

# THE GREEN SIDE

# OF DRIVE



# Sustainability report

SEW-EURODRIVE Polska

For us, sustainability is not just a buzzword.

This is the direction that we follow.



## Introduction

The Sustainability Strategy is our new holistic initiative, as part of which we introduce changes to our products and services in order to drive the world in an even more conscious and sustainable way, thus showing #TheGreenSideOfDrive.

Our investments in the Sustainability Strategy and digitalization allow us to introduce innovations in the areas of functioning of our company, through which we reduce our carbon footprint and consumption of natural resources. In this way, we are pursuing the Sustainability Goals, such as environmental protection, efficient use of natural resources, and intergenerational solidarity.

Sustainability is not a new concept for us. For many years, ESG (Environment, Social, Governance) aspects have been part of our activities, and now, due to legal requirements, we are further extending ecological and economic activities to care for the environment, the quality of life of present and future generations, as well as corporate governance and business ethics.

SEW-EURODRIVE's sustainability strategy also includes an additional element, i.e. "Q for Quality", because high quality has always been, is and will continue to be something that sets us apart and ensures a long service life for our products. All these activities bring benefits to us, but above all, to our Clients and other Stakeholders.

At the same time, we design our drive technique and automation solutions in such a way as to ensure their highest energy efficiency. Thus, we support our Clients in the implementation of solutions aimed at reducing the consumption of energy and emission of greenhouse gases, as well as reducing the carbon footprint.

As a consequence of the current four megatrends - digitalization, deglobalisation, demographic changes and decarbonisation - sustainability is gaining importance. This results from the fact that the world is facing historic changes. Natural disasters appear more often than ever, and economic, political and social crises affect people all over the world.

Companies have a responsibility to act and do what they can to slow down the effects of negative climate change. The current objective of the European Union - the achievement of climatic neutrality by 2050 - has obliged companies to change their strategies and undertake new activities. For us this is an impulse to implement the Sustainability Strategy, intensify our activities with regards to the accomplishment of the Sustainability Goals outlined by the UN and invest comprehensively in the digitalization of processes and services.



Tomasz Wieland  
President of the Management Board of SEW-EURODRIVE Polska Sp. z o.o.

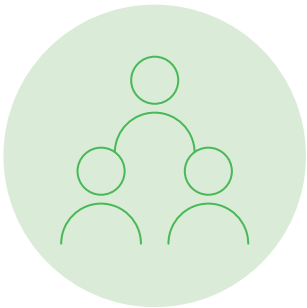


# About our company

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

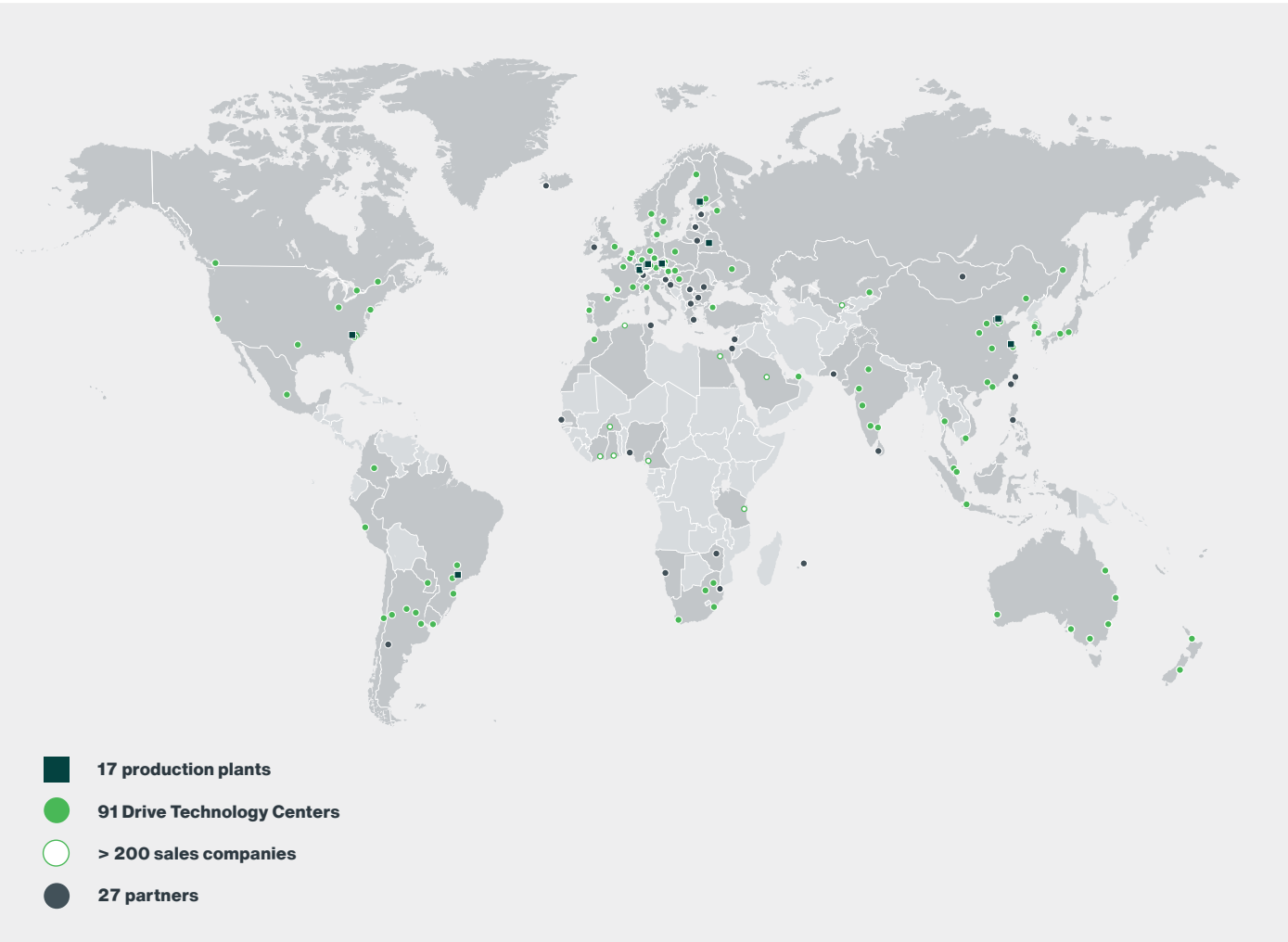
Countries

~ 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

# SEW-EURODRIVE Poland

SEW-EURODRIVE Poland is a division of the largest manufacturer of drive technology and industrial automation: gear motors, inverters, servomotors, decentral systems and industrial gear units.

Our advanced technologies, automation systems and know-how provide a comprehensive offer for various branches of industry and the basis for equipping the factories of the future (smart factories). At the same time, a professional service available 24/7 and an extensive training offer perfectly complement the range of products and services.

The Polish division of the company was established in 1996, with its headquarters and assembly plant located in Łódź. The dynamic development of the company allowed for the establishment of technical offices all over Poland, including Tychy, Poznań, Gdańsk, Bydgoszcz, Radom, Wrocław and Rzeszów - in this way, we are closer to our Clients.

SEW-EURODRIVE Poland is a global brand and uniform high standards. We are continuously developing its identity on the basis of needs and satisfaction of our Clients.

This is clearly evident in the SEW-EURODRIVE brand promise: to create and deliver the highest quality drive technology and production automation solutions together with maintenance and training services.

✓  
**Our brand promise**  
Quality of products and services

✓  
**Delivery**  
Reliable business partner

✓  
**Service**  
24/7/365

✓  
**Knowledge**  
Training and webinars for Clients

✓  
**Processes**  
Digital solutions and modern business management

✓  
**Marketing**  
Marketing support

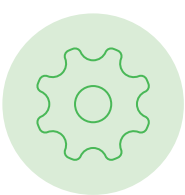


1  
**assembly plant**  
(Łódź)

2  
**service centres**  
(Łódź, Tychy)

3  
**training centres**  
(Łódź, Tychy, Poznań)

8  
**technical-sales offices**  
(Łódź, Tychy, Poznań, Gdańsk, Bydgoszcz, Radom, Wrocław and Rzeszów)



Year of establishment: **1996**



Headquarters: **Łódź**

**International character of the company SEW-EURODRIVE ensures uniform quality standards and benefits from the global exchange of experience. Thanks to this, our clients always receive top quality solutions, irrespective of the location from which they place their orders.**

## Industries in which we operate

- Automotive
- Food and beverages
- Transport and logistics
- Construction
- Cement works
- Wood industry
- Mining
- Cargo ports and terminals
- Wastewater Treatment Plants
- ...and many more

# The SEW sustainability roadmap – the key stages and milestones



- 2022** Pilot CO2e report  
Sustainability as an integral part of our Mission and Vision
- 2023** CO2e report drawn up on the basis of the tertiary partnership - transport  
Non-financial information - the starting point for future activities
- 2024** Non-financial report based on the GRI standard  
EcoVadis rating
- 2025** Fulfilment of the legislative requirements of the European Union
- 2026** Development of the SEW-EURODRIVE Poland plant in the area of training and service

## Where We are Headed

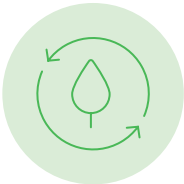
We are constantly evolving and improving our business and operational processes on the road to sustainability. We are aware that this is only the beginning of our journey, but we want to responsibly move in the only direction that is right for us.

The year 2022 is a reference point for our future activities in respect of ESG. It is also a guideline for indicating the prospects for development based on the identification of needs and correlation of objectives with the closer and further environment. On top of this, it is the basis for making comparisons and evaluating our future activities.

We are willing to become a company that is desired by employees, meets the highest standards and gets actively involved in the life of local communities. We want to increase the skills of our employees and care for their work-life balance.

We wish to raise the awareness in the entire value chain, and be the leader and mentor for Stakeholders.

We are committed to offering the best maintenance services to extend the life cycle of our customers' products. We are constantly working towards this goal, and a key element of this strategy is the expansion of our premises with respect for sustainability.



**Ambition, awareness, professionalism, and transparency - these are the values that guide us in building the foundations of, and they are the reference points for the achievement of all our objectives.**



# 17 global sustainability goals

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 Sustainability 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 Sustainability Goals (SGs), 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.



At SEW-EURODRIVE Poland, we have selected six goals and defined tasks to be carried out in five areas so that our local activities could have a real impact.



## We act

- **directly**
- **consciously**
- **responsibly**

**We are building a culture of sustainability by raising awareness regarding ESG+Q aspects in the context of doing business and the impact of the organisation on its immediate and wider environment.**

# Basis of our business activity





# It is the people who drive the world

We are guided by this principle, we emphasise the role that each employee plays at SEW-EURODRIVE. It is people who “drive” our company and are the secret to our sustained success.

Our culture is steeped in mutual trust, respect, and appreciation. Our programs promote equal opportunities, lifelong learning, and collaboration between SEW-EURODRIVE divisions all over the world. An approach based on trust and inclusiveness translates into employee involvement and participation in the company's successes, which has a direct influence on high levels of job satisfaction.

We strive to achieve the work-life balance. The work-life balance allows for the maintenance of a healthy and positive approach to our daily responsibilities and prevents the professional burnout.

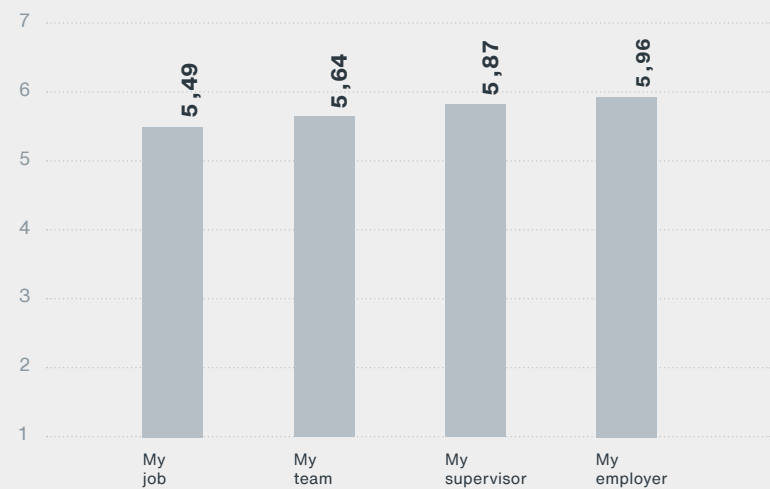
We implement various solutions related to ensuring safety and hygiene at work as health and work comfort of our employees are priorities for us.

People are our most valuable asset. As a family company we place emphasis on relationships and creating common goals and permanent bonds - both within the organisation and the entire value chain.

In 2022 we employed 192 people in 8 locations. We are going from strength to strength - despite new employees joining our team, the average length of service is 8 years and 2 months. This only speaks volumes for great loyalty and satisfaction from working for SEW-EURODRIVE Poland. This is confirmed by the results of the employee satisfaction survey.

## Average employee satisfaction in 4 selected areas

(on a scale of 1-7)



Our focus is on development, investing in innovation and training our employees so that they can expand their knowledge, acquire new skills and achieve individual goals, achieving personal and professional satisfaction.



Coaching, an extended training system and inter-departmental and inter-generational projects engage new competences, thus allowing the human potential to be used and the developmental paths of employees to be built. This allows the motivation to be maintained at a high level.

Many digitalization projects involving the implementation of new systems are run on an international scale - in this way we share our knowledge and at the same time develop and learn about new cultures. This is also the best form of development of competences in project work and Agile philosophy.



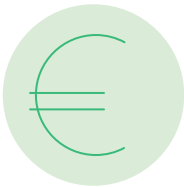
670 training courses held



76 number of training topics covered



1256 h  
of training sessions

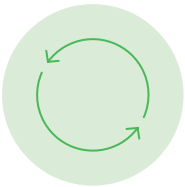


1.6%  
of EBIT  
intended for training

Employment based on employment contracts, market salary levels and non-financial benefits position SEW-EURODRIVE Poland as an attractive employer.



80% vs. 20%  
SEW agreements      outsourcing agreements



5.78%  
fluctuation rate



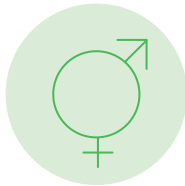
3  
number of accidents



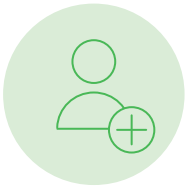
work-life  
balance



192  
employees



25% | 75% >8 years  
women      men      average length of work

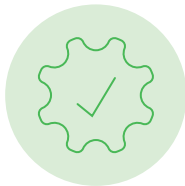




# Products & Services

As a leading drive technology company, we see innovation as a decisive factor at the heart of our sustainable approach to developing products, systems, and services. At every step in this process, we maintain an unwavering focus on our customers and their requirements. What's more, the only way we can meet our environmental and climate targets, while also maintaining and enhancing the true value of our company, is if we can ensure resources are used sparingly throughout the entire value chain.

**SEW-EURODRIVE stands for quality. Each product is different, matching the needs of our Client – from the moment of configuration, through to workmanship and maintenance service. An extended portfolio guarantees that we can offer the right product, and the individual approach at each stage of business gives the certainty of the comprehensive performance of the service.**



**NPS  
SEW  
= 90%**

Client satisfaction index

**66%**

own production

**+10%**

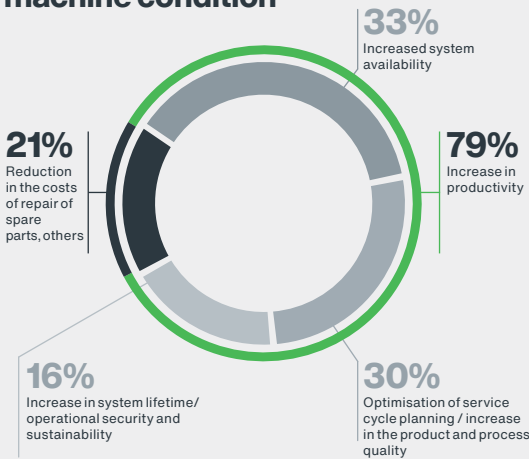
average annual increase in turnover - dynamically developing company

The drive technology from SEW-EURODRIVE addresses the challenges of tomorrow by introducing digitalization into its service portfolio. Thanks to such solutions, we support our Clients in reducing costs by the reduction of losses, breakdowns, machine downtimes, increasing their efficiency and thus optimising their use and overall lifetime.

Each inverter or gear motor may provide information that allow for the broad analysis of the machine condition, providing the possibility of taking preventive actions.

Owing to this, our Clients may change their approach to an approach that is both methodic and planned, and thus more sustainable.

## Benefits related to the monitoring of the machine condition



## Our portfolio covers the offer of products and a wide range of dedicated services:

- MOVI-C® modular automation system
- Gear units / Gear motors
- Asynchronous and servo-synchronous motors
- Industrial gear units
- Inverters
- MOVIKIT®/ MOVIRUN® motion controllers and software solutions
- Consultations and selections
- Start-up and maintenance, including preventive and predictive maintenance
- Maintenance service
- Training
- E-commerce
- Digital design support / Workbench, Online Support / Drive Selection etc.
- MAXOLUTION®solutions
- and others

Secondary processing and recycling play an important role in the context of sustainability. The main components of our gear motors are made of grey cast iron, aluminium, steel and copper. All these materials may be subjected to recycling and brought back to production cycle which is gradually implemented by us in our production plants. We repair and replace only those components that require it, and consequently we extend the life cycle of the product without generating unnecessary waste, thus minimising the cost of the repairs.



**2022 - 90.5%  
2021 - 89.8%**

percentage of completed repairs in relation to the purchase of a replacement

## Diagnosis time

electronic service:  
67% < 2 days  
mechanical service:  
74% < 2 days

## Average repair time

less than 5 days =>  
51%  
less than 10 days =>  
75%

The offered preventive systems eliminate the occurrence of faults almost to zero, reacting to changes in the product's performance through appropriate preventive measures.



**Maintenance service 24/7**



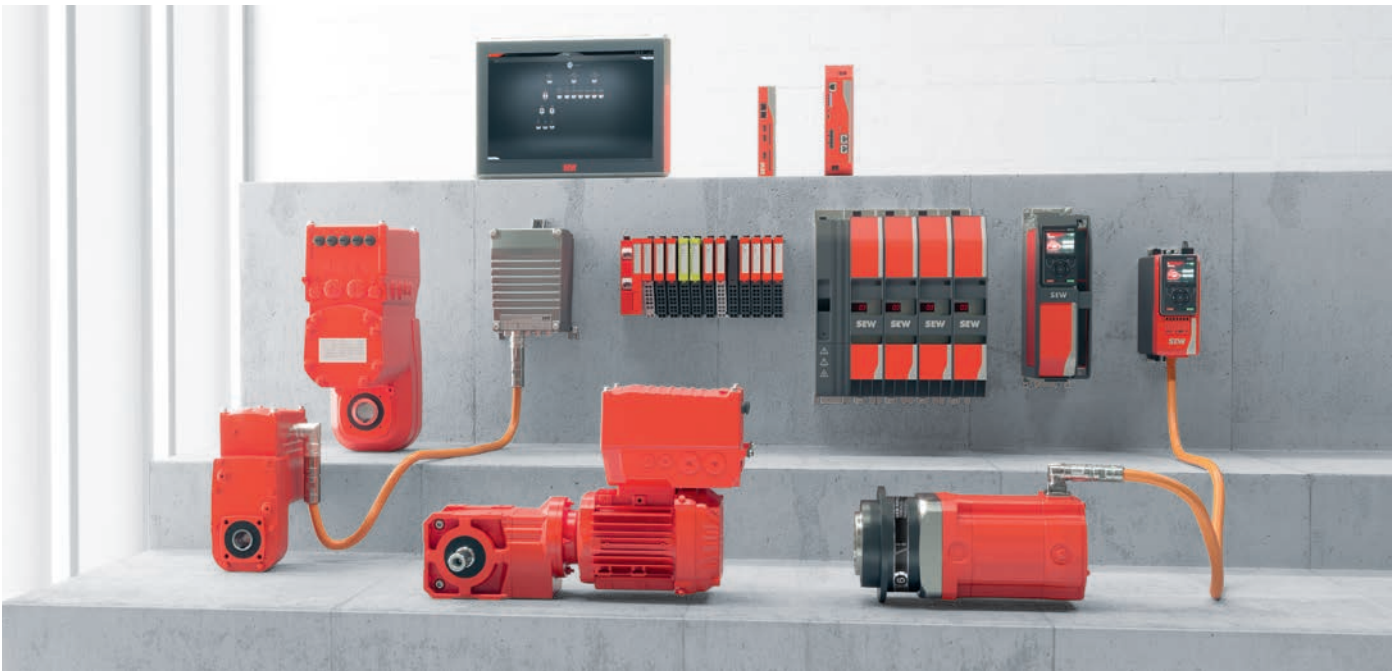
**Free-of-charge diagnostics**



**Express repairs**



**Hotline +48 602 739 739**

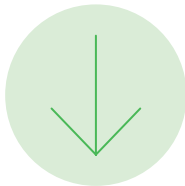




# Supply and raw material chains

“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. To achieve our aims of minimizing our carbon footprint and maintaining a healthy supply chain, we aim to use our global network to ensure both the procurement of raw materials and our products and solutions themselves are located as close as possible to our sites and our customers. By keeping transportation routes short in this way, we will reduce our CO<sub>2</sub> emissions and minimize the amount of packaging involved.



90%

of components supplied from the headquarters

Our main supplier is SEW-EURODRIVE Germany, which guarantees uniform standards, components and quality for the whole group.

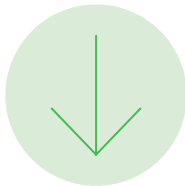
99.8%

supply quality ratio from Germany to Poland



The Finnish and Czech divisions of SEW-EURODRIVE, in addition to the German division, are our main suppliers of industrial gear units. We also cooperate with local companies that meet the high requirements set by our head office. Our priorities include long-term relationships and cooperation based on trust and professionalism.

We are developing a supplier assessment form that will take into account both the requirements set by ISO (supplier assessment criteria with materiality weighting) and the ESG guidelines in this respect. Therefore, it is a supplier risk assessment based on ESG due diligence. This will guarantee the understanding of the supply chain and the relationships within it, in order to maintain the flexibility and transparency in goods flows as well as the traceability of each supplier. Such an approach is a result of active supply chain management by influencing the stakeholders (suppliers and Clients) with the aim of improving the ethical and sustainable carbon footprint.



13%

ratio of delayed receivables

89%

of Clients receive e-invoices

92%

score

minimal

risk assessment



1

**Environmental dimension:** examination of responsibility and operating procedures in areas affecting the environment - especially CO<sub>2</sub> emissions, raw materials or waste management.

2

**Social dimension:** evaluation of activities related to protection of human rights, ethics, employment standards and Occupational Health and Safety.

3

**Economic dimension:** analysis of risk management, codes of conduct and business transparency.



Production and business processes



ISO  
9001  
45001

**How much CO<sub>2</sub> do drive solutions 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 own production operations.

We have implemented the principle of continuous improvement; therefore our production and business processes are subjected to the integrated management system, certified according to ISO 9001 and 45001 standards.

Implemented lean manufacturing - workstation ergonomics, value flow, implemented standards, preventive solutions, automated communication (kanban, kaizen, 8D).



4 Megatrends - 4D strategy:

1

**Deglobalisation** - global activity from a local perspective - supply logistics, diversification of suppliers, supply chain = value chain (from the source of origin to the recall of the product) - supports the Sustainability Strategy by taking a holistic view of the supply chain rather than focusing on its stages

2

**Demography** - ageing population, new generation in the labour market, other social priorities, employer attractiveness - supports the Sustainability Strategy by taking into account the needs of future generations and policies for equalising inter-generational opportunities

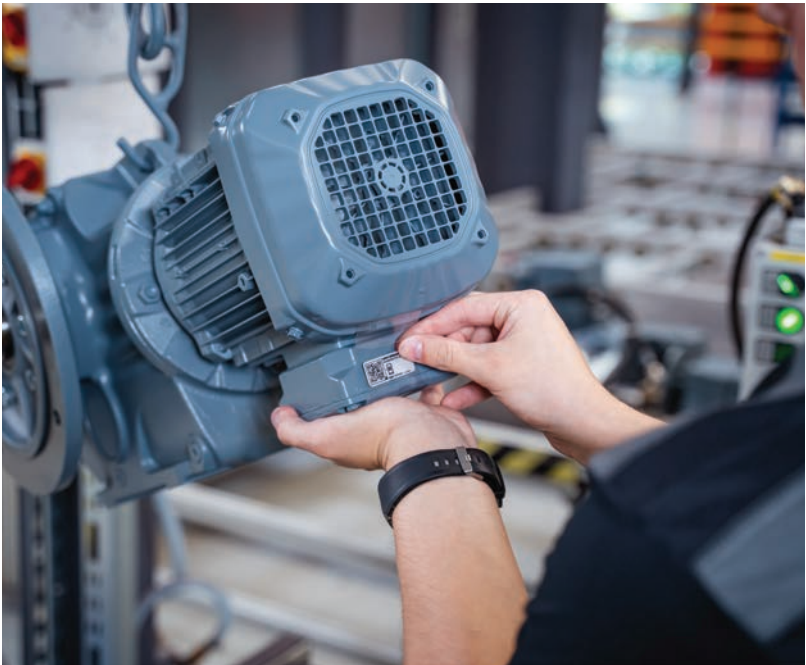
3

**Decarbonisation** - getting ahead of mandatory standards (formal requirements) by defining CO<sub>2</sub>e emissions and looking for solutions that lead to decarbonisation - supports not only the Sustainability Strategy through the implementation of future legislative guidelines, but also the European Union's efforts to achieve zero emissions

4

**Digitalization | Quality | Delivery | Maintenance Service** - supports the Sustainability Strategy by improving our internal and external processes, and through the use of digital solutions in our products we support the achievement of our clients' economic, environmental and social goals

Our Sustainability Strategy takes current trends into account and is the cohesive link to our mission, vision and the SEW-EURODRIVE brand promise as a market leader in drive and automation technologies.



As a leader in drive technology we meet the expectations and face the market challenges. The report on the carbon footprint provides evidence of pursuing climate neutrality, for a good today and a better tomorrow. As we embark on the road to sustainable business, we are building #TheGreenSideOfDrive.

Report on carbon footprint for the year 2022



Sources of emissions / scopes	Emission volumes (kgCO <sub>2</sub> e)
Scope 1	403 303
Scope 2	573 517
Scope 3	760 656
Total	1 737 476



Ethics and governance

The highest standards for maximum integrity

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. Within the SEW-EURODRIVE group, such an approach is very close to our heart, whether in terms of occupational health and safety, a corporate code of conduct, or functional safety.

We act ethically, with respect for principles of running business on an international scale and with consideration of the human rights.

Code of conduct – main ideas:

1 We always act in accordance with the law

2 We do not accept the violation of human rights

3 We respect and support employee rights including freedom of assembly

4 Safety is our top priority



5 We ensure confidentiality of information and personal data protection

6 We respect diversity and oppose discrimination

7 We reduce our impact on the environment, protect the resources and reduce waste

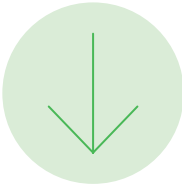
At SEW-EURODRIVE Poland, we strive to adhere to the highest ethical standards.

We act on the basis of our Mission and Vision, which directly influences the way we are perceived by Clients and the quality of management. The mission is the reason why we exist; it drives all our activities. The vision is our long-term goal - this, in turn, is the direction that we want to follow. Our goals are ambitious, inspiring and beyond - forward-looking.



MISSION

- To be a reliable and credible first choice business partner for our clients in the field of drive technology and solutions,
- To be a fair and caring employer and a profitable company for the owners,
- To develop the industrial, social and economic ecosystem while protecting the environment,
- To implement technologies and systems in the areas of drive technology and industrial automation, logistics and processes in order to ensure the long-term success of our customers, improve the standard of living, and save energy resources.



VISION

- To develop and strengthen the position of the leader of drive technology and supplier of innovative solutions while ensuring the economic, social and environmental progress in accordance with the sustainability goals,
- To create the added value for all stakeholders through sustainable development,
- To set standards in the drive technology,
- To build awareness among Clients and employees as a reliable business partner and employer.

99.9%

employees have obtained the maximum rating in this respect

CREDO

Involvement  
Respect  
Trust  
Teamwork  
Professionalism

Structure of Management Bodies



Management staff	Women	%	Men	%	Total
Higher rank	1	17	5	83	6
Medium rank	5	42	7	58	12
Lower rank	0	0	13	100	13





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