE Italia's Smart Factory and Lean Manufacturing approach.

> “SEW-EURODRIVE Italia takes part in projects with schools and universities to support career guidance, knowledge sharing and the development of the next generations”

Parco delle Groane

SEW-EURODRIVE Italia regards the local area in which it operates as an integral part of its social ecosystem. Its relationships with the local community translate into concrete projects that generate shared value, fostering dialogue, awareness and collective responsibility.

The Solaro production site and headquarters are located in Lombardy, within the Parco delle Groane e della Brughiera Briantea. It also owns a small wooded area adjacent to the warehouse, which is left wild as per the By-Laws to protect its natural balance and biodiversity.

SEW-EURODRIVE Italia is therefore fully integrated in a protected natural environment, with which it coexists and which it helps to preserve.

This context forms the basis for its **structured collaboration with the Park Authority**, formalised by a Memorandum of Understanding, which combines environmental protection, community involvement and public awareness activities. The biodiversity initiatives – **Necromass**, **Flower Bed**, **Beehives and the GroApe biomonitoring project** – are concrete examples of this commitment,

helping to strengthen ties with the community and promote the culture of sustainability. Further details of the projects are set out in the chapter on the Environment.

For further information, visit the Parco delle Groane website

> “SEW-EURODRIVE Italia’s Solaro site is situated within Parco delle Groane e della Brughiera Briantea, a protected natural area which the company actively helps to preserve through biodiversity conservation projects”

Sustainability and products and services

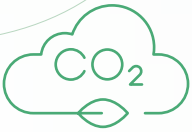
A business consistent with technological innovation and sustainability

Technology has transformed business models, often moving them away from nature. **Today, this approach is no longer sustainable**.
For a manufacturing company, choosing sustainability is no longer an option: it is absolutely essential for staying competitive and **building a solid future**, combining profit, environmental protection, people's wellbeing and good governance.
Our industrial automation solutions integrate **innovation** and **sustainability**, **creating value for both us and our customers**.
Our business model responds to new market demands and the needs of end users.

+ Business model
+ Product and solution innovation
+ The Lean Smart Factory and the continuous improvement of processes
+ Digital culture and use of artificial intelligence
+ Ecosystem for innovation

THE GREEN SIDE OF

ESG material topics



Fighting climate change

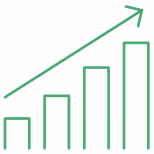
SEW-EURODRIVE Italia promotes energy efficiency and a reduced environmental footprint, contributing to the company's climate and sustainability goals. SEW-EURODRIVE's energy-efficient solutions help to reduce energy consumption and emissions when the systems are in use. The durability of the products and repair and refurbishment services reduces waste and emissions throughout their entire life cycle.

Digital culture

SEW-EURODRIVE Italia promotes digital solutions that increasingly enable remote monitoring, as well as the optimal planning and management of the work of maintenance staff and plant operators, making field activities more rewarding and less risky.

Process research and innovation

SEW-EURODRIVE Italia constantly monitors and implements advanced methodologies and operating solutions to improve efficiency, quality, sustainability and competitiveness throughout the entire value chain.



Economic performance/ Market presence

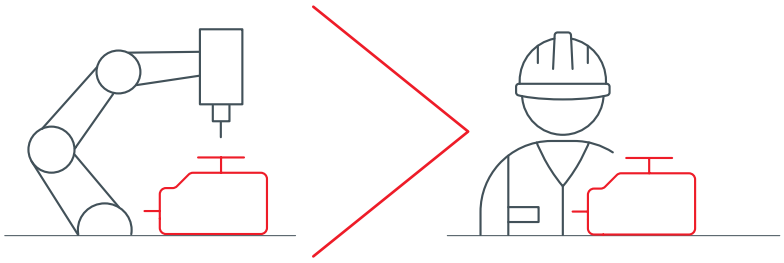
SEW-EURODRIVE Italia guarantees economic and financial solidity and operational continuity, supporting sustainable development, innovation and long-term competitiveness.

Business model

Our goal is to make accessible to the entire industrial automation ecosystem, from manufacturers to end users, information on technological innovations that can accelerate the ecological transition and the evolution towards Industry 5.0. This allows us to offer the best services to end users and manufacturers of industrial machines and production lines.

Our business model is defined by the integration of three pillars:

- **Industry management**: which oversees our target markets
- **The drive centres** which oversees the geographical areas, supporting the customer
- **The service** which oversees the entire product life cycle, ensuring continuity and efficiency



OEM

- Designs and manufactures machines and systems
- Integrates SEW components and solutions
- Sells the machine to end users

End User

- Uses the machine to produce goods
- Optimises production and efficiency
- Manages operations and maintenance

We serve our entire customer base through direct and indirect sales via authorised dealers and system partners.

> SEW-EURODRIVE Italia: technology partner for OEMs and end users throughout the entire product life cycle

Strategic support and industrial consulting

We have a team of **Industry Consultants** and **Technology Field Specialists** dedicated to our strategic markets which proposes innovative solutions to end users with a view to contributing to sustainable production.
In parallel, our territorial sales network, coordinated by the Regional Managers of our **Drive Centers**, supports machinery manufacturers and distributors with the best technological solutions.

To tackle complex challenges and ensure continuous innovation, the **Technology Management** department provides technical and engineering advice in the field of factory and machine automation.

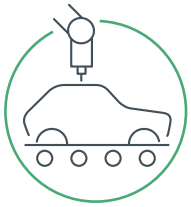
Our target markets

Heavy Industries

- Mining
- Building materials
- Metal

Consumer goods

- Food
- Beverages



Automotive

- New electric vehicles
- Batteries
- Tyres

Pharmaceutical

(Intra-)Logistics

- Parcels
- Warehousing
- Airports

Always at the service of the customer: Service and servitisation

Our business model provides continuous assistance, guaranteeing support throughout the entire product life cycle.

Our Service department handles repairs and modifications of SEW products, operating seven days a week, all year round, to guarantee coverage throughout Italy.

Servitization provides continuous monitoring tools to enable genuine preventive and predictive maintenance.

Service

We support our customers throughout the entire life cycle of their products and systems, providing technical services designed to enhance the reliability, operational continuity and durability of the solutions installed.

Repair and refurbishment
Repair work aims to restore the components to their original condition and, where possible, extend their life.

- Electric motors, gear units and complete gearmotors
- Electronic components (inverters and servo inverters)

Analysis and diagnostics of installed systems
These services makes it possible to identify signs of deterioration, prevent breakdowns and plan targeted maintenance work.

- Thermographic analysis of gear units
- Qualitative analysis of gear unit oil
- Mapping the installed base at end users
- Appredict, collection and monitoring of operating parameters via sensors, can be adapted to any system

Technical training – Drive Academy
Basic and advanced training courses on the programming and use of automation equipment, aimed at technicians, maintenance staff and factory personnel.

Our Service applies the principles of the circular economy:

- **Pickup & Delivery**: dedicated containers for the collection and transport of components to be repaired or refurbished.
- **Re-use**: recovery of components through sandblasting and collaboration with European manufacturers to reuse motor brake assemblies.

In painting processes, 93% of the products used are water-based, thereby reducing VOC (Volatile Organic Compounds) emissions, toxicological risks and flammability.

These practices improve overall sustainability, reduce environmental impact and increase process efficiency.

> “Advanced maintenance and refurbishment services help to extend the life cycle of products, improving operational efficiency and the sustainability of processes”

Process of SEW-EURODRIVE Italia service activities

Request for assistance
- Fault reporting, maintenance or overhaul
- Essential data collection
- Any supporting photos/videos

Diagnosis and intervention planning
- Remote assessment
- Definition of availability and timing
- Escalation process

On-site or workshop intervention
- Repairs on-site or at SEW-EURODRIVE Italia
- Product testing and verification
- Detailed technical report

Reporting and documentation
- Customer intervention report
- Tests performed and recommendations

Additional/ Added-value services
- Predictive maintenance
- Scheduled contracts
- DriveRadar®
- Mapping

Repair programme
We offer our customers repair services, in accordance with the circularity strategy: this solution allows companies to optimise their resources, reducing costs and environmental impacts without compromising on operational reliability.

Key benefits:

- **Extension of life cycle**: gearmotors are refurbished by replacing worn parts and components, restoring optimal performance
- **Rapid process**: repairs are made in just seven days
- **Guaranteed quality**: refurbished gearmotors offer the same performance as new ones and are covered by a 24-month warranty on the entire component

The KPIs highlight the continuity of our repair services over the years:

SERVICE AND REPAIRS	2023	2024	2025
	3,400	3,191	3,241
Repairs (electronic and electromechanical)	2.7%	2.6%	2.7%

Servitization

For SEW-EURODRIVE Italia, servitization is the jewel in the crown of our traditional business model: we offer integrated services and customised solutions to maximise customer value.

Digitisation plays a crucial role in this process, representing the other half of any innovation journey.

Digitising means:

- processing and managing data to improve decision-making processes
- identifying inefficiencies in production processes
- providing for maintenance of machines with predictive analysis
- delivering support services 24/7, offering tailor-made solutions.

As evidence of our commitment to this strategy, we present the KPIs that illustrate the growth in the uptake of the servitization solutions we offer our customers through the APPMAP, APPredict and Driveradar services.

CUSTOMERS SERVED WITH SERVITIZATION SOLUTIONS	2023	2024	2025
Year-on-year growth	First year	200%	529%

Mapping the installed base through AppMapp

APPmapp is an innovative web-based app that uses artificial intelligence to identify all relevant technical data from a simple photo of a gearmotor or inverter, whether installed or in the warehouse. This automatically collected data is analysed to identify identical clusters, which, when compared, provide precise information on missing parts. This is a useful application for mapping the installed base of SEW-EURODRIVE Italia products and optimising our spare parts stock for correct asset management.

Predictive maintenance and advanced diagnostics using Appredict and Driveradar

Through digitisation and Industry 5.0, we offer remote monitoring and smart maintenance systems to reduce the risk of breakdowns and improve plant availability.
At the heart of this offering is **DriveRadar**, a software platform for asset maintenance management, which integrates components, machines, systems and entire facilities into a digital network.

A further development is **APPredict**, a web-based application for smartphones, tablets and PCs, designed to monitor the health of gearmotors, offer real-time support, and intercept potential failures in a predictive manner, thus preventing irreversible failures.

Mapping

- Of all SEW-EURODRIVE Italia products
- In future also those of competitors

Inventory of the installed base

- List of complete articles
- List of optimised spare parts
- Geolocalisation
- Optimisation of spare parts

Purchase

The customer receives the list of optimised spare parts and decides which to purchase based on a cost evaluation

Optimisation

The customer defines the list of spare parts, and a consignment stock agreement with an annual fee is entered into

Wireless sensors

The customer can choose to apply wireless sensors on the motors, allowing monitoring and predictive maintenance by SEW

The digital offering is expanded with **Online Support**, an e-business portal that provides both technological support for machine and plant management, and an integrated platform for placing and managing orders, guaranteeing a complete experience from selection to maintenance.

Usage-based business models

Virtual PLC

Instead of traditional purchases, customers can access sensor rental solutions and service contracts guaranteeing consistent performance without large upfront investments.

An innovative example is the **PLC in the cloud**, developed in collaboration with an important business partner. The **Programmable Logic Controller (PLC)** is an electronic device used in industrial automation to control machinery and processes. Transferring its functions from the physical field to the cloud brings significant benefits:

- **Zeroing of initial costs and maintenance expenses** related to physical hardware
- **Greater flexibility**: software updates and changes do not require replacing physical components
- **Remote management**: remote monitoring and intervention, anywhere, via the internet
- **Reduction in consumption** of valuable raw materials
- **Reduction in costs and emissions** of GHG generated by end-of-life disposal

Product and solution innovation

CO_2 emissions of drive solutions

Thanks to the modular structure of its product range, SEW-EURODRIVE Italia's drive solutions are configured to meet the customer's specific application requirements; consequently, the carbon footprint varies depending on the configuration and the operating conditions.

The German parent company is developing a methodology for determining the **Product Carbon Footprint (PCF)** with the aim of progressively improving the availability of information on the carbon footprint of the products.

The results show that **over 90% of CO_2 emissions from motors and inverters are generated during the operational phase**.

This means that the energy performance of SEW-EURODRIVE solutions has a direct impact on **the Scope 3 emissions of customers**, particularly in the category *use of sold products*.

The high efficiency, long service life and possibility of maintaining and refurbishing products therefore help to reduce the overall carbon footprint of the plants in which they are installed.

At the same time, through **cradle-to-gate carbon accounting** and designs based on the rules of **ECO-DESIGN**, SEW-EURODRIVE works to reduce emissions associated with materials and production, incorporating circular economy principles from the design stage onwards.

Read the Parent Company's Sustainability Report

> "Over 90% of CO_2 emissions from motors and inverters are generated during the operational phase, making energy efficiency a key factor in reducing the carbon footprint"

MOVI-C®, an innovative automation platform

We have developed MOVI-C®, an advanced hardware and software automation platform designed to meet new market requirements.

MOVI-C® combines:

- **Hardware solutions** for the production of static or mobile machines, such as Autonomous Guided Vehicles (AGVs), used in smart factories and automated warehouses
- **Software solutions** for managing the entire product life cycle, adopting a data-driven approach based on the analysis of data collected from the field

MOVI-C® enables plant builders to implement automation solutions for:

- **Machine Automation**
- **Factory Automation**

Condition monitoring and predictive maintenance

The MOVI-C® platform introduces digitisation of electromechanical components, facilitating condition monitoring and predictive maintenance through the Drive Radar software solution.
Drive Radar's main tools include:

- **IoT App**
  Designed for mobile devices and intended for local maintainers, it allows real-time analysis of machine health status
- **IoT Suite (Cloud Based)**
  Designed for plant managers, it allows them to supervise the entire production plant and anticipate component failures, preventing sudden plant shutdowns

> “The MOVI-C® platform introduces digitisation of electromechanical components, facilitating condition monitoring and predictive maintenance”

High-efficiency SEW products

During the design and sizing phase of applications, we work closely with our customers with the aim of offering them energy-efficient products and solutions.

We monitor the progress of this strategy through specific KPIs, including the share of sales of high-efficiency IE4–IE5 motors and next-generation servo motors.

ENERGY-EFFICIENT PRODUCTS	2023	2024	2025
Standard energy efficiency class products	95.5%	94.1%	88.4%
Energy-efficient products	4.5%	5.9%	11.6%

Energy Management Solutions

Power Energy Solution (PES)

The Power Energy Solution (PES) intelligently manages the energy required by the plant and enables:

- a reduction in power peaks from the mains supply and in energy costs. By using supercapacitors, most of the required power peaks are supplied by the capacitors themselves.
  This results in significant cost savings across the entire connection cabling system and the control panel
- the operation of the plant in the event of a power cut. The energy stored in the supercapacitors acts as an uninterruptible power supply (UPS) to power the system.
  This energy powers the drives, motor brakes and 24-48V devices, PLCs and sensors
- a reduction in harmonics in the power supply network
- the monitoring and archiving of energy and performance data.
  The power supply unit is capable of displaying and storing all application parameters and performance data. The meter readings can be integrated in ISO 50001 energy management systems.

ENERGY MANAGEMENT SOLUTIONS	2023	2024	2025
	7	20	44
Energy management solution projects	First year	286%	220%

MOVITRANS® and supercapacitor technology

MOVITRANS® is the SEW system for wireless power transfer to material-handling vehicles, whilst SuperCaps are complementary solutions for energy storage.

In hybrid systems, the energy transferred by MOVITRANS® is managed and temporarily stored using supercapacitors.
The use of SuperCaps makes it possible to avoid traditional batteries, thereby reducing the environmental impact associated with their production and disposal.
This design limits the use of critical materials and simplifies end-of-life management.

The system as a whole offers an efficient, robust solution that is consistent with the principles of sustainability and the circular economy.

GearFluid, ECO2 and the SEW ECOfriendly solutions

The ECO2 option and the GearFluid solution stand out in particular among the recent innovations offered to customers; both are described in the following chapters. The ECO option, which involves the use of unpainted components, has been particularly well received as it is fully in line with the company's commitment to solutions with lower environmental impact.

GearFluid, oil from sustainable biomass

GearFluid® is a lubricant developed by SEW-EURODRIVE that uses renewable raw materials - like biomass derived from plant waste - as an alternative to fossil-based oils.

Compared with traditional lubricants, GearFluid® enables a **significant reduction in the CO_2 emissions** associated with its production and guarantees high levels of performance and a longer service life, reducing the frequency of replacements.

Thanks to its certified biodegradability and longer service life, GearFluid® helps to reduce the overall environmental impact of drive systems throughout their life cycle.

Main features of GearFluid:

- **Sustainable raw material**
  Obtained from biomass derived from plant and food waste, it reduces the production of CO_2
- **High quality**
  Advanced synthesis process guaranteeing high performance
- **Increased durability**
  It can offer a longer service life than traditional lubricants, reducing the frequency of maintenance work
- **Certified biodegradability**
  Conforms to the OECD 301B standard, making it suitable for use in sensitive environmental areas

ECO2: unpainted gearmotors

ECO2 Design is a design solution from SEW-EURODRIVE that **eliminates the need to paint the aluminium housings** of motors and gearmotors.

By not applying paint, it is possible to **reduce the use of chemicals and the energy consumption associated with production**, helping to reduce the product's environmental footprint.

Furthermore, the absence of surface coatings **improves the recyclability of the materials at the end of their life**, facilitating the recovery of aluminium as part of a circular economy approach whilst delivering the performance and reliability required by industrial applications.

ECO2 gearmotor features:

- **Sustainable materials**
  Made with external parts mainly in aluminium and plastic
- **Improved recyclability**
  Absence of surface paint facilitates reuse
- **Reduced environmental footprint**
  Lower impact in terms of CO_2 compared to traditional painting processes. We monitor the uptake of these two new products using KPIs that show how well the market has responded to them.

ECO SOLUTIONS YEAR-ON-YEAR INCREASE IN SALES	2023	2024	2025
ECO2 - eGearPoly	N.P.	263	22,113

The Lean Smart Factory and the continuous improvement of processes

The activities carried out at the Lean Smart Factory represent one of the key areas through which SEW-EURODRIVE Italia addresses the material topic of **process research and innovation**.
The innovations applied to production processes make it possible to continuously improve efficiency, safety and sustainability by integrating advanced organisational and technological solutions.
This approach generates measurable **environmental**, **social** and **economic benefits**, strengthening the site's competitiveness and the value created throughout the entire production chain.

E Improved production efficiency and lower resource consumption

S Employment in more rewarding and often less risky activities

G Reduced operating costs

Principles of process optimisation in the Lean Smart Factory

The Lean Smart Factory in Solaro is home to the gearmotor assembly operations.

Since 2018 the site has been at the heart of a structured programme to redesign logistics and production flows based on the integration of Lean Manufacturing principles with **Industry 4.0** technologies ready for implementation.

The aim of this model is to establish efficient, safe and sustainable processes through a clear hierarchy of action:

- **elimination** of activities that do not add value
- **automation** of low added-value but necessary tasks (auxiliary tasks)
- **optimisation** and **simplification** of added-value activities.

Throughout all stages of process analysis, design and implementation, people are regarded as central and crucial to the success of the transformation.
Staff engagement is achieved through three key drivers:

- **communication**, in the early stages of redesign
- **active involvement** during the implementation of solutions
- **training** following the completion of improvement projects to consolidate skills and ensure the full adoption of the new operating models.

> "By integrating Lean Manufacturing with digital technologies, the Lean Smart Factory redesigns production processes, eliminating waste and prioritising value-adding activities"

Process optimisation: the main initiatives carried out in 2025

In 2025, SEW-EURODRIVE Italia continued the transformation process begun in 2018, consolidating and completing various projects aimed at optimising and continuously improving logistics and production processes at the **Lean Smart Factory**.

The main changes in 2018 concerned the assembly processes:

- **Introduction of 45 AGVs** for materials handling, designed to serve as both logistics shuttles and workbenches. This has made it possible to automate a low added-value activity such as material handling
- **Introduction of the OILFILLING system** for filling gear units with oil, with the aim of automating a repetitive, low added-value stage of the process that is important from a quality perspective
- **introduction of two MOTOR PRESSES** to press bearings and motor end caps, with the aim of automating a task that offers little added value and is not very ergonomic.

The project launched in 2024 to **optimise the end-of-line and packaging process** was completed in 2025.
The new packaging line incorporates a high level of automation to manage the post-painting assembly and product packaging stages, which involve numerous repetitive tasks of low added value. Commissioning and fine-tuning work was completed during the year, guaranteeing process stability, the reduction of throughput times and improvements in safety and ergonomics for operators.

At the same time, numerous other measures aimed at improving ergonomics and safety in the workplace were consolidated in 2025, including:

- **improvements in the safety** of the electrical system in the assembly cells
- **reconfiguration** of the gear unit assembly area and the ergonomic repositioning of work tools and materials
- **reorganisation** of the motor picking areas using activity-based costing (ABC) analysis to optimise the placement of the most frequently requested components
- **installation and servicing of pull-out mechanisms** to facilitate the handling of less ergonomic materials from warehouse shelves.

In terms of quality, various initiatives were continued and consolidated in 2025, including:

- **extension of electronic screwdrivers** across various assembly cells to enhance quality control during certain tightening stages
- **introduction of new process controls** via an MES system with the aim of improving traceability and supporting operators during assembly.

> “Automation, quality and ergonomics drive the continuous improvement of production processes”

Process development and optimisation plan for 2026

In 2026, SEW-EURODRIVE Italia intends to continue its programme of continuous improvement in accordance with the principle of **"Safety First, Quality Always"**, further strengthening its focus on the safety, efficiency and robustness of its processes.

The work plan involves the **systematic review of processes** with particular focus on inbound and outbound logistics, from the arrival of components through to the dispatch of the finished product. The reference methodological approach will be **Lean Six Sigma**, as already mentioned in the section on training, which will not only enable us to identify and eliminate waste, but also to reduce process variability, thereby improving stability and predictability.

Alongside the consolidation of operations at the Lean Smart Factory in Solaro, 2026 will be a key year for the design and development of production processes at the new plant in Bologna.

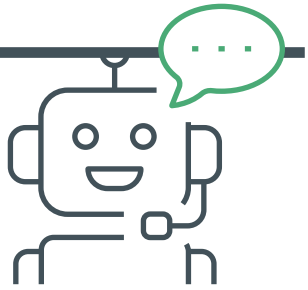
> "Our commitment to continuous improvement is based on the "Safety First, Quality Always" principle, with a constant focus on the safety, efficiency and robustness of our processes"

The Bologna plant will address three main strategic objectives:

- **Service**
  Strengthen our relationship with customers in the area by reducing response times and improving service levels
- **Assembly**
  Expand the range of products offered to the Italian market by introducing the option of assembling electronic and mechatronic products, in line with the evolution of the SEW-EURODRIVE product portfolio
- **Logistics**
  More space for the consolidation of finished products arriving from Germany, reducing transport times and costs and helping to minimise environmental impact through more efficient logistics that are closer to customers.

People will remain at the heart of the transformation even in this new development phase: staff will be actively involved in the analysis, design and implementation of solutions as process experts, confirming the Lean Smart Factory as a model in which technology, processes and human capital evolve in an integrated and sustainable manner.

Digital culture and the use of artificial intelligence



Digital culture is a material topic for SEW-EURODRIVE Italia and a key enabler for the evolution of processes, services and decision-making models. Digitalisation and Artificial Intelligence are not regarded as ends in themselves, but **tangible levers for increasing operational efficiency, the quality of work and the ability to respond to the market**.

AI in everyday working life

ChatGPT | Copilot

A structured programme of trials on the use of artificial intelligence in the company was launched in 2025. The global agreement signed by the Headquarters with **OpenAI (ChatGPT)** and **Microsoft (Copilot)** enables the use of these tools in a secure, controlled environment that complies with data protection requirements.

The initial phase involved a select group of managerial figures (early adopters), connected within an international community dedicated to the sharing of use cases, experiences and best practices via collaborative channels. The adopted approach is **learning by doing**: no theoretical courses but the practical use of the tools and the continuous sharing of experiences. This model is accelerating the organisation's digital maturity and paving the way for wider adoption in 2026.

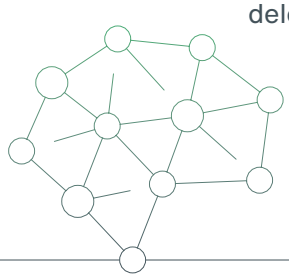
Customer support bots

The customer bot, accessible via the web, was launched in June 2025. Thanks to artificial intelligence, the bot provides **structured and consistent technical answers** on SEW-EURODRIVE solutions, improving the speed of access to information and the quality of support.

A significant upgrade to the solution, involving the integration of commercial and sales documents, is planned for 2026 in order to offer a service that is increasingly tailored, context-aware and geared towards the real needs of customers.

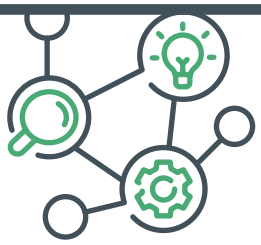
Robotic Process Automation (RPA)

In 2025 the Digital Technology department began rolling out Robotic Process Automation (RPA) for the **management of simple and repetitive processes of low added value**. RPA enables standardised operational activities to be delegated to automated software systems, which carry them out continuously, quickly and with a higher level of accuracy than manual execution.



The automation of these processes generates benefits both in terms of operational efficiency – reducing processing times and eliminating errors and wasted time – and social sustainability. By freeing people from carrying out repetitive and uninspiring tasks, RPA helps to **improve the quality of work**, allowing employees to focus on higher added-value tasks involving decision-making and interpersonal skills that are more in line with their skills and the value they generate for the organisation.

Ecosystem for innovation



At SEW-EURODRIVE, the **Process research and innovation** material topic extends beyond the confines of the company. The company applies its resources, expertise and research capabilities outside its own operational processes, building a **collaborative ecosystem with its industrial**, **academic** and **technology partners**. This approach enables the creation of shared value and the joint development of innovative solutions to support the evolution of the manufacturing industry.

Industrial Innovation Lab: an ecosystem for innovation

The Industrial Innovation Lab (IIL) was born from the collaboration between SEW-EURODRIVE Italia and the **LUM University** with the aim of supporting the transformation of Italian small and medium-sized enterprises into agile and innovative organisations.
The Lab promotes a sustainable business ecosystem and a cultural shift geared towards the adoption of new technologies and the evolution of the manufacturing industry.

In line with the company vision, the IIL promotes research and innovation through collaborations with strategic partners, supporting the **digital transformation** and the adoption of Open Innovation models for the **development of advanced software solutions for industrial automation**.

Industrial Innovation Lab

SEW EURODRIVE | UNIVERSITÀ LUM GIUSEPPE DEGENNARO

The Industrial Innovation Lab is a free initiative aimed at:

- Entrepreneurs
- Managing Directors and General Managers
- department and HR managers of SMEs
- lecturers, researchers and social actors with an interest in the workshop's topics.

The Lab is structured around four key areas:

- **people**: skills and ethical values as the foundation of a responsible and forward-looking business system
- **technology**: innovation as a lever for cultural, organisational and production revitalisation, as well as for the development of new skills
- **sustainability**: focus on the environment, energy resources and the relevant social context
- **business and management models**: organisational structures capable of fostering innovative solutions, managing change and guaranteeing economic sustainability.

By December 2025, the number of companies participating in the Lab had risen from 23 to 32, confirming the growth of the network and the positive impact of the initiative.

> "The Industrial Innovation Lab promotes innovation, collaboration and sustainable development among SMEs"

Research projects with universities

In order to achieve this goal, in 2024 we established partnerships with academic centres, start-ups and competence and technology transfer centres in the region. The aim is to **initiate research projects for the development of innovative software solutions**, which are essential to tackle emerging industrial challenges and contribute to a sustainable, digital future.

An R&&D project was launched in 2024 with **UNIMORE**, the University of Modena and Reggio Emilia, with the aim of developing an advanced software solution based on neural networks to improve predictive analysis on the state of wear and degradation of the electromechanical components installed on our customers' machinery. The project ran throughout 2025 and will continue into 2026.

New DTC Innovation Hub in Bologna

In July 2024 work began on the development of the new DTC Innovation Hub in Bologna (Borgo Panigale), a strategic investment to strengthen SEW-EURODRIVE Italia's presence in one of the country's most dynamic industrial areas. Construction is due to be completed in 2026, whilst **operations in the building will get under way in 2027**.

In fact, Emilia-Romagna, and the Bologna area in particular, is a centre of excellence for the packaging, automation and industrial digitalisation sectors, with a high concentration of OEMs and end users.

The underlying goal of the investment is to:

- harness the potential of the Bologna area, currently the leading Drive Centre in terms of sales volumes
- strengthen SEW-EURODRIVE Italia's position in electronic systems, advanced services and motion control
- evolve the business model by complementing product sales with an ecosystem of innovation, services and co-development with customers
- reduce time-to-market thanks to increased local assembly capacity
- attract new talent, particularly from the leading engineering faculties in Emilia-Romagna
- achieve sustainable development in line with the Group's long-term strategic vision.

The new DTC Bologna will be designed as an integrated innovation hub and will include:

- co-working and co-engineering spaces for customers and technology partners
- an Application Hall and a permanent Demo Room
- Research & Development activities coordinated by the parent company
- the expansion of assembly capacity, to reduce time-to-market
- offices and spaces to support new recruitment over the coming years.

Technological innovation: “software-defined” control

Software-defined control architecture forms the technological core of an open and collaborative industrial ecosystem designed to **meet the needs of production and management processes across key industrial sectors** against the backdrop of increasing digitalisation, automation, data integration and use of industrial AI.

The activities of the new innovation hub, focused on the pharmaceutical, nutraceutical, cosmetics and food verticals, will support the development of this architecture with **strategic objectives** aimed at:

- adapting the platform to the operational and regulatory requirements of the pharmaceutical industry
- involving OEMs and digital technology providers in the development of the solution
- validating the new offering from an industrial and commercial perspective through a pilot demonstration line
- position SEW-EURODRIVE as a driver of digital innovation in the manufacturing sector.

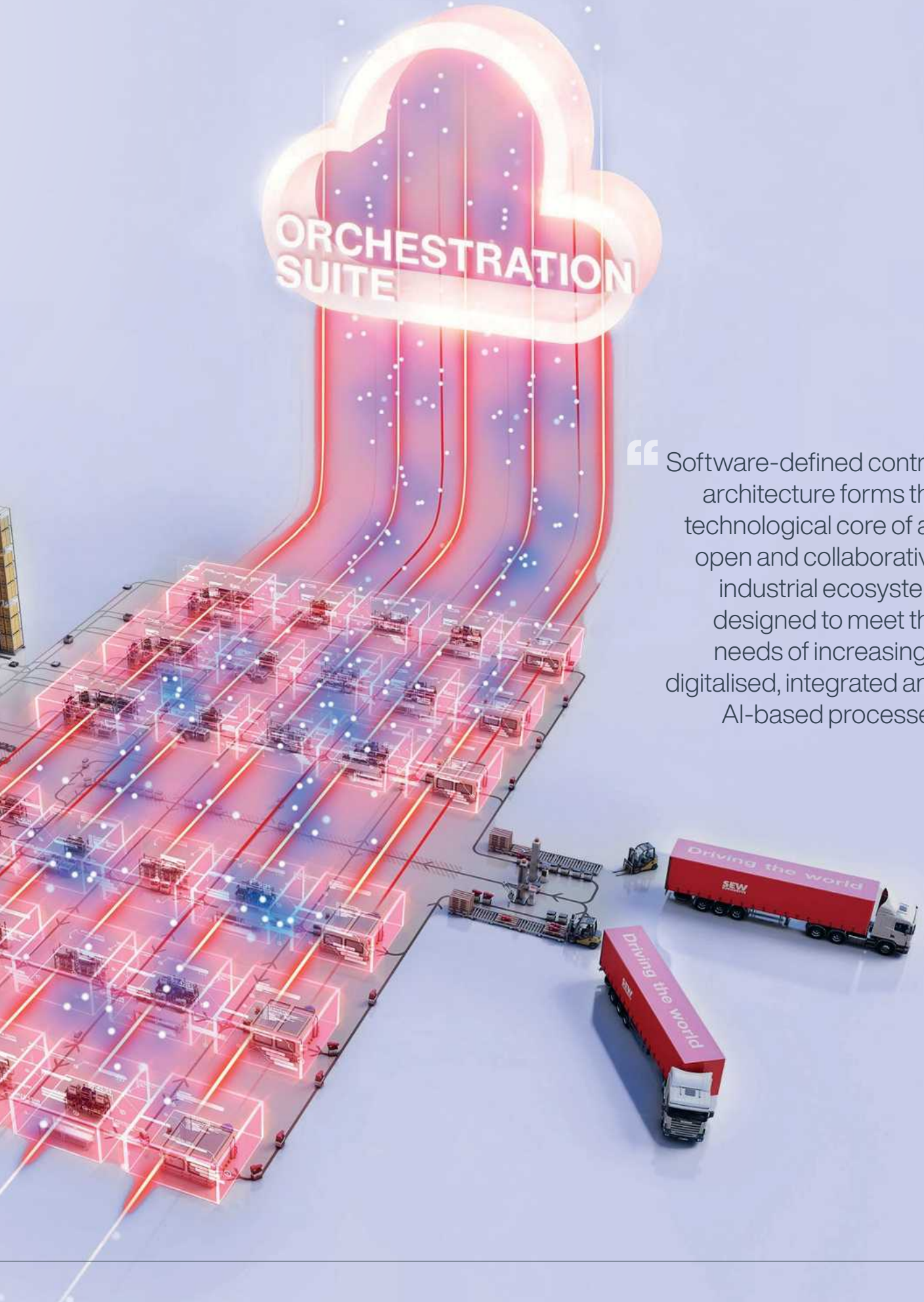
Our vision is to create an innovation ecosystem that fosters **collaboration** between industry, technology providers, research centres and stakeholders, with the aim of:

- accelerating industrial innovation
- promoting open, interoperable, scalable and cyber-secure architectures
- facilitating the adoption of new technologies in the consumer goods and life sciences sectors
- improving efficiency and transparency along the value chain.

The pilot line forms the operational basis of the project, demonstrating the technical maturity of the solution and supporting its commercial roll-out and recognition by the market and institutions.
The main actions planned include the selection of OEMs and technology partners in line with the project’s objectives, the definition and organisation of the pilot line, and the technical and functional validation of the platform through industrial testing, focusing in particular on reliability, flexibility, efficiency and digital integration.

All the hardware and software installed at the new DTC in Bologna will meet the highest standards of data and cyber security.

SEW-EURODRIVE Italia focuses particular attention on data protection, **intellectual property** and **business continuity**, strengthening security at both IT and OT levels, in response to the rise in cyber risks linked to digitalisation and the misuse of Artificial Intelligence.



> Software-defined control architecture forms the technological core of an open and collaborative industrial ecosystem designed to meet the needs of increasingly digitalised, integrated and AI-based processes

Sustainability and the environment

Road to Net Zero, our leading commitment

Climate change is a global challenge that affects the environment, society and the economy. **Reducing emissions is essential.** SEW-EURODRIVE Italia is actively contributing to this objective by taking tangible steps to reduce its environmental impact and support a more balanced and sustainable system.

- + Green policy
- + The 9R strategy to reduce environmental impact
- + Greenhouse gas emissions
- + Sustainable construction
- + Mobility
- + Biodiversity

THE GREEN SIDE OF

ESG material topics

Fighting climate change

Reduction in consumption and emissions

SEW-EURODRIVE Italia promotes energy efficiency and the reduction of the environmental footprint, contributing to the climate and sustainability goals of the SEW-EURODRIVE Group.

Process research and innovation

SEW-EURODRIVE Italia constantly monitors and implements advanced methodologies and operating solutions to improve efficiency, quality, sustainability and competitiveness throughout the entire value chain.

Our goals for a sustainable future

To protect the environment and ensure a welcoming world for future generations, we pursue global objectives aligned with the 2015 Paris Agreement.

- **Reducing direct and indirect Scope 1 and 2 emissions related to activities at our production sites.**
- **Reducing emissions from our business and products through Scope 3 emission reduction strategies.**

Through these actions, we are committed to actively contributing to the ecological transition and the fight against climate change.

Scope 1

Direct emissions from operational activities

Scope 2

Indirect emissions from consumption of electricity, heat or steam purchased from third parties

Scope 3

Other indirect emissions related to corporate activities

Italy and the Paris Agreement

As a member of the European Union, Italy is committed to the 2015 Paris Agreement, contributing to the fight against climate change through the EU's common climate policy. In this context, Italian companies, including SEW-EURODRIVE Italia, also play a key role in supporting the green transition and achieving the shared climate targets:

- Reducing net emissions by at least **55% by 2030** compared to 1990 levels ('Fit for 55' plan).

We are working on this and our progress is reported in this document year on year

- Eensuring at least **42.5%** of energy consumption from renewable sources **by 2030**

We are working on this by installing solar panels on our properties

- improving energy efficiency by at least **35% by 2030**

We are working on this by improving our buildings and facilities

- achieving carbon neutrality by 2050

Our aim is to achieve this in 2026 for Scope 1 and 2 emissions

Net Zero

This refers to the long-term state that organisations should aspire to achieve: **minimising greenhouse gas emissions and offsetting unavoidable emissions through removals from the atmosphere**.

This is the strategic objective of SEW-EURODRIVE Italia, based on innovation, technology, process optimisation and the systematic reduction of waste.

Carbon neutrality

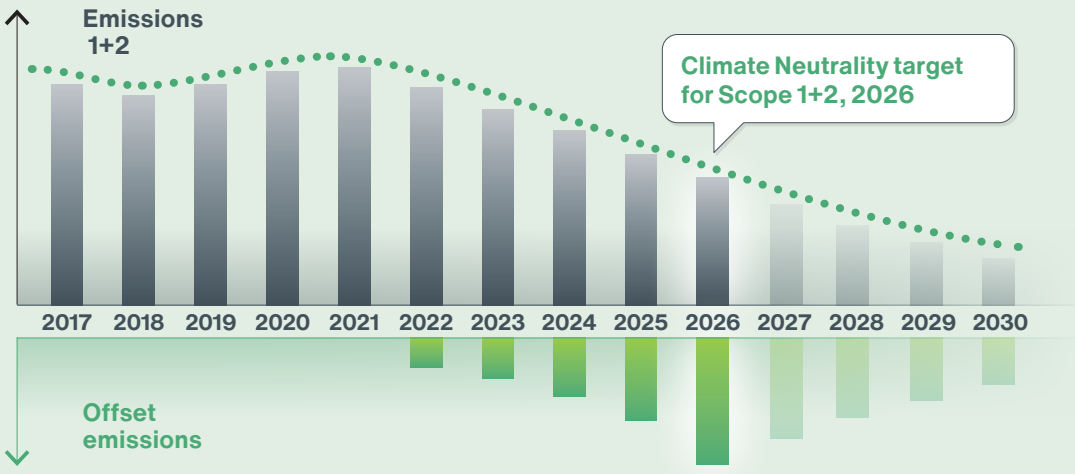
This refers to a situation in which **net emissions are zero thanks to the continuous reduction and offsetting of residual emissions**. It represents an intermediate step towards Net Zero and ***is SEW-EURODRIVE Italia's target for Scope 1 and 2 emissions by 2026.***

-7.8% Electricity consumption

100% Electricity from renewable sources

121ton of CO_2 offset for trade fairs

-6.4% Total energy demand



Green Policy

Our Green Policy remains valid and relevant, and is regularly referenced to **promote environmentally friendly practices**, such as opting for public transportation or reducing the number of emails and attachments in digital traffic.

Digital pollution

Surfing the web, sending emails, storing data, using search engines and artificial intelligence software has a real impact on the environment. In order to reduce CO_2 emissions and energy consumption related to smart devices, we **promote virtuous behaviour among employees**, thereby raising awareness on an issue that is still fairly known.

Energy consumption

The settings of heating and cooling systems must be **optimised** and properly maintained in order to contain energy consumption. Lighting and temperatures on corporate premises must comply with national parameters.

Renewable energy sources

We are committed to **improving the energy efficiency of the group's sites** by constructing new buildings and renovating existing ones. We are improving insulation and installing photovoltaic panels at our buildings, replacing obsolete and inefficient heating/cooling systems, and using point-based monitoring systems to measure and optimise electricity consumption.

Sustainable mobility

We encourage the **use of sustainable means of transport** through the introduction of electric cars to the company fleet and the installation of charging stations. On business trips, we ask employees to opt for train or aeroplane travel, reducing car trips whenever possible.

Biodiversity

Our green spaces are planted with native perennials that are suited to the local environment and have low water requirements. **We have created natural lawn areas** with native grasses and wild flowers to encourage pollinating insects. Keeping the lawns tall helps to preserve moisture and soil temperature even in times of drought, while mowed lawn areas will only be mowed when strictly necessary.

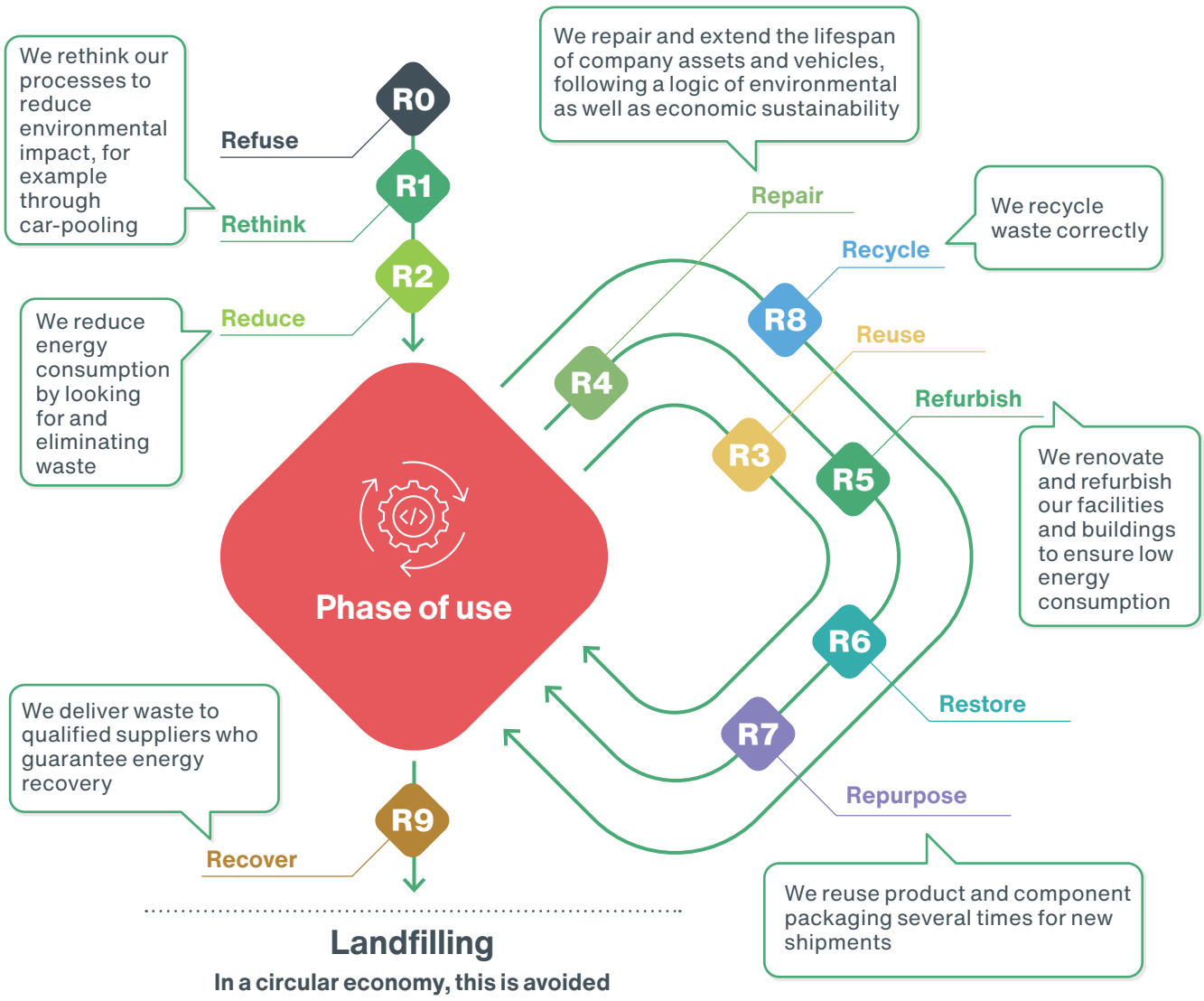
> “We have created natural lawn areas with native grasses and wild flowers to encourage pollinating insects”

The 9R strategy to reduce environmental impact

The German parent company has defined the 9R framework for circular economy strategies as **a common reference point** for the entire SEW-EURODRIVE Group.

SEW-EURODRIVE Italia has adopted this model, aligning its terminology and associated operational definitions – subsequently approved by the Sustainability Committee of the German HQ and published in the Corporate Language Centre – in order to guarantee a shared, consistent and transparent language across all sites.

The 9Rs in the organisation's internal processes



The 9Rs in our business model

CIRCULAR ECONOMY

More efficient use and production of products

REFUSE
Renounce a product or replace a function with a different product, e.g. a digital product or service

RETHINK
Use products more intensively, e.g. through shared use (sharing models) or multifunctionality

REDUCE (BY DESIGN)
Implement product and production process designs that make more efficient use of energy, materials and resources

Extended useful life of a product and its components

REUSE
Reuse returned products or product components classified 'as new' according to SEW-EURODRIVE quality criteria, so that they can fulfil their original function

REPAIR
Repair a specific defect and/or replace the defective components of a product to restore its functionality, upon specific request and as part of a service

REFURBISH
Restore or improve the performance and/or functionality of a product already in use, upon specific request and as part of a service. Through maintenance and/or repair, the product is restored to a specified level of quality, which may not be the same as a new product

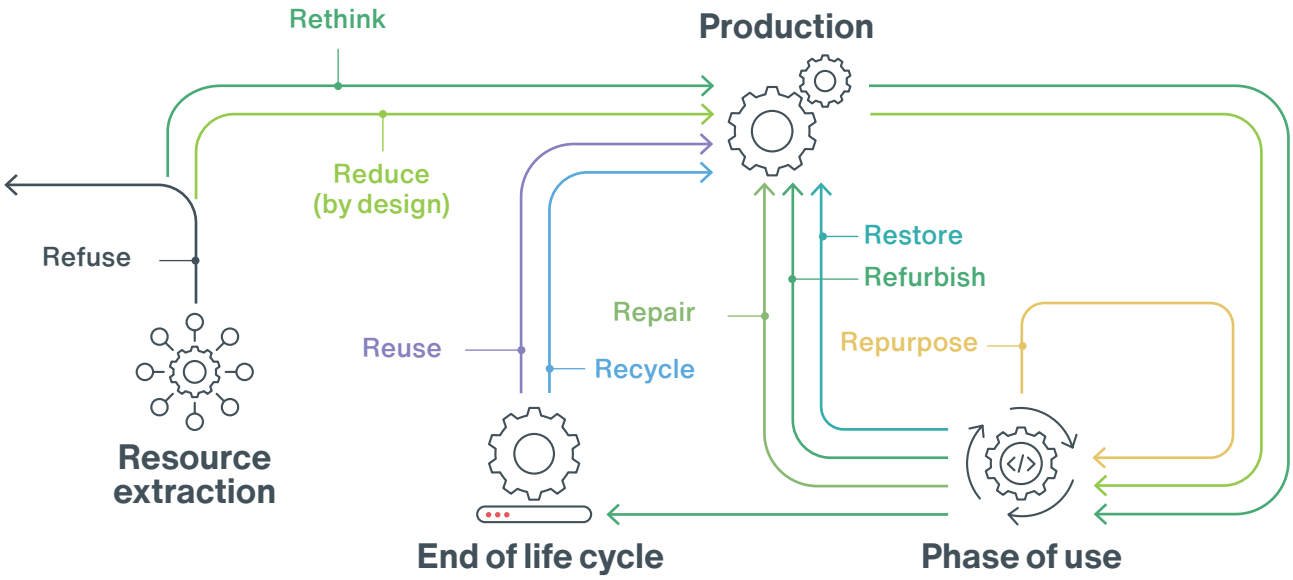
REMANUFACTURE
Use a standardised industrial process to restore the components of a product to a level of quality that is equal to or better than new, so that they can be reused in a new product with the same function. The process involves industrial disassembly of the product, followed by restoration of the selected components to like-new conditions using technical processes

REPURPOSE
Process and reuse products or collected components for a different purpose in a new product

Effective use of materials

RECYCLE
Use a standardised industrial process to recover materials from waste products, with the aim of reusing them for their original purpose or for a different purpose in new products

The 9R model guides the transition from a linear to a circular economy, promoting reuse, refurbishment and waste reduction throughout the entire product life cycle.



Waste management

SEW-EURODRIVE Italia's facilities, which are dedicated exclusively to assembly and servicing, **do not generate production waste**. In fact, almost all of the waste produced is attributable to the packaging of the materials used in the various assembly and logistics phases.
Taking all waste into account, including waste that is reused, **93% of waste was classified as non-hazardous** in 2025, permitting its efficient management and high recovery rate in line with the circular economy principles adopted by the company.

Hazardous waste is material that may pose a threat to human health or the environment due to its toxic, flammable, corrosive or reactive properties.
To prevent negative impacts, this waste **is managed and disposed of in a safe and controlled manner**. Each potentially hazardous item of waste is analysed by a qualified laboratory, which issues the correct classification and instructions for any necessary treatment, determining whether the waste can be recovered or must be permanently disposed of.

Recovery operations (R)

Waste recovery operations include processes that allow **reuse of waste materials**, thus reducing environmental impact. **Recycling** is one of the most widespread methods, allowing materials such as paper, plastic, glass and metal to be recovered and transformed into new products.
Another form of recovery is given by **waste-to-energy plants**, which convert specific waste into thermal energy by producing heat, steam or electricity.

Disposal operations (D)

Disposal operations **remove waste definitively without the possibility of reuse**. The most common techniques in Italy include landfilling and incineration without energy production, practices that are highly polluting to the environment and the ecosystem.

Reuse operations (RIU)

In our waste analyses, until 2024 we also included the proportion of materials which, **in the absence of specific measures, would have become waste**, such as wooden pallets and packaging still in good condition. This category is indicated as [RIU] in the monitoring tables.

Since 2025, following the launch of the new automated packaging line – which requires the use of new, standardised packaging – the reuse of used packaging has no longer been recorded. Cardboard and pallets do, however, continue to be reused, as demonstrated by the fact that, excluding the [RIU] category, the total quantities of waste do not show any significant year-on-year increases (see Table 1,108 tons in 2024; 95 tons in 2025).
Since 2025, reused packaging material has therefore been managed separately from the waste statistics relating to collection and disposal whilst remaining an integral part of the company's circular economy practices.

WASTE BY TYPE AND DISPOSAL METHOD			2023	2024	2025
Non-hazardous waste	Recovered [R]	Kg	76,546	108,338	95,279
	Disposed of [D]	Kg	0	0	1,000
	Reused [RIU] prior to 2025	Kg	214,737	149,819	0
	Reused [RIU] post-2025	Kg	0	0	139,591
	Total	Kg	**291,283**	**258,157**	**235,870**
Hazardous waste	Recovered [R]	Kg	4,394	10,991	11,212
	Disposed of [D]	Kg	2,149	3,803	5,983
	Total	Kg	**6,543**	**14,794**	**17,195**
Total		Kg	**297,826**	**272,951**	**253,072**

Initiatives for the reuse of materials

Timber and pallets

Pallets are handed over to a company which handles their recovery, checks their condition and, where possible, repairs them. Suitable pallets are then put back on the market, **extending their life cycle**.

SEW-branded cardboard packaging

Cardboard packaging is **reused internally** to manage special materials outside the automated line, such as repairs, returns and spare parts shipments.

Plastic trays for components

As part of its circular economy initiatives, SEW-EURODRIVE Italia has launched a structured process for the **recovery** and **reuse** of the plastic trays used to house components destined for assembly and sourced from German warehouses.
The trays undergo a dedicated internal procedure, which sets out objective criteria for suitability and recoverability. Once checked, the compliant containers are returned to Germany (USOCOME) for reuse.

> “By recovering and reusing plastic trays, SEW-EURODRIVE Italia launched a circular economy pilot project which has since been extended to all companies within the Group”

In 2025, **around 100 kg of plastic was recovered**, equivalent to almost 500 trays. Italy served as the pilot country for this project, which was subsequently extended by the parent company to the other SEW-EURODRIVE companies.

The initiative is consistent with the European regulatory framework on packaging, in particular the EU Packaging and Packaging Waste Regulation (PPWR), which sets out, from 2030 onwards, increasingly stringent requirements regarding the reusability and traceability of packaging and materials used in intra-group flows. This practice therefore helps to reduce waste, minimise the use of raw materials and ensure early compliance with future regulatory requirements.

Work footwear

During 2025, the company began collecting end-of-life work footwear, sending it for recovery and recycling.
The materials collected will be transformed into recycled plastics, which will be used to manufacture soft rubber tiles for play areas in public parks.

The initiative forms part of the Giardini di Betty project, to which SEW will contribute in 2026.

SWAP Day

Every year we organise SWAP Week, an initiative for free exchanges between employees that is open to everyone. Anyone can contribute by donating clothes, books, items and accessories that are still in good condition but no longer needed, thereby encouraging their reuse. Particularly appreciated for its recovery of children’s clothing and toys, the project represents a concrete example of the circular economy at work within the organisation. As well as reducing waste, it fosters a culture of sharing and a sense of community within the company.

Water extraction

The use of water is limited exclusively to the toilets and to common areas dedicated to the consumption of meals. There are no company canteens, only areas equipped for heating food brought from home.

No water is used in production processes, except for small amounts needed to refill engine washing machines. These devices do not use running water, but a mixture of water and solvents that is reused for **multiple wash cycles** and subsequently disposed of as special waste.

The lawn and flower beds are irrigated, but the vegetation selected requires a minimum amount of water. The irrigation system is equipped with **rainfall sensors**, which automatically suspend irrigation in the event of rainfall, thus avoiding water wastage.

As part of the Flower Bed project, a portion of the lawn sown with flowers is allowed to grow without mowing. This offers several advantages: **it retains moisture** in the turf, **it reduces the need for irrigation**, and it contributes to **lowering the temperature** in the upper layer of soil.

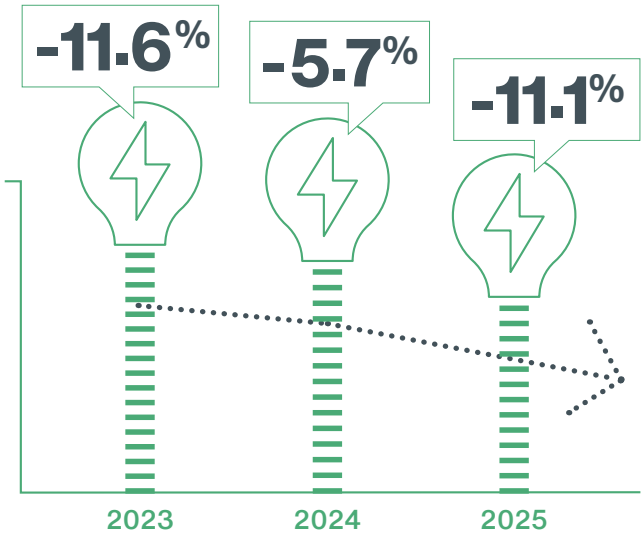
Energy consumption

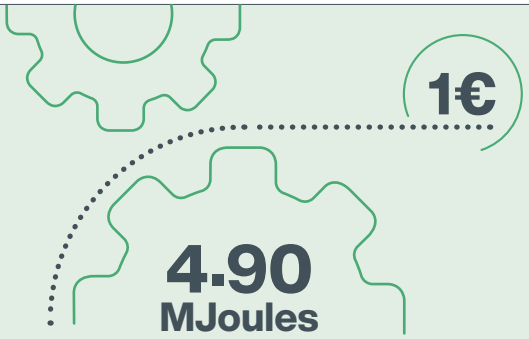
The Solaro plant's energy consumption is constantly monitored through an advanced network of approximately **100 measuring points** strategically distributed in the most energy-intensive departments. These points collect data in real time which is stored to enable detailed analysis.

With this infrastructure, it is possible to identify operational anomalies, correct energy wastage, and implement targeted actions to reduce overall consumption.
This approach makes it possible to **optimise the use of resources** and **improve plant efficiency** from a sustainable perspective.

Our commitment to energy management allows us to progressively reduce consumption, in line with Directive 2018/2002/EU, which sets the target of improving energy efficiency by at least **32.5% by 2030**.

Reduction in energy consumption (year-on-year)





"At SEW Italy, **producing €1 of turnover requires 4.90 MJoules**, corresponding to the amount of energy needed to keep a 10W LED bulb lit for 7 days and 7 nights"

Electricity consumption 2025

For 2025, the initial energy consumption reduction target was 5%. However, thanks to targeted improvements to the facilities and the contribution of photovoltaic energy, **the result exceeded expectations**; electricity consumption fell by **7.8%** compared with 2024, an overall reduction of 85,155 kWh.

The main actions carried out in 2025 to optimise consumption included:

- **optimisation of the ventilation speed of the drying line cooling system** through the more precise regulation of airflows on the basis of actual operational requirements
- **rebalancing of the spray booth's operating parameters**, focusing particular attention on air exchange rates, operating temperatures and cycle times
- **improvements in the remote management of the air-conditioning system** thanks to the support of external specialists who optimised operating curves, timings and start-up/shutdown procedures
- **automatic switching-off of the water circulation pumps** of the air-conditioning system during idle hours, avoiding unnecessary consumption
- **adoption of "on-demand" start-up procedures** for compressors, fans, pumps and auxiliary systems, only activating them when required by production flows
- **segmentation of production lines** with the possibility of shutting down individual sections or stations during periods of low demand, rather than keeping the entire line running
- **implementation of energy monitoring systems** in real time, to identify machinery operating outside ideal parameters and take action through targeted adjustments.

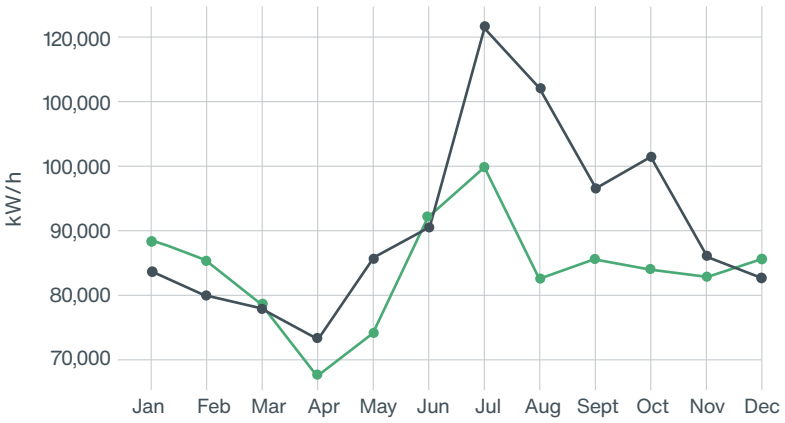
These measures have contributed significantly to reducing energy consumption and improving the overall efficiency of the Solaro production site, promoting the smarter, more flexible and more sustainable use of industrial equipment.

ELECTRICITY CONSUMPTION SEW-EURODRIVE ITALIA		2023	2024	2025
Total electricity consumption	kW/h	1,227,744	1,090,742	1,005,587
	GJ	4,420	3,927	3,620
Year-on-year % change in total consumption		-8.2%	-11.2%	-7.8%

Optimisation of electricity consumption 2025

2025 results

SEW-EURODRIVE Italia's electricity consumption fell by 7.8% compared with 2024.



Consumption:
2024
2025

Savings of €19,599

-85.15 MW/h

Reduction in electricity consumption

15.3 tons of CO_2e avoided

Energy cost €0.23 kW/h, excluding tax.
Average electricity emission factor for Italy 180gCO_2e/kWh
source: Enpal Italia

Natural gas consumption

Gas is consumed solely for air conditioning and the production of domestic hot water. Consumption fell slightly in 2025, particularly at the Solaro site, thanks to the **ongoing maintenance** and **operation of the systems on the basis of operational requirements and external weather conditions**.

NATURAL GAS CONSUMPTION SEW-EURODRIVE ITALIA		2023	2024	2025
Total natural gas consumption	sm^3	65,693	67,868	57,356
	GJ	2,595	2,689	2,259
	kW/h	720,799	746,826	627,496
Year-on-year % change		-25.6%	3.3%	-15.5%

Energy intensity

Energy intensity shows a structurally downward trend. The figure is calculated by taking all forms of energy consumed into account (electricity and natural gas, expressed in joules). As shown in the table on the right, the year-on-year reduction was -11.6% in 2023, –5.7% in 2024 and **–11.1% in 2025**. This result was possible thanks to the consolidated energy management system.

As of 2021, we purchase 100% of our energy from renewable sources through Enel Energia, which provides us with certificates of origin of the energy delivered. This commitment is an integral part of our environmental sustainability strategy.

Renewable energies, which regenerate naturally and do not run out, are central to the energy transition towards a system that progressively abandons fossil fuels, contributing to the reduction of global warming. Moreover, they represent a clean alternative that protects human health and the environment.

COMPARISON OF MONITORING PARAMETERS		2023	2024	2025
Total energy consumption (electricity + gas)	GJ	7,015	6,615	5,879
Year-on-year % change DC		-11.6%	-5.7%	-11.1%

> As of 2021, we purchase 100% of our energy from renewable sources through Enel Energia, which provides us with certificates of origin of the energy delivered

-7.8%
Reduction in electricity consumption in 2025

-15.5%
Reduction in natural gas consumption in 2025

Photovoltaics

Part of the energy consumed by our operations is generated by the solar panels installed on the roofs of SEW Eurodrive Italia's buildings. This figure is increasing year on year thanks to new investments and in line with the sustainability strategy.

Solaro

174 m²
PV panels on the roof of the office building

32.4 kWp
Maximum power

SELF-GENERATED RENEWABLE ENERGY SOURCES		2023	2024	2025
Self-produced photovoltaic electricity	kW/h	32,723	32,322	97,816
Percentage of self-generated energy on total Italian consumption		2.7%	3.0%	9.7%

In late 2024, the installation of the photovoltaic system at the **Caserta** site was completed, reaching a total capacity of **89.6 kWp**.
The plant was authorised by GSE (Gestore Servizi Energetici) in May 2025; since then, it has generated **66,000 kWh** of energy, reducing the site's immediate energy consumption by more than **30%** and feeding energy into the grid for which we will be compensated by GSE. Thanks to the new investments, solar energy production has increased by 200%.

A major expansion of the company's solar park is planned for the coming years.
In particular, a new photovoltaic system of approximately **1,600 square metres** will be installed in **Borgo Panigale**, with a peak power of **350 kWp** and an estimated annual production of **460,000 kWh**.

Once these projects are completed, SEW-EURODRIVE Italia will have an installed **solar capacity** of approximately **460 kWp** with estimated annual production of around **500,000 kWh**, corresponding to almost 50% of annual energy needs.

Greenhouse gas emissions

Since 2024 SEW-EURODRIVE Italia has reported its greenhouse gas emissions in full, including both **Scope 1** and **Scope 2** emissions – generated directly by the company's operations and energy consumption, such as that deriving from the company car fleet and the mixed use of vehicles – as well as the **Scope 3** emissions produced indirectly along the entire value chain by third parties.

Scope 1 and 2 emissions are calculated exclusively using a quantitative (activity-based) approach that takes account of actual and measurable physical data such as energy consumption (kWh), fuel used or kilometres travelled.

For Scope 3 emissions we use a combined approach that takes account of both quantitative and economic criteria, based on expenditure:

- **Activity-based approach (quantitative method)**: a calculation based on actual physical data (e.g. kg of material purchased, km of transport, suppliers' energy consumption), which ensures greater accuracy and representation
- **Spend-based approach (economic method)**: estimation of emissions based on the expenditure (€/kgCO_2e) incurred for each purchase category, applying average emission factors; a simpler but less accurate methodology. The spend-based approach is used in cases where reliable primary data is not yet available, with the aim of gradually moving towards activity-based methods as the quality and availability of data improve.

The calculation complies with the requirements of the **Greenhouse Gas Protocol** and uses coefficients provided by official reference bodies such as **Ecoinvent**. Also worth noting is an important initiative launched by the parent company, which is developing a calculation tool that will be distributed to Eurodrive sites worldwide to ensure consistency and checks in the calculation of the Group's emissions.

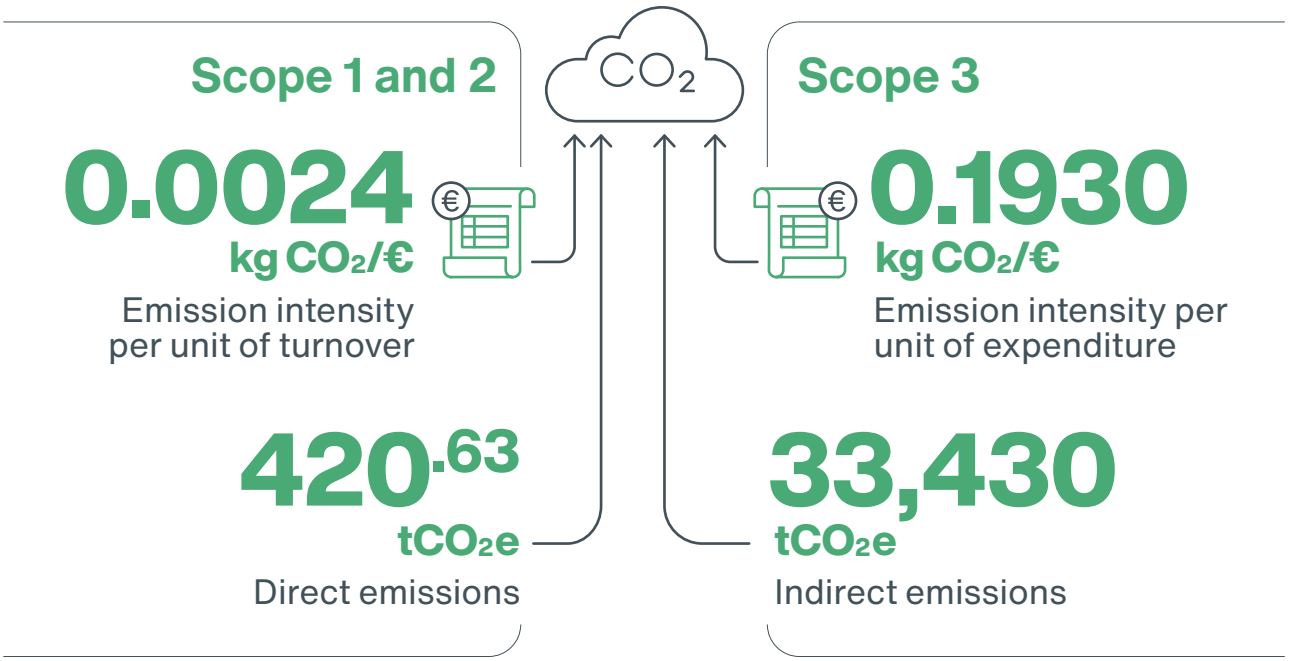
Summary table of location-based emissions in 2025:

GROSS GREENHOUSE GAS EMISSIONS		2023	2024	2025	% of total
Direct Scope 1 emissions	tCO_2 eq	471.10	499.95	232.17	0.69%
Indirect Scope 2 emissions	tCO_2 eq	0.00	0.00	188.47	0.56%
Indirect Scope 3 emissions	tCO_2 eq	n/a	29,858.93	33,430.33	98.76%
Total	tCO_2 eq	**471.10**	**30,358.87**	**33,850.96**	**100.00%**

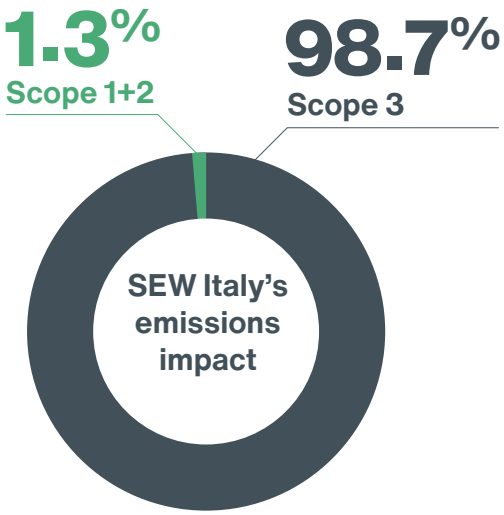
It is useful to calculate emission indices, i.e. emission values linked to company performance indices:

EI 1,2 = Scope 1+2 emissions / turnover → measures the climate efficiency of direct operations
EI 3 = Scope 3 emissions / expenditure E 1,2 → measures the climate efficiency of indirect operations
TOT EI = Scope 1+2+3 emissions / turnover → measures the company's overall climate efficiency

GROSS GREENHOUSE GAS EMISSIONS		2023	2024	2025
EI 1,2	Kg CO_2/€	0.0026	0.0032	0.0024
EI 3	Kg CO_2/€	0	0.01939	0.1930
Total EI	Kg CO_2/€	**n/a**	**0.1971**	**0.1954**



> As expected, Scope 3 emissions constitute the predominant part of our impact, accounting for 98.7% of total emissions



While it is crucial to refine the calculation of these emissions in order to obtain more accurate values that are less prone to overestimation, it remains even more crucial and an absolute priority **to rethink the entire value chain**. **Dialogue with partners and suppliers and the implementation of concrete actions** will be crucial to reduce not only direct but also indirect emissions by 2030 and 2050.

Scope 1 and 2

Our operations do not generate any significant atmospheric emissions, except in negligible quantities. Each year, the mandatory periodic inspections carried out on the exhaust stacks on certain production machines confirm **full compliance with current regulatory limits** and do not indicate any need to implement continuous monitoring systems or to install specific emission treatment or abatement systems.

We monitor direct and indirect emissions according to the Greenhouse Gas Protocol, distinguishing emissions by category or Scope:

Scope 1 – Direct emissions
Greenhouse gas emissions from sources owned or directly controlled by the company, such as the company's vehicle fleet. Emissions generated by the mixed use of vehicles are also included to guarantee completeness and methodological consistency.

Scope 2 – Indirect emissions from purchased energy
Indirect emissions associated with the generation of the electricity purchased and consumed by the company.

In 2025 **Scope 1** emissions fell significantly, going from 499.94 tCO_2e in 2024 to **232.17 tCO_2e (–53%)**. This decrease is mainly attributable to two factors: the absence of refrigerant gas leaks from air-conditioning systems – which had generated 164.45 tCO_2e in 2024 – and the updating of the emission factor applied to mobile combustion from the company's vehicle fleet.

As such, the figure is not fully comparable with that for 2024 as the DEFRA coefficient applied to mobile combustion in 2025 was 2.57 $kgCO_2e$ as opposed to 3.51 $kgCO_2e$ in 2024. This methodological choice was made to ensure greater consistency, transparency and comparability over time, whilst avoiding reliance on reports from suppliers who do not always specify the origin of the coefficients applied.

GROSS GREENHOUSE GAS EMISSIONS SCOPE 1	MAIN DB		2023	2024	2025
Steady-state combustion Emissions from gas consumption for heating	EEA 2025	tCO_2e	132.79	137.18	116.38
Mobile combustion – Emissions from the company vehicle fleet	DEFRA 2025	tCO_2e	338.33	198.31	115.79
Gas leaks from air-conditioning systems	-	tCO_2e	0.00	164.45	0.00
Total Scope 1 emissions		**tCO_2e**	**471.12**	**499.94**	**232.17**

Indirect emissions associated with electricity consumption are reported under **Scope 2** in accordance with the Greenhouse Gas Protocol, following a methodological realignment consistent with the guidelines of the Protocol and the Group.

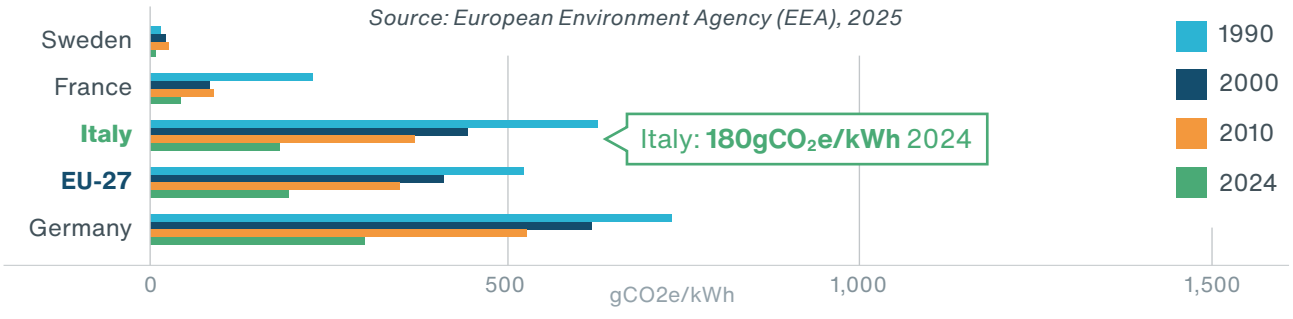
For the year 2025, emissions linked to electricity consumption were calculated using two distinct approaches:

- **Location-based**, based on the average mix of the national electricity grid
- **Market-based**, which reflects the characteristics of supply contracts and the use of electricity from certified renewable sources.

During 2025, SEW-EURODRIVE Italia consumed **1,005,587 kWh** of electricity. Thanks to supply contracts that provide for 100% renewable energy, backed by Guarantees of Origin (GO), emissions were accounted for using the market-based method, applying an emission factor of zero gCO_2e/kWh, thereby resulting in zero market-based Scope 2 emissions for the electricity purchased.
For the calculation of location-based Scope 2 emissions, however, the average emission factor for the Italian national electricity grid, updated to 2024 and published by the European Environment Agency (EEA) in the dataset *"Greenhouse gas emission intensity of electricity generation – country level"*, was used.
This factor, equal to 180 gCO_2e/kWh, represents the average emissions intensity of the electricity grid to which SEW-EURODRIVE Italia is connected.

By applying the value provided by the EEA for Italy to SEW consumption, we obtained the location-based Scope 2 emissions, which reflect the indirect impact associated with the reference energy mix (national grid).
Location-based Scope 2 emissions for 2025 came to 188.47 tCO_2e.

Greenhouse gas emission intensity of electricity generation



100% certified renewable electricity

1,009 MWh
electricity from renewable sources certified via **Guarantees of Origin (GO)**

GO cancelled in the GSE (Italian energy services manager) system

Supplier: Enel Energia
Beneficiary: SEW-EURODRIVE Italia
Consumption period: 2025

Number GO: **1,009**
Source: **geothermal**
System: Italy

Transaction: 202603170002747
Date of cancellation: 16/03/2026

Guarantees of Origin (GO) certify that electricity comes from renewable sources and are cancelled to prevent double counting, in accordance with current legislation.

Since 2025 our Scope 2 perimeter has also included emissions deriving from the consumption of electricity at public roadside charging stations used by the company fleet.

These emissions, which were not previously accounted for, contributed to the increase in market-based emissions, rising from 0 in 2024 to **18.28** in 2025.

GROSS GREENHOUSE GAS EMISSIONS SCOPE 2	MAIN DB		2023	2024	2025
Emissions from location-based electricity consumption	EEA 2025	tCO_2e	0.00	0.00	188.47
Emissions from market-based electricity consumption	AIB 2024	tCO_2e	0.00	0.00	18.28
Steam heat	-	tCO_2e	0.00	0.00	0.00
Total Location-Based Scope 2 Emissions		**tCO_2e**	**0.00**	**0.00**	**188.47**
Total Market-Based Scope 2 Emissions		**tCO_2e**	**0.00**	**0.00**	**18.28**

Although electricity from renewable sources is more expensive than that from the conventional mix, since 2021 SEW-EURODRIVE Italia has chosen to procure exclusively **100% renewable energy**, consciously accepting this additional cost in line with the objectives of the Paris Agreement and with the goal of helping to reduce climate-changing emissions and supporting the transition to a low-carbon energy system.

Location-and market-based Scope 1 and Scope 2 emissions are under the company's direct control. Compared with 2024, they have fallen by 12.2%.

Scope 3

The calculation of Scope 3 emissions represents a crucial challenge, as it includes **all indirect emissions generated along the value chain, from suppliers to end customers**.

Collecting reliable data requires significant effort. It is essential to identify opportunities for improvement and to define effective emission reduction strategies. This approach allows us not only to optimise internal efficiency, but also to involve our partners in a shared journey towards sustainability.

Scope 3 emissions are divided into 15 categories according to the Greenhouse Gas Protocol, covering both upstream activities (e.g. material procurement, transport and purchased services) and downstream activities (e.g. use and disposal of products). Our goal is to **progressively improve the quality of reporting** so that we can define

targeted actions to reduce our overall environmental impact.

The **activity-based** approach was adopted as a priority for the calculation of Scope 3 emissions as it is methodologically more robust and provides a more accurate representation of the actual emissions from operations. Where sufficient primary data was not available, the spend-based approach (which takes account of market price trends) was used; this method estimates emissions based on the economic value of purchases and average sector-specific emission factors. Whilst this methodology ensures complete coverage of the scope, it is less accurate than the activity-based approach.
We cannot calculate all Scope 3 categories as some are not relevant to our business model whilst others depend on data and factors defined by the parent company, which is progressively developing and consolidating the relative calculation process.

Scope 3 emissions categories estimated/calculated by SEW-EURODRIVE Italia

UPSTREAM ACTIVITIES		
3.1	**Purchased goods and services**	Emissions from the production of goods and services purchased or acquired by SEW-EURODRIVE Italia. For example: purchases of goods for production, spare parts, clothing, small parts, paints and solvents, pallets, lubricants, various services, etc. This category includes assembly components purchased from our parent company
3.2	**Capital goods**	Emissions related to the purchase of long-life assets, such as buildings, humanoid robots, machinery and equipment
3.3	**Fuel and energy-related activities not included in Scope 1 and 2**	Emissions from the extraction, production and transport of purchased and consumed energy, not included in Scope 1 and 2 direct and indirect emissions
3.4	**Transport and upstream distribution**	Emissions from the transport of purchased goods, raw materials or other inputs to the point of use
3.5	**Waste from operations**	Emissions from the management and treatment of waste generated by SEW-EURODRIVE Italia's activities
3.6	**Business trips**	Emissions from business trips made by employees using means of transport
3.7	**Employee travel**	Emissions from employee travel between home and work
3.8	**Upstream procurement and supply**	Emissions related to the activities of direct suppliers that provide services to SEW-EURODRIVE Italia, such as, for example, car rental and space rental

DOWNSTREAM ACTIVITIES		
3.9	**Transport and downstream distribution**	Emissions from the transport and distribution of goods sold to customers
3.10	**Processing of products sold***	Emissions from further processing or transformation of products sold
3.11	**Use of products sold***	Emissions from the use of the products sold throughout their lifetime
3.12	**End of life of products sold***	Emissions associated with the disposal or recycling of products sold

NON-APPLICABLE CATEGORIES		
3.13	**Downstream leased assets**	Emissions from assets owned by the organisation but leased to third parties
3.14	**Investments**	Emissions from financed assets or investment portfolios
3.15	**Franchising**	Emissions related to franchise operations not included in Scope 1 and 2

*** Information will be provided by our parent company by 2030**

Scope 3 emissions: breakdown by emissions factor database and calculation methodology (2024–2025)

	MAIN DATABASE	METHOD 2024	2024 tCO_2e	METHOD 2025	2025 tCO_2e	%
3.1	Ecoinvent 3.11, DEFRA 2025, Cornerstone Sustainability Data Initiative, "Supply Chain GHG Emission Factors v1.4.0" data set 2024	Quantity /Spend-based	26,741.76	Quantity /Spend-based	27,524.03	81.27%
3.2	Ecoinvent 3.11, DEFRA 2025, Cornerstone Sustainability Data Initiative, "Supply Chain GHG Emission Factors v1.4.0" data set 2024	Spend-based	1,180.77	Quantity /Spend-based	4,714.75	13.92%
3.3	DEFRA 2025	Quantity-based	231.66	Quantity-based	153.10	0.45%
3.4	DEFRA 2025	Quantity-based	853.37	Quantity-based	218.03	0.64%
3.5	Ecoinvent 3.11 / DEFRA 2025	Quantity-based	45.33	Quantity-based	46.60	0.14%
3.6	Cornerstone Sustainability Data Initiative, "Supply Chain GHG Emission Factors v1.4.0" data set 2024	Quantity-based	62.85	Spend/ Quantity-based	78.47	0.23%
3.7	DEFRA 2025	Quantity-based	74.00	Quantity-based	102.03	0.30%

	MAIN DATABASE	METHOD 2024	2024 tCO_2e	METHOD 2025	2025 tCO_2e	%
3.8	ISPRA 2023 / DEFRA 2025	Quantity-based	262.00	Quantity-based	199.01	0.59%
3.9	DEFRA 2025 / Primary data suppliers	Spend-based / Primary data	497.19	Primary data	394.32	1.16%
3.10	Processing of sold goods	-	-		-	0.00%
3.11	Use of sold goods	-	-		-	0.00%
3.12	End of life treatment of sold products	-	-		-	0.00%
3.13	Downstream leased assets	-	-		-	0.00%
3.14	Franchising	-	-		-	0.00%
3.15	Investments	-	-		-	0.00%
Total Scope 3 emissions			**29,858.93 t CO_2e**		**33,430.33 t CO_2e**	**98.70%**

In 2025, Scope 3 emissions wenrt from 29,858.93 tCO_2e (2024) to 33,430.33 tCO_2e, an overall increase of approximately **3,571.77 tCO_2e (+12%)**. The increase was mainly attributable to growth in purchases and progress on structural investments, but the 2024–2025 comparison must also be viewed in the light of a significant methodological improvement, which has led to estimates that are more robust and, in some cases, more representative of the real figures.

Focus 3.1 Purchase of goods and services

Category 3.1 has increased: **from 26,741.76 tCO_2e (2024) to 27,524.03 tCO_2e (2025)**; this increase was due to a significant rise in expenditure incurred in 2025.

Here too, the comparison between 2024 and 2025 is affected by a **significant methodological improvement**. If the calculation method adopted the previous year (predominantly spend-based) had been retained in 2025, emissions in this category would have been significantly higher.

By way of example, taking only the item relating to assembly components, with an expenditure of €17,334,089 the application of the spend-based coefficient of 0.23 kg CO_2/€ would have resulted in estimated emissions of 4,263 tCO_2e. Meanwhile, the adoption of the activity-based method, based on specific quantitative data for the materials and components purchased, led to an estimate of **1,744 tCO_2e**, highlighting a substantial difference compared with the average economic valuation and a closer alignment with the actual emissions profile of the category.

The total value of the purchases in question amounted to **€145,231,901.65**, corresponding to **33,430,329.27 kg of CO_2 e** emitted, with an average ratio of **0.2302 kg CO_2/€**. In 2024, the ratio of expenditure to emissions stood at 0.2484 kg CO_2/€.
There has therefore been a **reduction in emissions intensity of approximately 7.3%**, indicating an improvement in the environmental efficiency of procurement relative to the economic value incurred.

Focus 3.2 Capital goods
Construction of the Bologna site

Category 3.2 recorded **the most significant increase: from 1,180.77 tCO_2e (2024) to 4,714.75 tCO_2e (2025).**

The increase is directly linked to the **progress of construction work on the Bologna site**, which entered its most intensive phase in 2025. A combined calculation was carried out using the details of the SALs (Work Progress Reports):

- **Activity-based**, where quantitative data is available (materials, quantities, components)
- **Spend-based**, for items without physical details.

Calculating a building's emissions is methodologically complex, as it requires a breakdown by materials, construction processes and supplies. It was only possible to apply the activity-based method to 15% of the SALs, whilst the remainder was estimated using a spend-based approach.

The aim was to **maximise the accuracy of the estimate** associated with the Bologna project despite the structural information constraints typical of the construction sector.

Focus 3.4 Upstream logistics

Category 3.4 went:
from 853.37 tCO_2e (2024) to 218.03 tCO_2e (2025).

The reduction is mainly methodological.
In 2025, the calculation was carried out with an activity-based approach using primary data provided by the parent company on:

- **kg of goods shipped from Germany to Italy**
- **km travelled**
- **emission factor per kg·km transported.**

The estimate was therefore based on the total kg transported multiplied by the distance travelled and by the specific emission factor. If the spend-based approach had been retained, emissions for the same category would have amounted to approximately 762 tCO_2e, a figure significantly higher than the activity-based estimate (218 tCO_2e).

2025 therefore marks a **improvement in terms of the accuracy and representativeness of the logistics data**, with a reduction in the distortions typical of the economic method.

The calculation of Scope 3 emissions was conducted according to the methodologies and emission factors listed in the following chart

3.1 Purchased goods and services
27,524 tCO_2e

3.2 Capital goods
4,715 tCO_2e

3.3 Fossil fuel-related activities
153 tCO_2e

3.4 Upstream logistics
218 tCO_2e

3.5 Waste generated
47 tCO_2e

3.6 Business trips
78 tCO_2e[1.2]

3.7 Employee commuting
102 tCO_2e

3.8 Upstream leasing activities
199 tCO_2e

3.9 Transport and downstream distribution
394 tCO_2e

Emission calculation methodology
- Activity-based
- Spend-based

Offsetting of CO_2

Offsetting of Scope 1 and Scope 2 emissions

Following an in-depth review and analysis of the solutions available on the market, during the year the company launched a structured process to **voluntarily offset** its Scope 1 and Scope 2 emissions.

With the aim of ensuring transparency, traceability and methodological rigour, **CO_2Advisor**, an Italian company specialising in the development and management of certified carbon offset projects, was selected as a partner.

The offsetting covered **500 tCO_2e** deriving from Scope 1 and Scope 2 emissions reported in the 2024 report and was achieved through the purchase of credits generated by a project bundle (a portfolio comprising several different but complementary offset projects, aggregated into a single solution).
The selected package consisted of two complementary projects in terms of technology

and geographical area. The first was an **afforestation project in Uruguay**, classified under the ARR (Afforestation, Reforestation and Revegetation) technology, which consists of 18,988 hectares of degraded land on which new forest plantations will be grown. The project aims to both produce sustainable timber and to capture and store CO_2 in biomass and the soil, thereby contributing to environmental restoration and generating long-term climate benefits.
The second project was **Wujier Wind Farm** – Phase I, located in **Inner Mongolia (China)**, a 49.5 MW plant connected to the national electricity grid that generates renewable energy, helping to reduce greenhouse gas emissions by replacing fossil fuels.

The projects were selected on the basis of an analysis that took into account the technology used, the geographical distribution and the degree of alignment with the **Sustainable Development Goals (SDGs)** deemed as priorities for the company.

SEW Eurodrive's priorities

Reducing GHG emissions

Application of 9R year after year

Offsetting residual emissions through certified projects

12.2%
reduction in Scope 1+2 in 2025

Offset events

Building on the initiative launched in 2024, in 2025 the company once again chose to fully offset the emissions generated by two of the most important Italian trade fairs in its sector: **SPS Italia 2025** and **IPACK-IMA 2025**. A detailed **Carbon Footprint Report** was drawn up, which made it possible to quantify the emissions associated with the events and to subsequently offset them.

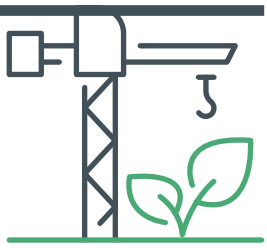
In 2025, the total emissions generated by SPS Italia amounted to 91.05 tCO_2e. The analysis showed that the dominant component was travel by participants (93%), followed by meals (5%) and overnight stays (1%). Emissions per participant amounted to 66.95 kg CO_2e.

For IPACK-IMA 2025, the total carbon footprint came to 29.76 tCO_2e. Here too, the largest share was attributable to travel (94%), whilst the other categories were marginal. Emissions per participant amounted to 66.14 kg CO_2e.

Both events were fully offset through certified projects included in the **UP2You Made in Italy** package of nature-based (Blue Carbon) projects certified by **Bneutral**. One of the projects supported was that of **Val Dogà**, an Italian initiative certified by Bneutral as a nature-based (Blue Carbon) project . The project focuses on regulating water flows in the fishing valley, promoting the capture and storage of CO_2 and preventing anoxia and environmental degradation. The project contributes to the protection of biodiversity, the maintenance of the ecosystem's balance and the promotion of practices integrated in natural cycles.

The initiative is in line with SDGs 13, 14 and 15, delivering climate and environmental benefits at local level.

Sustainable construction

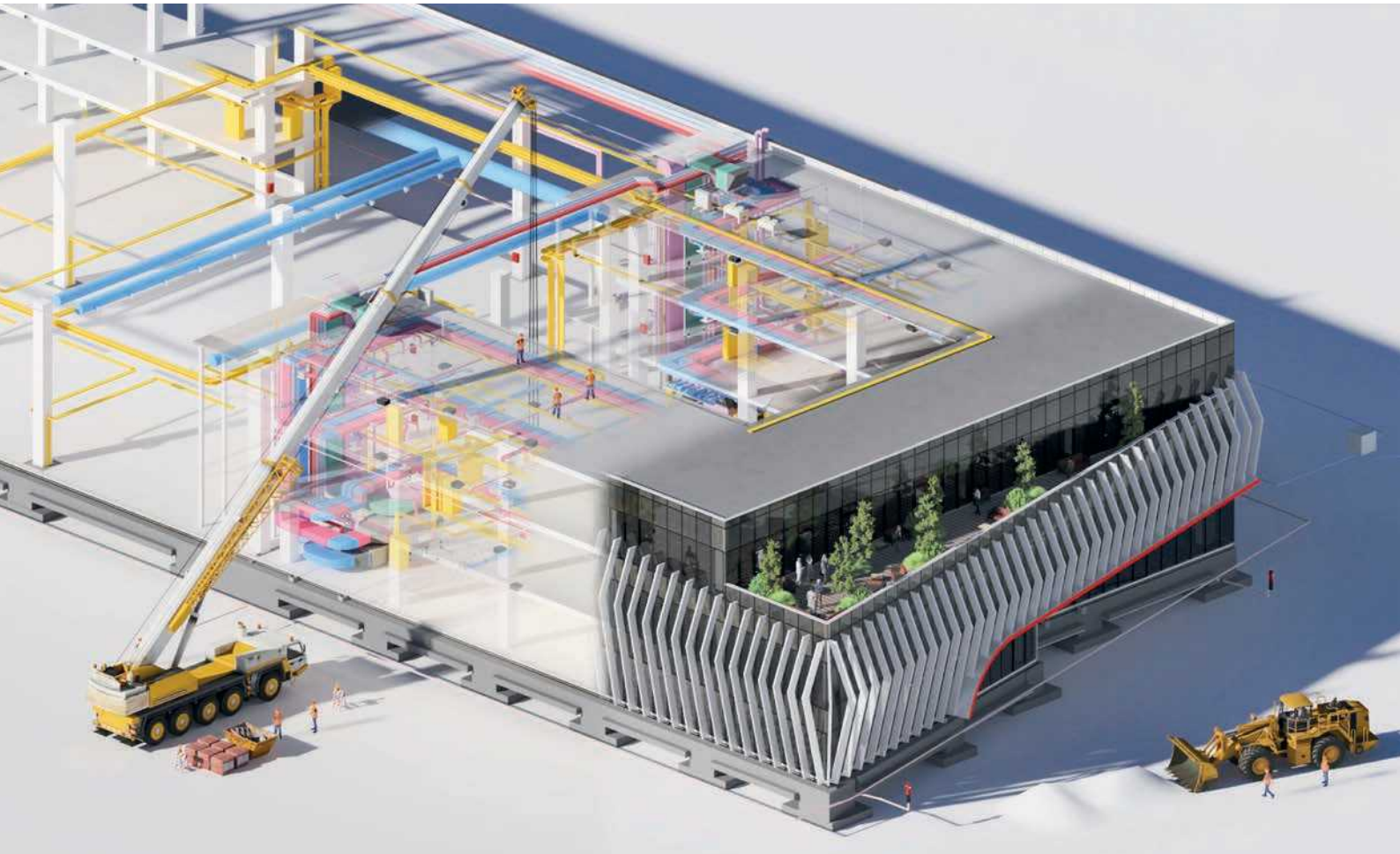


SEW-EURODRIVE has been operating in Italy since 1968 with a network of sites that ensures its widespread presence across the country. The **Drive Technology Centre in Solaro (MI)** is home to the head office and assembly workshop, and is supplemented by the **Drive Centres in Turin, Milan, Bologna, Verona and Caserta** and the **Sales Office in Pescara**.

The redesign of the Solaro site was completed in 2017, turning it into a Smart Factory developed in accordance with Lean principles. In 2023, the Drive Centre in Caserta was opened following the redevelopment of an existing building, minimising the use of new land.

In 2024, work began on the new Bologna Borgo Panigale site, designed as a **a Nearly Zero Energy Building (NZEB)** and focused on high energy efficiency, comfortable spaces and reduced environmental impact, in line with SEW-EURODRIVE Italia's sustainability strategy.

> "The new Bologna Borgo Panigale site has been designed as a Nearly Zero Energy Building (NZEB), delivering high energy efficiency and a reduced environmental impact"



NZEB strategies Sew-Eurodrive Bologna

The design of the new SEW-Eurodrive building in Bologna adopts an integrated approach to architecture and systems with the aim of meeting the NZEB standard.

The building features a **high-performance envelope**, constructed using prefabricated panels made of expanded polystyrene (EPS) and rigid polyurethane foam (PIR) for the roof and floor slabs, which significantly reduces heat loss.

The executive wing features a curtain wall with double glazing that delivers strong airtightness and a thermal transmittance of Ug = 0.5 W/m^{2}K, helping to **reduce thermal bridges**.

Indoor air quality is ensured by a controlled mechanical ventilation system compliant with UNI EN 16798, fitted with cross-flow heat recovery units integrated into the air-handling units. The **bioclimatic design** is further enhanced by the use of external louvers, which provide sun shading as well as significant architectural value.

Energy requirements are mainly covered by **renewable sources**, which meet around **60%** of annual domestic hot water, heating and cooling needs.
This is thanks to high-efficiency **heat pumps** and a **photovoltaic system** with capacity of **350 kWp** and an annual output of **460,000 kWh**.

This new building will also be fitted with **home automation and energy monitoring systems** to enable careful energy management and minimise the impact on consumption and emissions.

60%
Annual coverage of energy requirements using renewable sources

Mobility

Car policy and sustainable mobility

In line with the principles of the 2030 Agenda, the promotion of sustainable mobility plays a strategic role in helping to achieve Sustainable Development Goals 11, 12 and 13. The transport sector is, in fact, a **key lever for reducing climate-changing emissions** and improving overall quality of life.

Against this backdrop, SEW-EURODRIVE Italia has long adopted an integrated approach to sustainable mobility, pre-empting and supporting the sector's evolution. The company has taken action on both **direct corporate mobility**, through the gradual renewal of its fleet, and **indirect mobility** linked to the daily commutes of employees.

With effect from 1 January 2025, the SEW-EURODRIVE Italia Car Policy has introduced fully electric models, **further strengthening its commitment to decarbonising travel**.
The initiatives undertaken aim to reduce overall environmental impact by prioritising lower-emission solutions and promoting responsible behaviour within the organisation, in line with the company's sustainable transition strategy.

> "Sustainable mobility is a key lever for reducing environmental impact and improving quality of life."

Corporate mobility

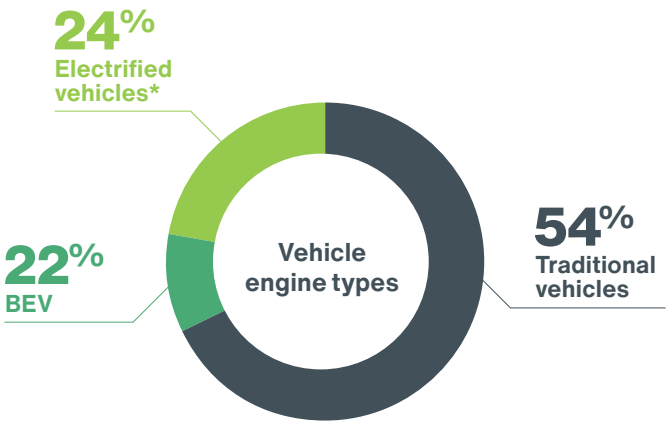
2025 marked a major change for the company fleet with a significant reduction in the number of internal combustion engine vehicles in favour of electric ones, which now account for 22 of the total of 100 vehicles.

Fleet Carbon Footprint as at 31/12/2025

100
Vehicles

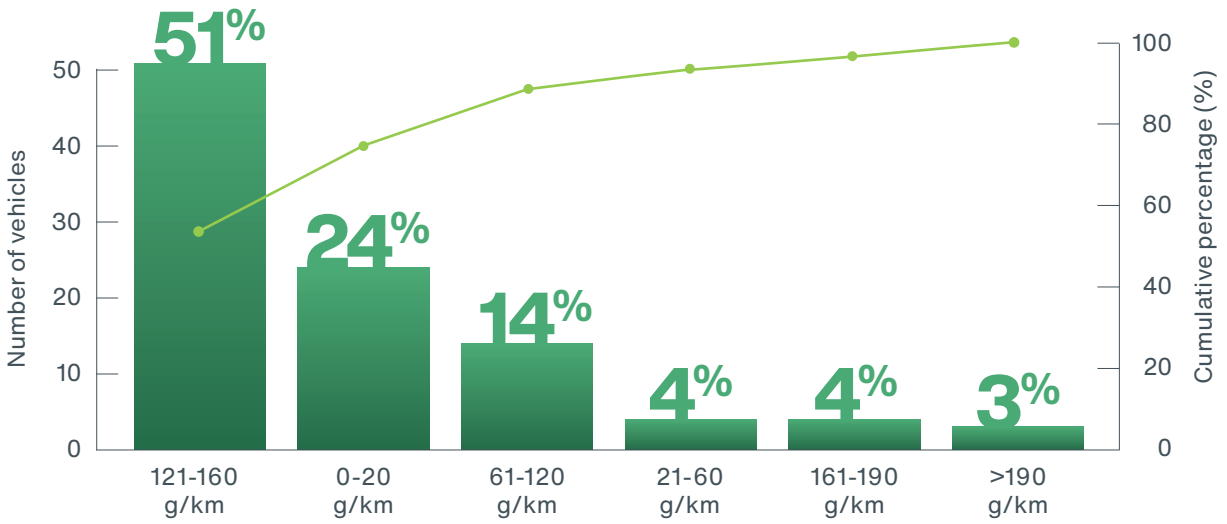
96
Cars

4
Small vans



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

Fleet emissions (g/km)



The Pareto chart shows that more than half of the vehicle fleet (51%) falls within the 121–160 g/km category. In 2024, this same category accounted for 61% of vehicles: this reduction confirms a **gradual shift in the vehicle fleet towards lower-emission classes**, particularly towards the 0–20 g/km class.

As a result, **average emissions per vehicle have fallen to 100.84 gCO_2/km**, an average reduction of **15.9%** compared with the previous year (119.86 gCO_2/km).

It is always essential to monitor fuel price trends on an annual basis.
Regularly comparing the energy consumption of the company fleet makes it possible to monitor the effectiveness of the sustainable mobility policies in place and to take decisions that gradually reduce environmental impact.

Below are the specific fuel consumption figures expressed in litres.

FUEL CONSUMPTION		2024		2025		Coefficients
		Quantity	tCO_2e [tons]	Quantity	tCO_2e [tons]	
AdBlue	L	498	0.38	473	0.36	0.76
External electric power	kWh	11,814	4.02	39,442	2.44	0.06
Petrol	L	27,067	84.31	32,898	103.78	3.15
Diesel fuels	L	104,180	365.20	94,224	333.23	3.54
Total			**453.91**		**439.80**	

The conversion factors used by the supplier are as follows:
- the combustion of one **litre of diesel** produces about 3.51 kg of CO_2e
- the combustion of one **litre of petrol** produces approximately 3.11 kg of CO_2e.

The table shows the trend in energy consumption and CO_2e greenhouse gas emissions for the years 2024–2025. In 2025 there was a **slight reduction in total emissions compared with 2024** despite the increase in electricity consumption, confirmation of the gradual electrification of the vehicle fleet. Total emissions fell from 453.91 tCO_2e in 2024 to **439.80 tCO_2e in 2025**, a reduction of **14.11 tCO_2e (–3.1% year-on-year)**.

This highlights the **overall reduction in the fleet's carbon footprint** despite significant variations in the energy mix.
The reduction in the consumption of traditional fuels, particularly diesel, has contributed to an improvement in overall environmental performance.

> "The gradual electrification of the company fleet has helped to reduce CO_2 emissions, which fell by 3.1% in 2025 compared with the previous year"

The Workplace Travel Plan

Sustainable mobility is a strategic lever for the company, helping to reduce environmental impact, improve employee wellbeing and optimise the indirect costs associated with travel.

The SEW-EURODRIVE Italia Commuting Plan (PSCL), now in its fourth revision and drawn up in accordance with Ministerial Decree 179/2021, is a key tool for managing and reducing Scope 3 emissions associated with commuting to and from work.
In 2025 the analysis was extended not only to the Drive Technology Centre in Solaro but also to all DCs, moving beyond the initial approach - limited to Solaro - and adopting a systemic view of corporate mobility. The data shows that more than half of employees work at the Solaro DTC and account for 103.35 tCO_2e/year out of a total of 133.43 tCO_2e (77.5%), confirming it as the main source of emissions.

Kilometres without mitigation measures (remote working and carpooling)

SITE	annual km	Emissions tCO_2e/year	% of total emissions
Solaro	596,640	103.35	77.5%
Bologna	40,480	7.01	5.3%
Verona	38,720	6.71	5.0%
Turin	62,040	10.75	8.1%
Caserta	29,040	5.03	3.8%
Pescara	3,388	0.59	0.4%
Total	**770,308**	**133.43**	**100%**

The other sites have a more negligible impact.

The mitigation measures already in place – **structured remote working** and **corporate carpooling** with fully electric shuttle buses – have reduced the total to **589,009 km** and **102.03 tCO_2e**, representing a reduction of over **181,299 km** and **31 tCO_2e (–23.5%)**.
In particular, in 2025 the SEW Corporate Carpooling scheme, active in Solaro since 2023 and based on car-sharing arrangements organised on a voluntary basis, saw a high level of participation, leading to the introduction of a **third shuttle**, which contributed to a reduction of approximately **12 tCO_2e** alone and consolidated the company's decarbonisation path.

> "Sustainable mobility initiatives, including remote working and corporate electric carpooling, have led to a 23.5% reduction in emissions linked to commuting"

-181,299 km/year

589,009 km/year

Commuter journeys taken by staff

-31 tCO_2e/year

102.03 tCO_2e/year

Generated by the company population

Biodiversity

SEW-EURODRIVE Italia collaborates with **Parco delle Groane e della Brughiera Briantea** via a Memorandum of Understanding in force since 2022 with the aim of protecting biodiversity and enhancing the natural heritage of the area in which it operates.
Under this partnership, the company takes part in meetings organised by the Park at least once a year, during which it contributes its expertise and participates in the sharing and planning of environmental initiatives. The programme **promotes dialogue with the local community** and the **spread of a sustainability culture** in line with company and regional objectives.

Current projects

Necromass

In collaboration with Parco delle Groane e della Brughiera Briantea, we have created a necromass area in the company park, designed to **encourage the presence and reproduction of pollinating insects**.
The availability of decaying wood, increasingly rare in urban green spaces, is in fact an essential factor in the protection of biodiversity.
The project is ongoing and the first results are already visible: insects are gradually colonising the area, confirming the effectiveness of the initiative.

Flower bed

Launched in 2022, the Flower Bed Project is a practical initiative aimed at **promoting biodiversity**.

Part of the company garden has been transformed into a natural area planted with native species and managed without regular mowing, encouraging the presence of pollinating insects such as bees, bumblebees and butterflies.

Developed with the support of an experienced beekeeper and in consultation with Parco delle Groane, the project follows natural rhythms and has demonstrated environmental benefits, including greater resilience to drought and a gradual improvement in soil quality. The project continued in 2025, confirming itself as **a concrete example of environmental commitment with low energy and water consumption**.

> “The Flower Bed Project promotes biodiversity by transforming the company garden into a natural habitat for pollinating insects”

Birds and insects

As part of the initiatives to protect biodiversity, **insect and bird houses** have been installed in the company garden, attached to the trees there. These features provide shelter and nesting sites for local wildlife, helping to **strengthen natural habitats** and encourage the long-term presence of pollinating insects and birds.

Beehives in the Groane Park

We have embarked on a collaboration with Parco delle Groane, joining the **GroApe** project and **adopting eight beehives within the protected area**. We bear all the costs of maintaining them, thus contributing concretely to the protection of bees and the preservation of biodiversity. To illustrate this initiative, we have installed a demonstration beehive in our company garden, accompanied by an information sign explaining the project.

The GroApe Project

GroApe is an **environmental biomonitoring** project that uses bees as bio-indicators to assess **the health of the ecosystem in Parco delle Groane**.
Thanks to sensors developed by 3Bee and installed in the hives, environmental conditions are monitored in real time. The project helps to raise awareness of the **importance of bees and biodiversity**, engaging the local community through outreach and educational activities.

> "The aim of GroApe is to raise awareness of the importance of bees and beekeeping in biodiversity conservation and environmental protection"

Sustainability and the value chain

Strategic and sustainable management of supplier relations

For us at SEW-EURODRIVE Italia, the value chain encompasses our full range of activities, from supplier management to the design, sale and support of automation solutions, **creating shared value throughout the product life cycle and directly involving the key stakeholders in the chain**, particularly suppliers and customers.

+ Customer relations
+ Supply Chain
+ Sustainable procurement system


Governance
People
Value chain
THE GREEN SIDE OF
Products and Services
Environment

ESG material topics

Fighting climate change

Reduction in consumption and emissions

SEW-EURODRIVE Italia promotes energy efficiency and a reduced environmental footprint, contributing to the company's climate and sustainability goals.

Ethics and transparency in business

SEW-EURODRIVE Italia conducts its business in a fair, responsible and transparent manner, in compliance with all applicable regulations, the company values and the rights of all stakeholders.

Economic performance/ Market presence

SEW-EURODRIVE Italia guarantees economic and financial solidity and operational continuity, supporting sustainable development, innovation and long-term competitiveness.

Customer relations

Ethics in customer relations

Ethics in customer relations is a material topic as well as a structural element of the SEW-EURODRIVE Italia value chain, and is governed by the **Code of Ethics** and the **Organisation, Management and Control Model** pursuant to Legislative Decree 231/2001, which set out clear rules on legality, transparency and accountability in business processes. Every customer relationship is based on traceable agreements, objective quality and performance criteria, fair competition and a commitment to rejecting any form of corruption, preferential treatment or conflict of interest.

To safeguard the integrity of the business and of international security, business activities are also governed by the **Export Control** system, which ensures compliance with regulations on embargoes, sanctions, goods, countries, individuals and end-use through structured verification, authorisation and monitoring procedures. The integration of the Code of Ethics, Model 231 and Export Control ensures a responsible and compliant approach throughout the value chain, **strengthening customer trust and the sustainability of long-term relationships.**

Situations relating to **export control risks** - such as attempts to divert goods to countries subject to restrictions or incorrect interpretations of the regulations by business partners - may arise during the course of business activities; in such situations, SEW-EURODRIVE Italia strictly applies its internal procedures, working in coordination with the Headquarters to prevent any potential breaches and ensure full regulatory compliance.

> “SEW-EURODRIVE Italia’s relationships with its customers are based on legality, transparency and accountability, in accordance with the Code of Ethics, Model 231 and Export Control regulations”

Customer satisfaction: placing the customer at the heart of our strategy

A focus on efficiency, aimed at delivering complete customer satisfaction, has always been a central feature of the company's history. Over time, customer satisfaction surveys have been carried out on a regular basis with the aim of gathering feedback on the range of products and services, strengthening the brand and consolidating the company's competitive position in the market.

In 2025 SEW-EURODRIVE Italia carried out a new customer satisfaction survey and analysed the results.
The aim of the initiative was to gauge customer satisfaction levels and link the data collected to a plan for improving and developing the offering through targeted measures to engage strategic customers.

The survey was carried out by distributing questionnaires to a large sample of customers with the aim of obtaining a significant number of responses.

Main goals of the survey:

- observe the overall CSR (Customer Satisfaction Rate) and NPS (Net Promoter Score) indicators
- gather feedback on perceptions of the SEW-EURODRIVE Italia brand
- analyse the company's positioning on the market
- measure the level of satisfaction with products, services and contact points

- gather suggestions on specific company areas, including:
  - Administration
  - Sales
  - Application engineering
  - Customer care
  - Services
  - Logistics
  - Online support platform
  - Communication channels.

As in previous years, the results were subject to an in-depth analysis with the goal of defining an action plan to be implemented over the following 12 months.

> "The company adopts a structured and participatory approach to customer satisfaction, using direct customer feedback to guide its continuous improvement strategies and strengthen its competitive position"

Supply Chain

Strategic and sustainable management of supplier relations

Suppliers are a strategic element of our operational and production model.
It is therefore essential that they are fully aligned with our long-term objectives in terms of quality, sustainability and reliability.

Our approach is geared towards building transparent and structured relationships in which suppliers evolve from mere providers of goods and services to **strategic development partners**, contributing to innovation, continuous improvement and the creation of shared value. Strong and stable partnerships are, in fact, a key enabler of **mutual**, **sustainable and performance-driven growth**.

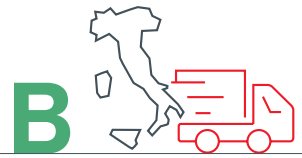
We distinguish between direct and indirect purchases: the former concern goods and services strictly related to the production process, whilst the latter support the company's operational and organisational activities. In line with our business model, production materials are supplied directly by the **parent company**, which is our main supply partner and ensures consistent and uniform quality standards.

2025 procurement structure

In 2025, total purchases were divided into:

Direct Purchases from the SEW Group

Electronic and mechanical components for the assembly of products in Italy, finished products destined directly for customers, and special tools & equipment designed in Germany for specific operations on SEW products.



Purchases from domestic suppliers

Production consumables such as packaging, oils and glues, as well as indirect purchases such as clothing, stationery and PPE (Personal Protective Equipment). This category also includes services such as maintenance, cleaning, security, company fleet management and utilities, training, consultancy, etc.

Purchases from foreign suppliers

Paints and glues developed for SEW products, computer equipment, licences, etc.

SUPPLY CHAIN ORIGIN	2023		2024		2025	
	€/year	No. suppliers	€/year	No. suppliers	€/year	No. suppliers
A Purchases from SEW Group	123,383,346	5	107,398,455	4	123,161,879	4
B Purchases from Italy	10,202,716	506	13,403,268	459	23,058,527	527
C Purchases from other foreign suppliers	1,068,435	47	901,971	47	1,495,835	45
Total	**134,654,496**	**558**	**121,703,694**	**510**	**147,716,241**	**576**

* Amounts include VAT where applicable

The table shows the trend in purchases by origin over the three-year period 2023–2025, taking into account both economic value and the number of suppliers involved.

Purchases from the SEW Group, which represent the most significant component in financial terms, fell from €123.4 million in 2023 to €107.4 million in 2024 (–13%) before rising again in 2025 to **€123.2 million**, essentially returning to 2023 levels. The number of Group suppliers fell from 5 to 4 in 2024 and was unchanged in 2025, confirming a consolidated and centralised structure for strategic procurement.

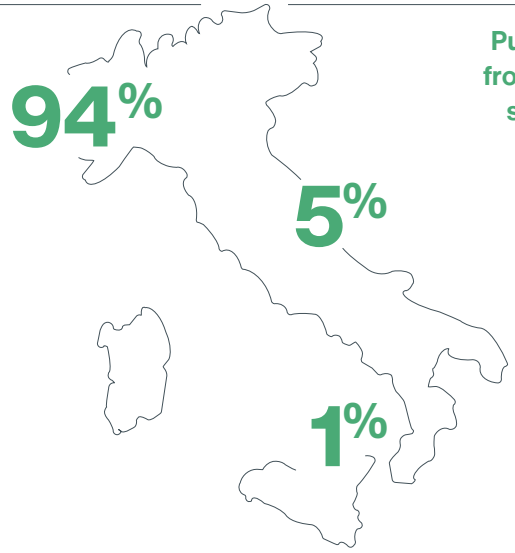
Purchases from Italian suppliers saw a marked increase, rising from €10.2 million in 2023 to **€23.1 million** in 2025, following a period of rationalisation in 2024 and a subsequent expansion of the supplier base.

This increase is largely attributable to the progress made on the construction of the Bologna site, which entered its most operational phase during 2025, leading to a significant rise in procurement, including all ancillary purchases related to the project.

Foreign purchases, meanwhile, remain marginal. Overall, the total value showed a decline in 2024 (€121.7 million) followed by **increase in 2025**.

TOTAL PURCHASES FROM ITALIAN SUPPLIERS	2023		2024		2025	
	€/year		€/year		€/year	
North	8,378,342	82%	12,249,717	92%	21,686,057	94%
Centre	503,673	5%	827,036	6%	1,167,080	5%
South	1,320,700	13%	326,514	2%	205,389	1%
Total	**10,202,716**	**100%**	**13,403,267**	**100%**	**23,058,527**	**100%**

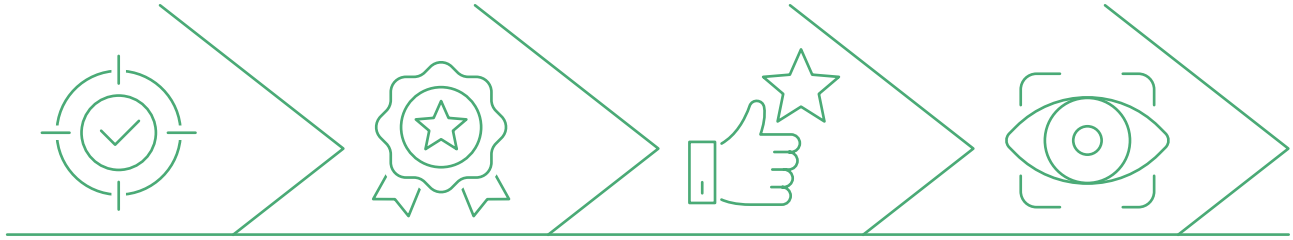
In Italy, where there is a total of 527 suppliers, procurement is heavily concentrated in northern Italy (94% of the total value), consistent with the location of the head office in Solaro (MI).
The increase in expenditure in the area is also linked to the near completion of **work on the new Drive Technology Centre in Bologna**, which saw a peak in construction activity in 2025, year of maximum investment in the project.



Purchases from Italian suppliers

Supplier management

Supplier management is a key element of corporate governance because it enables the structured management of the entire supplier life cycle, from initial qualification to periodic performance assessment.



Supplier identification

Supplier qualification

Supplier evaluation

Supplier surveillance

Once qualified, the supplier is added to the **List of Qualified Suppliers**. At this stage, the Procurement department steps in to identify critical suppliers, who are subject to additional monitoring based on criteria such as:

- expenditure volume
- criticality of the product or service
- impact on business operations.

Suppliers classified as critical undergo a structured assessment which may include onsite audits, compliance checks and performance analyses.

The process concludes with **ongoing monitoring**, which ensures that standards are maintained over time and promotes a process of continuous improvement, in line with the company's strategic and sustainability goals.

Continuous monitoring

The supplier management process is supported by a structured continuous monitoring system based on performance indicators, periodic reviews and audits.
The aim is to ensure quality, compliance with company requirements and the continuous improvement of the supply chain.

In 2025, out of a total of 576 active suppliers, 70% were found to be not eligible as they fell into categories excluded from the process (e.g. agreements with the parent company, utilities or suppliers with insignificant volumes). The remaining 30% (166 suppliers) were considered eligible.

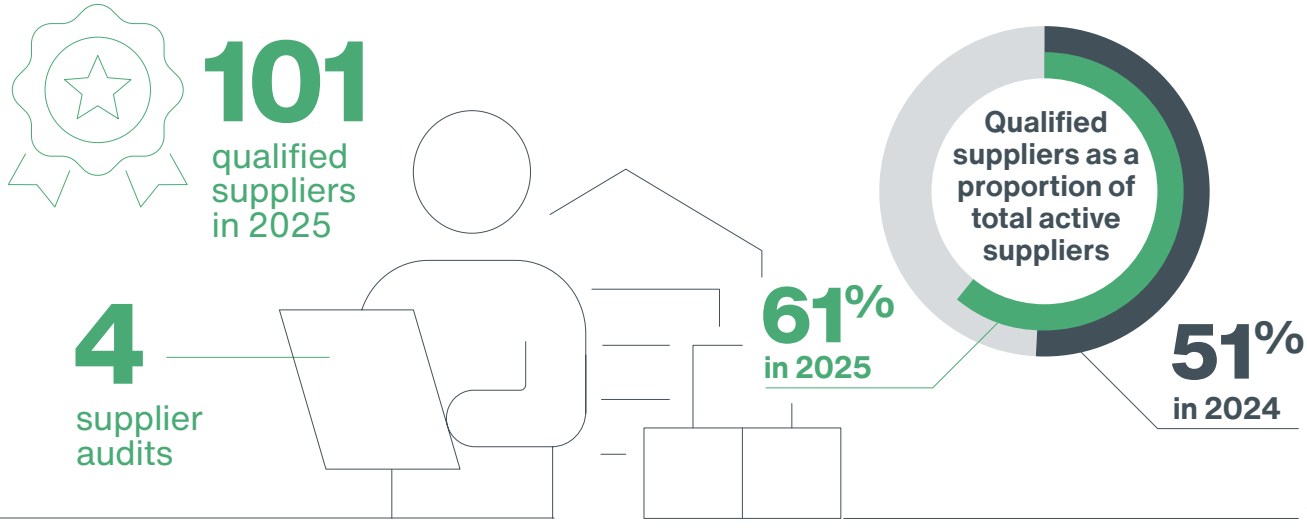
Of the suppliers eligible for qualification, 101 (61%) were qualified, an increase compared with the previous year.

A comparison with 2024 shows an improvement in the process: despite the increase in the total number of suppliers (+13%, from 510 to 576), the proportion of qualified suppliers within the relevant scope rose from 51% to 61%.

In 2025, four audits were conducted on suppliers to verify compliance with requirements and strengthen control over the supply chain.

> "In 2025, the proportion of qualified suppliers within the relevant scope rose to 61%, reflecting an improvement in the management and control of the supply chain"

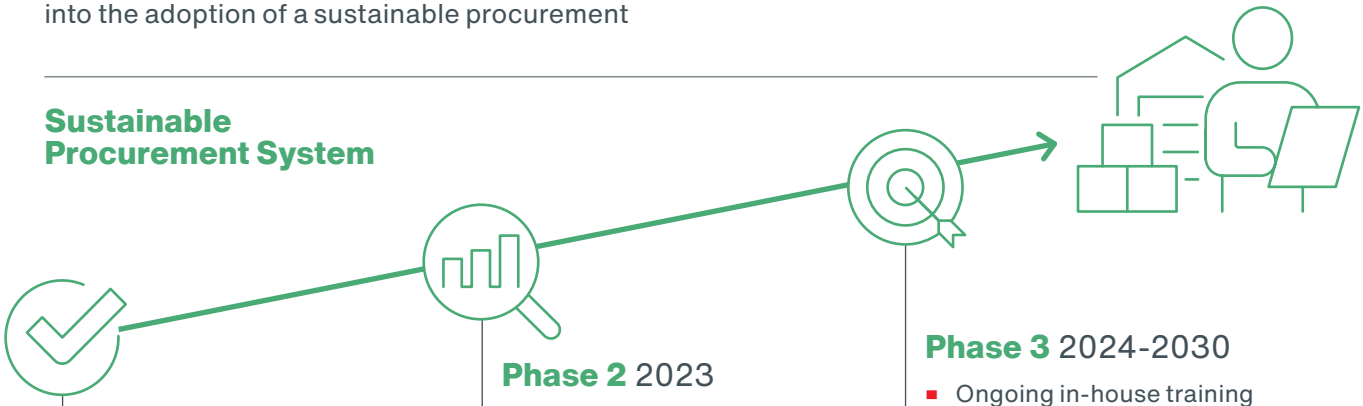
MONITORING SUPPLIER STATUS	2024		2025	
	Quantity	% of total	Quantity	% of total
To be qualified	78	15%	64	11%
Qualified	82	16%	101	18%
Qualified with reserve	2	0%	1	0%
Ineligible	348	68%	406	70%
Total	**510**	**100%**	**576**	**100%**
Eligible	162	32%	166	29%
Audited suppliers	5	1%	4	1%



Sustainable procurement system

On the path towards achieving **Net Zero by 2030**, we have made a tangible commitment to progressively reducing emissions and steering our business model towards increasingly sustainable standards. This objective translates into the adoption of a sustainable procurement approach which incorporates **environmental, social and ethical criteria in supplier selection, assessment and management processes** with the aim of creating value throughout the entire supply chain.

Sustainable Procurement System



Phase 1 2022

- Launch of preparatory activities for the development of sustainable procurement
- Mapping of suppliers, identification of vulnerabilities and incidence in the company
- Definition of supplier qualification procedures.

Phase 2 2023

- Ongoing in-house training
- Collecting information from suppliers and initiating audit activities on specific suppliers
- Mentoring for onboarded suppliers active within the company
- Internal estimation of the carbon footprint generated by the supply chain
- Defining objectives and strategy.

Phase 3 2024-2030

- Ongoing in-house training
- Definition of criteria for the allocation of supplies that also include emission reporting by the supplier
- Searching for and inputting emission data from suppliers
- Continuous monitoring of supply chain emissions
- Mentoring for onboarded suppliers active within the company.

In 2022 we launched a structured supplier **awareness** and **engagement** process, acknowledging the importance of their contribution in achieving our sustainability objectives.

In this context, we have gradually introduced tendering procedures that include sustainable evaluation criteria for bidding companies and drawn up contract templates containing specific clauses referencing ESG principles, thereby strengthening the integration of sustainability in our business relationships.

This firmly-established initiative has fostered the development of **partnerships based on transparency**, **data sharing** and **mutual accountability**. Thanks to this collaborative approach, over the past year we have been able to calculate our Scope 3 emissions in full (see from page 111), a significant milestone that strengthens our ability to monitor and reduce our environmental impact throughout the entire value chain.

At SEW-EURODRIVE Italia, the procurement process involves several corporate stakeholders, with the coordination and supervision of the Procurement department. Sustainability, however, cannot be attributed to a single function: it is a wide-reaching objective that requires shared responsibility and consistent decision-making at all levels of the organisation.

Every purchasing decision is based on three guiding criteria:

- **Quality**
  Ensure high technical and performance standards for goods and services, guaranteeing reliability and operational continuity
- **Economic efficiency**
  Optimise the use of resources through an approach focused on best value for money and total cost of ownership
- **Sustainability**
  Give priority to suppliers and solutions that minimise environmental and social impact, in line with ESG principles and the company's decarbonisation targets.

To consolidate this approach, we organise **training sessions** and **internal awareness-raising** with the goal of developing specific skills and fostering a mindset geared towards responsible procurement. In 2025 this approach was further strengthened with the development of the new **Purchase Request (PR) system**, due to be launched in the early months of 2026. This system is designed to ensure greater traceability, transparency and control over the entire process, making every purchase trackable and consistent with the defined company requirements.

> "By engaging with suppliers and integrating ESG criteria in its procurement processes, SEW-EURODRIVE Italia strengthens sustainability across the entire value chain"

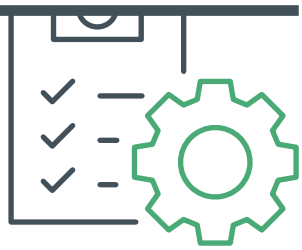
Sustainable procurement stories

We also **incorporate sustainability criteria** in the decisions we make on purchases, regardless of the value, where possible prioritising suppliers capable of generating a positive environmental and social impact.

One tangible example is the Christmas hampers for employees: for the second year running, we renewed our partnership with a supplier that actively supports **Banco Alimentare**. Thanks to this initiative, since 2018 our partner **has distributed over 2,400,000 meals** to local organisations that support people in need across Italy, with a target of a further 500,000 meals by 2025. Each gift box therefore also becomes a tangible gesture of solidarity, helping to reinforce the social value of the initiative.

Finally, for the second year running, we drew up and shared a sustainability document dedicated to our main logistics partner with the aim of continuing to raise the awareness of the supply chain and **strengthening alignment with ESG principles** through transparency, data sharing and shared continuous improvement objectives.

Methodological Note



SEW-EURODRIVE Italia does not fall under the scope of application of Legislative Decree no. 254/2016, which requires a Non-Financial Statement (DNF) to be drawn up annually, nor is it subject to the obligations set out in the most recent European legislation on sustainability reporting, in particular the Corporate Sustainability Reporting Directive (CSRD) and Regulation (EU) 2020/852 (the Taxonomy Regulation).
Although it is not required by current legislation to draft a sustainability report, SEW-EURODRIVE Italia considers it imperative to report on its sustainability commitments and responsibilities in a structured and transparent manner.
To this end, this document has been drawn up in accordance with the most recent version of the GRI (Global Reporting Initiative) Sustainability Reporting Standards 2021, using the new “in accordance with” reporting option. In addition, where applicable, the document refers to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda and national and European regulations on corporate sustainability.
This document is a fundamental tool for transparently communicating the company's commitment to economic, social and environmental sustainability, highlighting actions taken and results achieved during the year.

Principles for defining the contents of the report

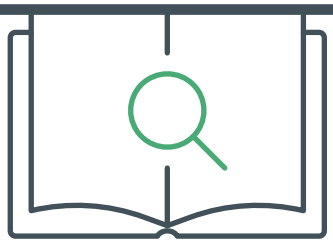
- **Stakeholder inclusiveness**
  The application of this principle has led SEW-EURODRIVE Italia to implement and report on its engagement activities, as described in the chapter “Process of determining material topics”
- **Context of sustainability**
  The chapters “Industry 5.0: a more human and sustainable future” and “Sustainability strategies and goals” provide a clear overview of how the company interprets sustainability in relation to the business sector in which it operates. Without losing sight of the overall picture, we have also tried to describe the initiatives undertaken at the local level by reporting the peculiarities of the different markets (see chapter "For the territory and the community").
- **Materiality**
  The seven sustainability topics considered emerged during the prioritisation and impact analysis process. SEW-EURODRIVE Italia also highlighted the strong connection between these topics and the United Nations Sustainable Development Goals (SDGs) and their respective Targets, both by integrating them directly into the materiality matrix and through the impact analysis table, which shows the correlation (see paragraph “Assessment of impact materiality”).
  The prioritisation analysis was developed in line with the latest guidelines published by international standards, such as the GRI and the AccountAbility AA1000 Stakeholder Engagement Standard (AA1000SES), with regard to the principles of inclusivity, materiality, responsiveness and impact.
- **Completeness**
  The report is designed to give stakeholders a complete picture of SEW-EURODRIVE Italia's activities.

Principles for report quality

- **Balance**
  In describing the results of the activities carried out by SEW-EURODRIVE Italia, an attempt has been made to reflect on both positive and negative aspects in order to allow for a balanced assessment of performance as a whole.
- **Comparability**
  To enable stakeholders to analyse changes in the company's performance, the Sustainability Report presents data for the three-year period 2023-2024-2025, where possible.

- **Accuracy**
  The Sustainability Report is prepared annually. The reporting scope of the economic and financial data and information corresponds to that of SEW-EURODRIVE Italia's Financial Statements as at 31 December 2025.
  Quantitative data is mainly extracted from the operational systems of SEW-EURODRIVE Italia.
  The information for the reporting period is compared with that for two previous years, where available.
  In order to ensure the reliability of data, the use of estimates has been limited as much as possible and, if present, they are appropriately reported and based on the best available methodologies.
  With effect from the 2025 financial year, the scope of reporting on non-hazardous waste has been updated to exclude the [RIU] category, which refers to materials that could potentially become waste but are instead reused (e.g. pallets and packaging in good condition). Up to the 2024 financial year, this category was included in the total quantities reported. This change follows the introduction of the new automated packaging line and results in an interruption in the accounting criteria, thereby limiting the full comparability of the data with previous financial years. In the interests of transparency, it should be noted that the volumes of non-hazardous waste remain broadly consistent on an annual basis.
  The figure relating to Scope 3 emissions reported in the previous financial year's Sustainability Report was updated. Over the course of this year, in fact, SEW-Eurodrive Italia refined its calculation method, introducing more precise estimation criteria and a more accurate scope of information. This methodological review led to the recalculation of the previously published figure in order to ensure greater accuracy, transparency and comparability of the data over time.
  It should be noted that the figure for mobile combustion emissions from the company's vehicle fleet was not fully comparable with the previous financial year as the DEFRA emission factor of 3.51 $kgCO_2e$ used in 2024 was replaced with a coefficient of 2.57 $kgCO_2e$ in 2025, resulting in a methodological change in the calculation of Scope 1 emissions. Since 2025 the company's Scope 2 perimeter has also included emissions deriving from the consumption of electricity at public roadside charging stations used by the company fleet.
- **Timeliness**
  The Sustainability Report is prepared annually.
- **Clarity**
  The structure of the report has been designed to make the information contained therein easy to identify for stakeholders.
  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 Methodological Note, the Content Index and the audit report by an independent third party.
  The level of detail of the information has been chosen so as to make the report understandable, accessible and usable by the different stakeholders.
- **Dissemination and Accessibility**
  SEW-EURODRIVE Italia's 2025 Sustainability Report is available on the company website and is disseminated through the company's main communication channels, in order to guarantee optimal accessibility to all stakeholders.
- **Reliability**
  This Sustainability Report was approved by the owners of SEW-EURODRIVE Italia on 1/06/2026. The Sustainability Report was audited by an independent third party, PKF Italia SpA, according to the criteria indicated in the International Standard on Assurance Engagement 3000 (revised) - 'Assurance Engagements other than full 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.

GRI content index



DECLARATION OF USE	SEW-EURODRIVE Italia submitted a report in accordance with GRI Standards for the period 1 January 2025 - 31 December 2025
USED GRI 1	**GRI 1: Fundamental Principles** - *version 2021*
RELEVANT GRI SECTOR STANDARDS	n/a

GRI STANDARD/ OTHER SOURCE	INFORMATION		LOCATION
	GENERAL INFORMATION		
GRI 2 General information *2021 version*	**2-1**	Organisational details	pp. 16, 17, 39, 40, 150
	2-2	Entities included in the organisation's sustainability reporting	pp. 39, 40, 52
	2-3	Reporting period, frequency and contact person	pp. 138, 139, 148
	2-4	Review of information	page 139
	2-5	External assurance	from page 144
	2-6	Activities, value chain and other business relations	pp. 7, 8, 9, 16, 17, 77 - 85, 132-137
	2-7	Employees	pp. 52, 53
	2-8	Non-employees	page 53
	2-9	Governance structure and composition	pp. 39 - 43
	2-10	Appointment and selection of the highest governing body	pp. 39 - 43
	2-11	President of the highest governing body	pp. 39 - 43
	2-12	Role of the highest governing body in supervising impact management	pp. 39 - 43
	2-13	Delegation of responsibilities for impact management pages 42 - 47	pp. 39 - 43
	2-14	Role of the highest governing body in sustainability reporting	pp. 39 - 43
	2-15	Conflicts of interest	pp. 39 and 40
	2-16	Communication of critical issues	pp. 39 and 40
	2-17	Collective knowledge of the highest governing body	pp. 39 and 40
	2-18	Performance evaluation of the highest governing body	pp. 39 and 40
	2-19	Remuneration policies	pp. 39 and 40
	2-20	Process for determining pay	page 39
	2-21	Rate of annual total remuneration	page 61

GRI STANDARD/ OTHER SOURCE	INFORMATION		LOCATION
GRI 2 General information *2021 version*	**2-22**	Sustainable development strategy statement	pp. 18 - 25
	2-23	Policy commitment	pp. 18 - 25
	2-24	Integration of policy commitments	pp. 18 - 25
	2-25	Processes to remedy negative impacts	pp. 30 - 33
	2-26	Mechanisms for requesting clarifications and raising concerns	pp. 41 and 42
	2-27	Compliance with laws and regulations	page 43
	2-28	Membership in associations	page 90
	2-29	Approach to stakeholder engagement	pp. 26 - 29
	2-30	Collective agreements	Metalworkers' collective agreement
MATERIAL TOPICS			
GRI 3 Material topics *2021 version*	**3-1**	Process of determining material topics	pp. 26 - 35
	3-2	List of material topics	pp. 34, 35, 38, 50, 76, 96, 128
ECONOMIC PERFORMANCE/MARKET PRESENCE			
GRI 3 Material topics *2021 version*	**3-3**	Management of material topics	pp. 7 - 9; 16, 17; 21 - 25; 47; 77 - 85;
GRI 201 Economic performance *2016*	**201-1**	Direct economic value generated and distributed	page 47
GRI 206 Anti-competitive behaviour *2016*	**206-1**	Legal actions for anti-competitive behaviour, anti-trust, and monopoly 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 the employees are paid a salary above subsistence level
FIGHTING CLIMATE CHANGE: REDUCING CONSUMPTION AND EMISSIONS			
GRI 3 Material topics *2021 version*	**3-1**	List of material topics	pp. 96 - 125; 136 and 137
GRI 302 Energy *2016*	**302-1**	Energy consumed within the organisation	pp. 104 - 107
	302-2	Energy consumed outside the organisation	pp. 104 - 107
	302-3	Energy intensity	pp. 106 - 108
	302-4	Reducing energy consumption	pp. 81, 82, 84 - 87, 97; 104 - 106
	302-5	Reducing the energy needs of products and services	pp. 97, 98, 104 - 106, 118 - 123
GRI 305 Emissions *2016*	**305-1**	Direct GHG emissions (Scope 1)	pp. 108 - 111
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	pp. 108 - 111
	305-3	Other indirect GHG emissions (Scope 3)	pp. 111 - 116, 136
	305-4	Intensity of GHG emissions	pp. 108, 109
	305-5	Reducing GHG emissions	pp. 97, 109 - 123

GRI STANDARD/ OTHER SOURCE	INFORMATION		LOCATION
GRI 306 Waste *2020*	306-1	Waste generation and significant waste-related impacts	pp. 99 - 103
	306-2	Management of significant waste-related impacts	pp. 99 - 103
	306-3	Waste produced	pp. 102, 103
	306-4	Waste diverted from disposal	pp. 102, 103
	306-5	Waste for disposal	pp. 102, 103
HEALTH AND SAFETY AT WORK			
GRI 3 Material topics *2021 version*	3-3	Management of material topics	pp. 64 - 66
GRI 403 Health and safety at work *2018*	403-1	Occupational health and safety management system	pp. 64 - 66
	403-2	Hazard identification, risk assessment and accident investigation	pp. 64 - 66
	403-3	Occupational health services	pp. 64 - 66
	403-4	Worker participation, consultation and communication on occupational health and safety	pp. 64 - 66
	403-5	Worker training on health and safety at work	pp. 55 - 57, 64 - 66
	403-6	Promoting workers' health	pp. 64 - 66
	403-7	Prevention and mitigation of occupational health and safety impacts directly connected with business relationships	pp. 64 - 66
	403-8	Workers covered by an occupational health and safety management system	pp. 64 - 66
	403-9	Accidents at work	page 65
	403-10	Work-related ill health	page 66
SKILLS ENHANCEMENT AND WELLBEING			
GRI 3 Material topics *2021 version*	3-3	Management of material topics	pp. 51, 55 - 58
GRI 404 Training and education *2016*	404-1	Average number of training hours per year per employee	page 56
GRI 404 Training and education *2016*	404-2	Employee skills upgrading and transition assistance programmes	pp. 55 - 58
GRI 404 Training and education *2017*	404-3	Percentage of employees receiving regular performance and professional development appraisals	page 55
GRI 405 Diversity and equal opportunities *2016*	405-2	Ratio of basic salary and pay of women to men	page 61
GRI 401 Employment *2016*	401-2	Benefits provided for full-time employees, but not for part-time or fixed-term employees	pp. 59, 60
GRI 401 Employment *2016*	401-3	Parental leave	page 62

GRI STANDARD/ OTHER SOURCE	INFORMATION		LOCATION
ETHICS AND TRANSPARENCY IN BUSINESS			
GRI 3 Material topics *2021 version*	**3-3**	Management of material topics	pp. 39 - 46
GRI 2 General Disclosures – Governance, ethics and compliance *2016*		GRI 2-9, GRI 2-10, GRI 2-12, GRI 2-15, GRI 2-23, GRI 2-24, GRI 2-26, GRI 2-27, GRI 2-29	pp. 39 - 46
GRI 205 Anti-corruption *2016*	**205-1**	Operations assessed for risks related to corruption	pp. 43, 55, 129,
GRI 206 Anti-competitive behaviour *2016*	**206-1**	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No pending legal action
GRI 418 Customer Privacy *2016*	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints concerning breaches of customer privacy
PROCESS RESEARCH AND INNOVATION			
GRI 3 Material topics *2021 version*	**3-3**	Management of material topics	pp. 77 - 88, 90 - 93
GRI 2 General Disclosures *version 2021*	**2-6**	Activities, value chain and other business relations	pp. 7, 8, 9, 16, 17, 77 - 85, 132-137
GRI 201 Economic performance *2016*	**201-1**	Direct economic value generated and distributed	page 47
GRI 204 Procurement practices *2016*	**204-1**	Proportion of spending on local suppliers	pp. 132 - 135
Product and solution innovation		Product and solution innovation	pp. 82 - 85
The Lean Smart Factory and the continuous improvement of processes		The Lean Smart Factory and the continuous improvement of processes	pp. 86 - 88
Ecosystem for innovation		Ecosystem for innovation	pp. 90 - 93
DIGITAL CULTURE			
GRI 3 Material topics *2021 version*	**3-3**	Management of material topics	page 89
Digital culture and the use of artificial intelligence		Digital culture and the use of artificial intelligence	page 89
GRI 404 Training and education *2016*	**404-1**	Average number of training hours per year per employee	page 56
GRI 404 Training and education *2016*	**404-2**	Employee skills upgrading and transition assistance programmes	pp. 55 - 58
GRI 404 Training and education *2016*		Digital culture	page 58

Auditors' report

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

INDEPENDENT AUDITORS' REPORT ON THE 2025

SUSTAINABILITY REPORT

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INDEPENDENT AUDITORS' REPORT ON THE SUSTAINABILITY REPORT

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

We have been engaged to carry out a *limited assurance engagement* on the accompanying Sustainability Report of SEW Eurodrive S.a.s. di SEW S.r.l. & Co (hereinafter the "Company") for the financial year ended 31 December 2025.

Responsibility of the General Partner for the Sustainability Report

The Company's General Partner 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 "Methodological Note" of the Sustainability Report.

The General Partner is also responsible for the part of the internal controls deemed necessary to ensure the drafting of a sustainability report free of material misstatements arising from fraud or unintentional errors or events.

The General Partner is also responsible for defining the Company's sustainability performance goals, as well as for identifying stakeholders and the material aspects on which to report.

Independence of auditors and quality control

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

During the financial year covered by this engagement, the independent auditors applied the *International Standard on Quality Control 1* (ISQC Italia 1) and consequently maintained a quality control system that includes documented policies and procedures on compliance with ethical principles, professional standards and applicable laws and regulations.

Accountability of the independent auditors

It is our responsibility to draw a conclusion, based on the procedures carried out, as to whether the Sustainability Report complies with the requirements of *the GRI Standards*. Our work was carried out in accordance with the criteria set out in the *"International Standard on Assurance Engagements 3000 (revised*) –*"Assurance engagements other than audits or reviews of historical financial statements"* (hereinafter also *"ISAE 3000 Revised")* issued by the *International Auditing and Assurance Standards Board (IAASB*) for *limited assurance engagements*. This principle requires the planning and performance of limited procedures in order to obtain limited assurance that the Sustainability Report is free of material misstatements.

Consequently, our review involved a scope of work that was less extensive than that required to carry out a full review in accordance with *ISAE 3000 Revised* (*"reasonable assurance engagement"*) and, as a result, it does not enable us to be certain that we have acquired all the significant facts and circumstances that might be identified in the course of such an engagement.

The procedures carried out in relation to the Sustainability Report were based on our professional judgement and included interviews, primarily with Company staff responsible for preparing the information presented in the Sustainability Report, as well as document reviews, recalculations and other procedures aimed at obtaining evidence deemed relevant.

Specifically, we carried out the following procedures:

- analysis of the process for defining the material topics reported in the Sustainability Report, with regard to the methods used to analyse and understand the relevant context, the identification, assessment and prioritisation of actual and potential impacts, and the internal validation of the process's findings;
- comparison between the economic and financial data and information set out in the "Economic value generated and distributed" section of the Sustainability Report and the data and information included in the Company's annual financial statements;
- understanding of the processes underlying the generation, collection and management of the relevant qualitative and quantitative information included in the Sustainability Report.

In particular, we conducted interviews and discussions with the Company management and carried out limited documentary checks with a view to obtaining information on 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.

Furthermore, with regard to material information, taking into account the Company's activities and characteristics:

- with regard to the qualitative information contained in the Sustainability Report, we conducted interviews and obtained supporting documentation to verify its consistency with the available evidence;
- With regard to the quantitative information, we carried out both analytical procedures and limited tests to verify, on a sample basis, that the data had been correctly aggregated.

Conclusions

Based on the work carried out, nothing has come to our attention that would lead us to believe that the Company's Sustainability Report as at 31 December 2025 has not been prepared, in all material respects, in accordance with the requirements of the *GRI Standards*, as described in the "Methodological note" of the Sustainability Report.

Milan, 5 June 2026

PKF Italia S.p.A.

Edoardo Colombo
(Partner)

Credits

For information on the sustainability
of SEW-EURODRIVE Italia, please write to:
sustainability@sew-eurodrive.it

The Sustainability Report is available
on the SEW-EURODRIVE Italia website at:
www.blog.sew-eurodrive.it/sustainability

Methodological and reporting advice by:
Ethycon Società Benefit

Graphic concept and design by:
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were used for printing

Printed in **July 2026**

On the cover
Seceda Peak, in the heart of the Dolomites
in Val Gardena, Trentino-Alto Adige, Italy:
the majestic Furchetta rises amongst the peaks
of the Odle mountain range, surrounded
by green valleys and breathtaking alpine views,
symbol of unspoilt nature and environmental harmony


SEW
EURODRIVE

The 2025 Sustainability Report
is also available online.
Scan the QR code:

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