



THE GREEN SIDE OF DRIVE



Introduction

Sustainability along the entire value chain

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

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

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

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

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

Sincerely,



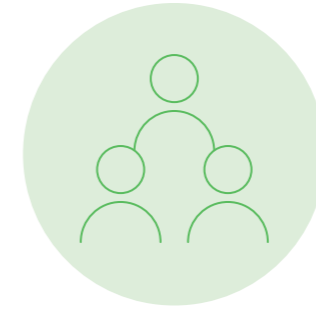
Heidi Solstad Svensen
Managing Director
SEW-EURODRIVE AS

About our company

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

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

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



21 000

employees worldwide

55

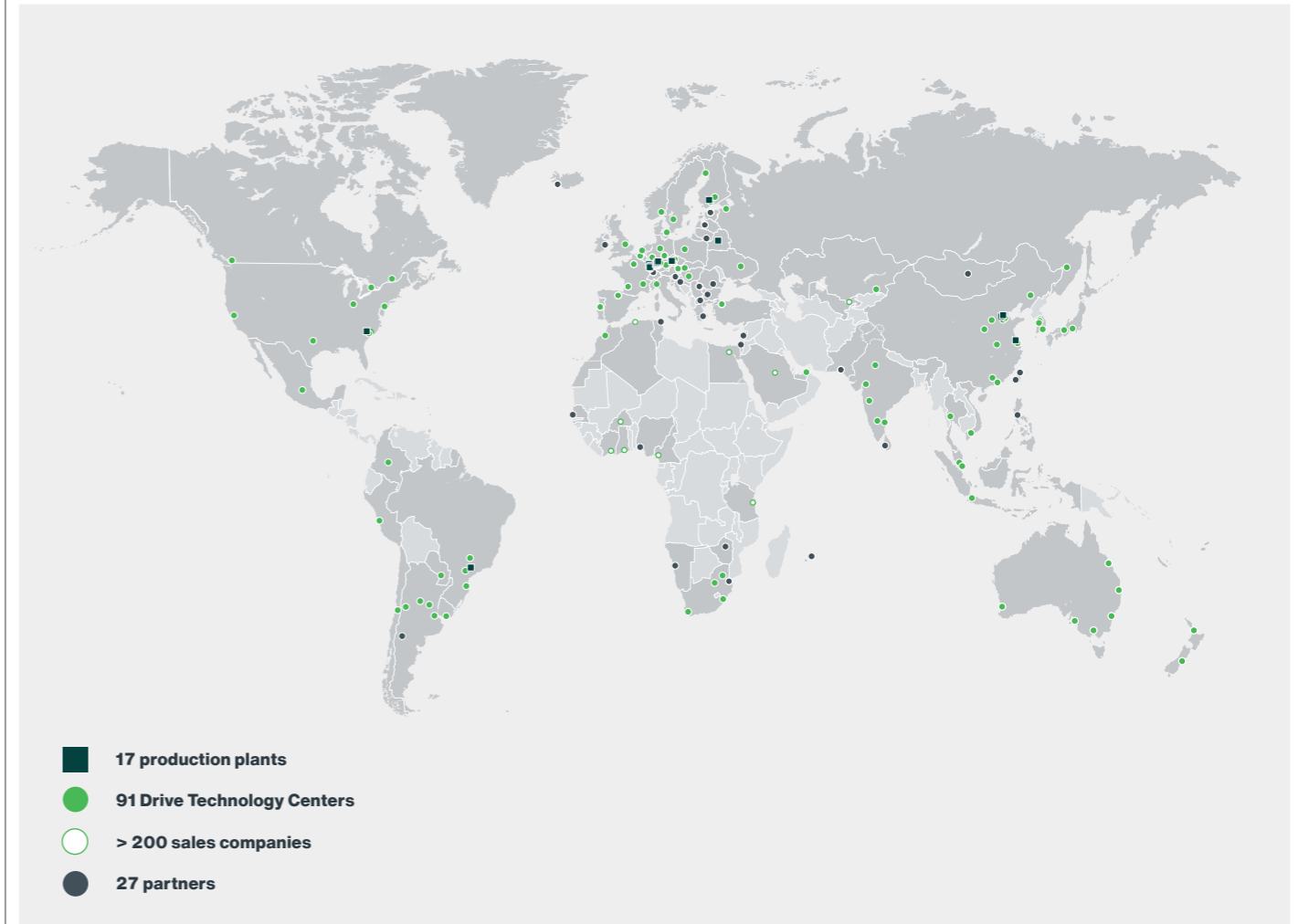
Countries

~ 110 000

active customers

> 3 000

patents granted



20 Mio.

parts/month at
100+ sites

~ 230 000

gear motors/
month

~ 55 000

frequency inverters/
month

Information about Eurodrive

SEW-EURODRIVE AS is specialized in drive technology. The company offers a wide range of products like geared motors, industrial gear units, frequency inverters, servo gear units and decentralized drives. The company's Head Office and Drive Technology Center with Service facilities operate in Moss, in the southern part of Norway. A Sales Office and Service Center is established in Trondheim and serves the central and northern part of Norway.

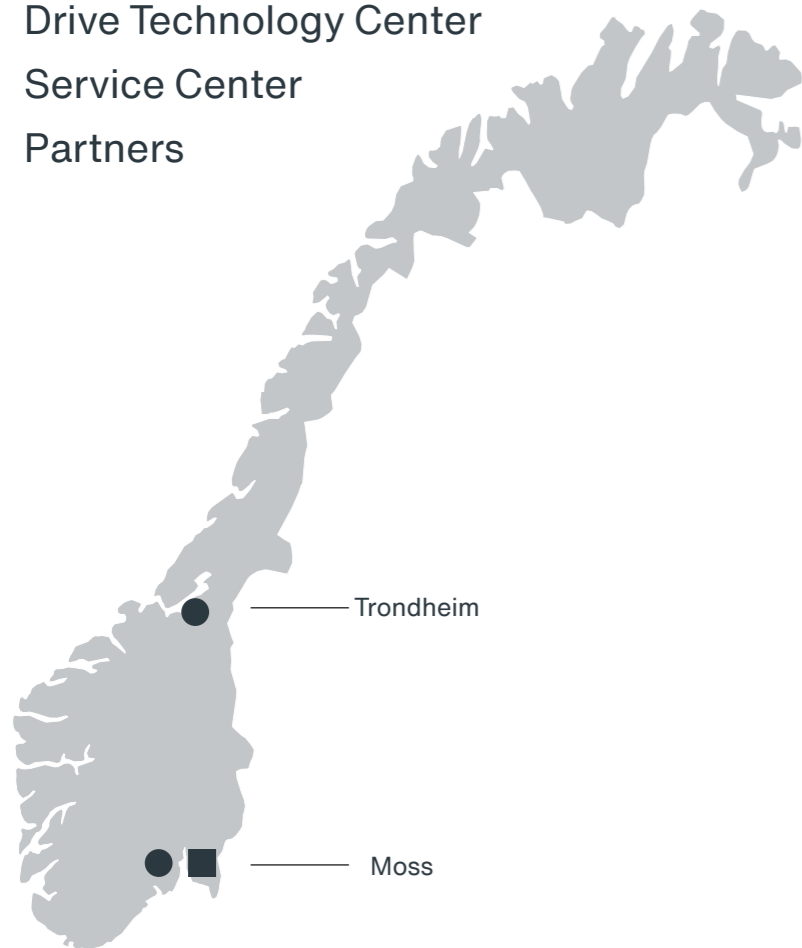
With local assembly for both mechanics and electrical products, we offer the market's shortest delivery times for gear motors and frequency inverters. We also offer our customers unique support through our knowhow and wide experience within industrial automation and system solutions.

The company was founded in 1977.



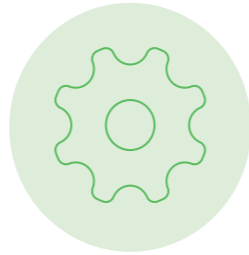
Reykjavík

- Drive Technology Center
- Service Center
- Partners



Trondheim

Moss



1977

Founded



Headquarter

Moss, Norway



Locations

1

Drive Technology Center (Moss)

2

Service Centers (Moss and Trondheim)

1

Partner in Iceland

The SEW sustainability roadmap – the key stages and milestones

We have put together a special roadmap that sets out the key milestones for our journey towards greater sustainability by 2026.

2023

Completion of report on the Transparency Act and implementation of further measures.

2024

Increase reuse of our products by 15%.

100% of the company cars for the sales department will be electric or hybrid cars.

2025

New administration building with a high degree of energy efficiency and using only renewable energy.

2026

Minimum 20% of motors sold must be of energy class IE5.

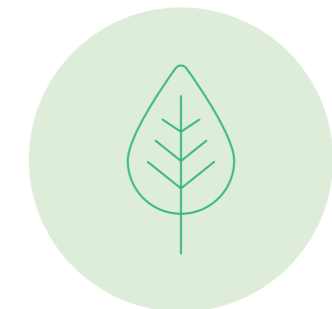
Our approach to sustainability

Sustainability is one of our values, built into our daily management and strategy. We are guided by the 17 global sustainability targets: “Sustainable Development Goals” of the United Nations.

As part of this long-term sustainability initiative, we aim to gradually and consistently safeguard resources, reduce CO₂ emissions, and thus optimize our entire value chain.

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

We are members of Grønt Punkt Norge and RENAS.



17 global Sustainability targets

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

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



The basis of our business activities



People make the difference

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

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

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



KPI metrics

7

percent employee turnover rate

21

percent of employees are women

1

amount of safety observations

0

lost time injury frequency rate (LTIFR)

Safety matters

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

Knowing what matters

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

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



Health and sustainability activities – an overview

- + Continuous development of employees competence
- + Approved for apprentice training
- + Equal opportunities at work
- + Flexible working hours
- + Ergonomically designed workstations in offices and production facilities
- + Modern IT equipment to suit the relevant working process
- + Free training facilities for employees
- + Free fruits for employees



Age breakdown

12

percent < 30 years

39

percent between 31-50 years

49

percent > 51 years

"Whether in production, sales or service – at SEW-EURODRIVE, people are at the heart of everything."

Products and Services

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

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

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

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

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

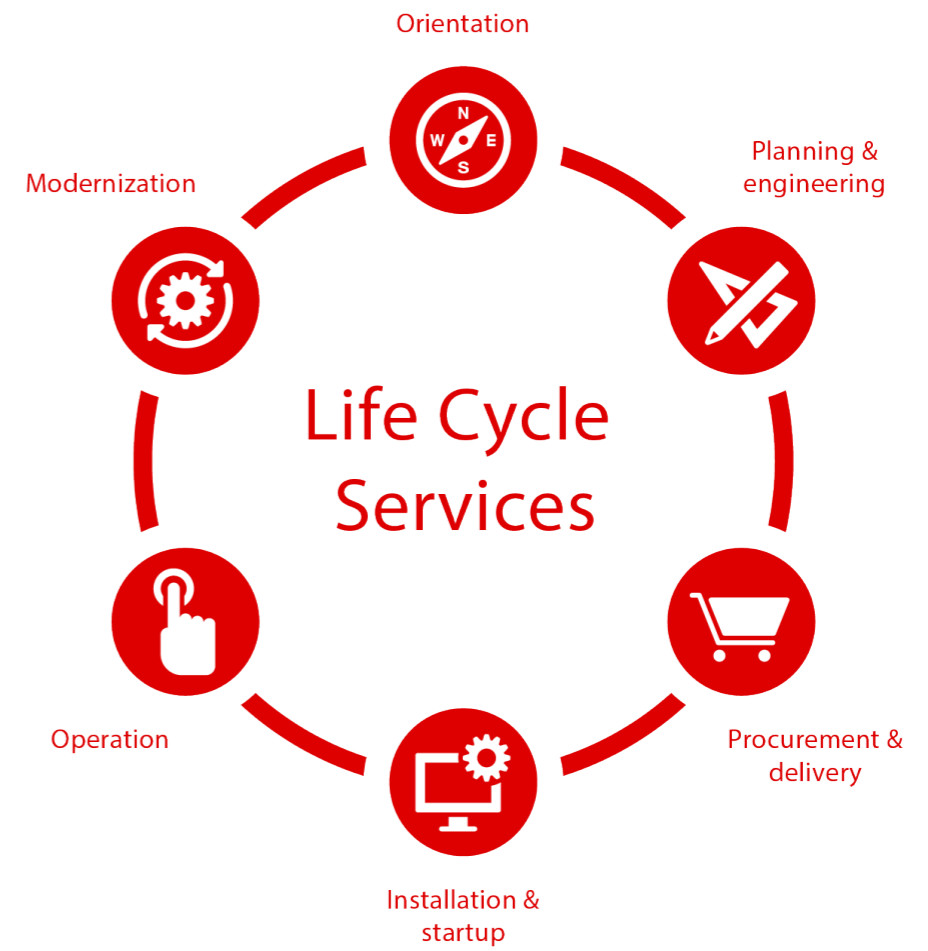
The sustainability of our state-of-the-art gear unit is principally based on the general idea of creating as many variants as possible from as few individual parts as possible. A good example of this is using the same gear set for multiple purposes.

40

The potential energy reduction with a motion task is 40%.

Better energy efficiency across the entire system

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



Sustainable Life Cycle Services

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

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



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

KPI metrics

398

products remanufactured

Supply and raw material chains



Low-carbon green steel production

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

KPI metrics

59

percent local assembly (Moss)

"Act global – think and buy local." For many companies, a combination of globalization and localization – sometimes known as "glocalization" – has become the best possible approach when it comes to shrinking their carbon footprint. Given the many problems currently impacting supply chains, a large number of businesses are making concerted efforts to achieve as much flexibility as possible moving forward. They are looking to avoid overdependence on individual countries and regions.

The same applies to the supply and raw material chains of SEW-EURODRIVE. We aim to minimize our carbon footprint and maintain a healthy supply chain through the use of our global network. This will ensure that the procurement of raw materials, as well as the location of our products and solutions, are located as close as possible to both our sites and our customers. By keeping transportation routes short in this way, we will reduce our CO₂ emissions and minimize the amount of packaging involved.

Reviewing the sustainability of our service providers and suppliers is a key element in our supplier management system.

A tighter focus on sustainability both now and in the future

While refining and realigning our collaborative approach to supplier procurement, we decided to make a change. In the past, our priority in procurement has been to secure the best and most consistent material quality at the best possible conditions on very different markets. However, focusing exclusively on conventional requirements such as cost reduction and risk minimization is no longer enough. Instead, procurement will need to take account of not just the origin and price of procured services and products, but also – and more especially – their use and subsequent disposal.

How we aim to achieve more sustainability

- + Continuously optimizing business processes to ensure the efficient and sustainable use of resources.
- + Establishing collaborative supplier relationships with a focus on mutual reliability and social responsibility.
- + Continuing to specifically prioritize local service providers and suppliers.



Production and Business processes

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

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

KPI metrics

4

charging points for electric cars

8

grams of CO₂e per kWh energy consumption of facilities

3,28

tCO₂e emissions from company facilities

100

percent of energy consumed at facilities is from a renewable source

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

Our buildings are geared toward maximum efficiency, combined with sustainable energy concepts to play a particularly important part in helping conserve resources. We are continuously investing in the renovation of our buildings to satisfy the latest energy standards.

In terms of assembly operations, we constantly strive to further improve workflows across all process chains and avoid waste and inefficiency.



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

- + Renovating our buildings with regard to energy use
- + Optimizing lighting management
- + Consistently managing the switching off of machinery/ systems and equipment outside of working hours
- + Electric and hybrid company cars for sales staff



Continuous improvement of the energy efficiency of the premises

We are always looking for new, innovative, and sustainable energy concepts.

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

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

KPI metrics

91,5

percent sorting rate of waste separation

85,2

percent of our waste is recycled

Ethics and governance

Our most fundamental corporate principles

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



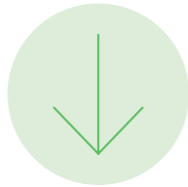
Code of Conduct – the ethical guidelines for our day-to-day activities

Our Code of Conduct guides our everyday work. Through this code, we make a commitment to abide by all applicable laws and the core values of our company.

Our Code of Conduct applies to every single member of staff, whether a senior executive or trainee, and to all hierarchy levels across all our locations. Misconduct that violates the Code of Conduct may be harmful to SEW-EURODRIVE and will not be tolerated.

Whistleblower Hotline

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



KPI metrics

0

Whistleblower anonymous tip-offs

Dependable data protection through the GDPR

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

Overview of certificates and product compliance regulations

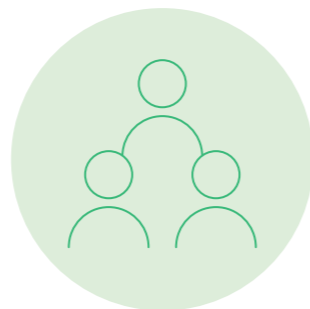
We comply with the applicable international standards for quality management, environmental management, and energy management in addition to other ISO standards on occupational health and safety and information security.

Certificates issues by SEW-EURODRIVE

+ QM-Certificate

+ EX-Certificate

+ IT-security-Certificate



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

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

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

Our Code of Conduct applies to every single member of staff, whether a senior executive or trainee, and to all hierarchy levels across all our branches and business units worldwide. Misconduct that violates the Code of Conduct may be harmful to SEW-EURODRIVE and will not be tolerated. You can find the full text of our Code of Conduct, plus a detailed description of all principles and regulations here: www.sew-eurodrive.no.

Our actions are governed by eight key principles

1

Abiding by the law

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

2

Management culture

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

3

Human rights / ban on child labor / forced labor

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

4

Workers' rights

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



5

Health and safety in the workplace

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

6

Working together and the prohibition of discrimination

We respect each other and reject any form of discrimination.

7

Environmental protection

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

8

Tax compliance

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

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

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

You can find the full text of our Code of Conduct, plus a detailed description of all principles and regulations, here:





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