

**2024**



# **Sustainability report**

USA





Introduction

We are proud to present our third annual Sustainability Report. This exercise offers us an invaluable panoramic perspective on the intricate tapestry of resources, efforts, and strategies that underpin our product development and support. Any company worth its salt must engage responsibly and wisely with the materials at our disposal. The critical distinction lies in how we perceive and allocate these resources.

For SEW-EURODRIVE, that means focusing on finding ways to provide the best possible products and services to our customers while following proven methods to push sustainability in our operations, supply chain, and communities. For instance, our Lyman, SC facility harnesses power generated from a nuclear plant - arguably the cleanest form of large-scale energy production currently available. Our plants in Hayward, CA and Bridgeport, NJ, benefit greatly from utilizing a solar roof that offsets nearly all of our energy demand. This serves a dual purpose: mitigating high energy costs and easing the burden on the state's power grid. We champion a localized approach, addressing each situation uniquely to optimize the use of accessible resources and technology. This philosophy not only constitutes sound business practice, but it also aligns seamlessly with sustainable development. In this report, we aim to illustrate how our strategies are shaping a more sustainable, resource-efficient future, while delivering value for our stakeholders and the communities we serve.

Sincerely,  
Rainer Blickle,  
Vice President





# About our company

SEW-EURODRIVE is the international leader in industrial automation. Founded in 1931 in Bruchsal, Germany with humble beginnings, we have grown into a worldwide company with approximately 22,000 team members. We blend product innovation with incredible customer support to ensure our place as a valuable 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 companies that keep it turning.

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

## SEW-EURODRIVE USA

Our U.S. operations are headquartered in Lyman, SC. This facility houses manufacturing of our K-series products, large industrial gearbox assembly, and motion controls assembly for the entire US, along with standard assembly and engineering/service support for the southeastern region. There are four other assembly centers in the U.S., including:

- Troy, Ohio
- Dallas, Texas
- Bridgeport, NJ
- Hayward, CA

## Our locations in the US

**Lyman, SC**  
**Lyman Mfg.:** 638,214 sq. ft.  
**New Lyman Assembly:** 280,500 sq. ft.  
**Maxolution:** 24,500 sq. ft.  
**Lyman Fitness/Training Center:** 10,053 sq. ft.

**Wellford, SC**  
**Wellford Office:** 41,944 sq. ft.  
**IG Assembly:** 160,000 sq. ft.

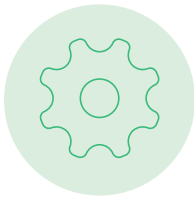
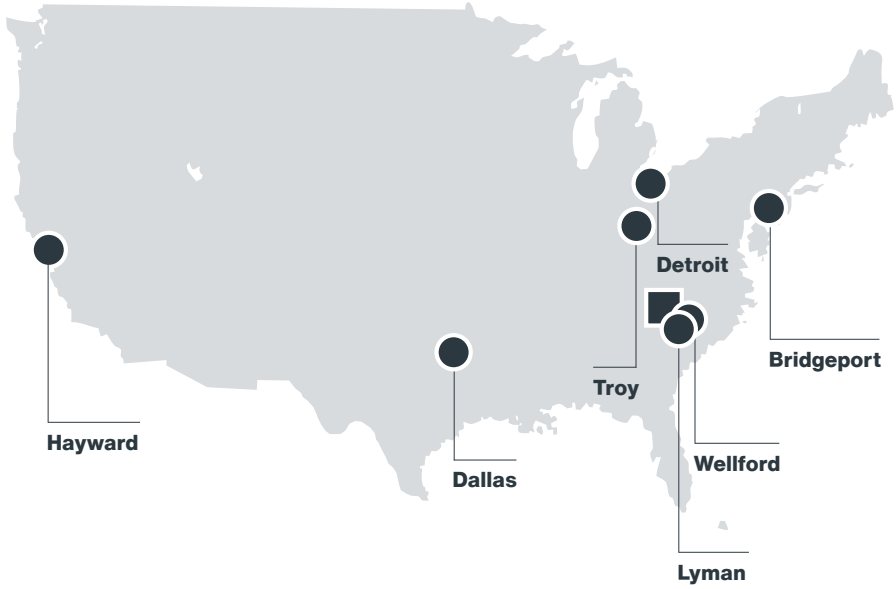
**Troy, OH:** 117,854 sq. ft.

**Bridgeport, NJ:** 93,000 sq. ft.

**DeSoto (Dallas), TX:** 142,506 sq. ft.

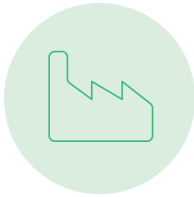
**Hayward, CA:** 51,161 sq. ft.

**Detroit, MI:** 3,464 sq. ft.



**1975**

Founded



**Headquarters**

Lyman, South Carolina



**Locations**

**1**

Production Plant (Lyman/SC)

**1**

Industrial Gears Facility (Wellford/SC)

**5**

Drive Technology Centers incl. gearmotor assembly



## Sustainable Development Goals

Adopted by all United Nations Member States in 2015, the 17 Sustainable Development Goals (SDGs) provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. These goals are an urgent call for action by all countries - developed and developing - in a global partnership.

Deliverables - SEW-EURODRIVE is proud to have created a solid sustainability foundation and will continue to evaluate what specific sustainability goals and deliverables to measure based on the UN standard.



### Strategic Sustainability Plan

- + Use the UN Sustainable Development Goals as a guidepost.
- + Assess the five pillars of our business activities: People, Products & Services, Production & Business Processes, Supply & Raw Material Chains, and, Ethics & Governance
- + Measure and report on Key Performance Indicators (KPIs) that include the Carbon Footprint of Scope 1 direct emissions from owned sources and Scope 2 indirect energy emissions
- + Refine 2024 goals and objectives with measurable outcomes

### Pillars of Business Activity Overview

- + People - It is people who "drive" our company and are the secret to our sustained success.
- + Products and 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.
- + Production & Business Processes - We commit to calculating the annual carbon footprint associated with the energy and electricity consumption of our own production operations.
- + Supply & Raw Material Chains - We are working to create a fair and sustainable procurement policy to help further improve our environmental & social impact across our value chain.
- + Ethics & Governance - For us, ethics and governance are simple. We strive to be a case study of how a business can do the right thing and remain profitable.

# The basis of our business activities





# People

Quality culture is built by treating people with respect and wanting them to be part of something bigger. The products and services we offer to industry drive our modern way of life. From wastewater treatment facilities to bottling your favorite drink to the logistics companies moving said drink from producer to consumer – SEW-EURODRIVE automation technology is everywhere and we want our team members to be proud of that.

We want team members to continue to grow with us, which is why we invested in making our training department more robust. With the creation of Drive U, every employee has the benefit of improving their skill set - whether it be learning a new assembly skill or completing leadership training—providing valuable skills for developing and driving change within the organization.

The compounding effects of programs like this will drive engagement within the company and help both the individual and the company grow.

### Employee Wages

We are proud to say that we strive to ensure our employees are reasonably compensated. We accomplish this through market studies in our geographic locations as well as through — though dependent on market conditions — a combination of annual pay increases, yearly bonuses, benefits, and profit sharing.

### Employee Health & Safety

We are also pleased to demonstrate that we provide a safe and healthy workplace. We have set and achieved health and safety-related targets.

### Employment Terms

We provide fair employment terms that are aligned with human rights.



# Products & Services

Our all-in-one decentralized drive unit, MOVIGEAR, is a perfect example of how innovation can naturally lead to a more efficient offering. This product can be up to 50% more efficient than a traditional gearmotor depending on the application. We've taken decades of mechatronic experience and created a groundbreaking product that can cut 50% of the traditional drive energy needed for a conveyor system. That means less power entering a building to perform the exact same function as before. This is innovation at its best. This is what we strive for.

### Resource Efficiency

We use the same gear wheel as the last gear unit stage in one gear unit size and then again as the preliminary stage in the next size.

### Modular Systems

We manufacture as few different parts as possible. Because components can be used across a range of different product series, 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 result is greater variation with reduced resource cost.

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.

# Production and Business Practices

How much CO<sub>2</sub> 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 own production operations.

### Energy

We measured our 2024 energy consumption at each US location. We consumed 374,435 therms of natural gas, drove 2,331,385 (minus electric)/passenger car miles and purchased 32,188,719 kWh of electricity.

### Water

We measured our 2024 water consumption at each US location. We consumed 6,583,019 gallons of water.

### Non-GHG Emissions

We are working to measure and record non-GHG emissions.

### Waste

We estimated our 2024 waste by using the EPA Volume-to-Weight Conversion Factors. We have four main waste streams mixed solid waste, metals recycling, cardboard recycling and pallet recycling. We sent 1,359,546 pounds to the landfill and recycled 9,870,805 pounds. Our waste diverted percentage is 87.89%.

### Encroachment

We are working to ensure that none of our facilities are encroaching on marine or terrestrial ecosystems, or on culturally sensitive areas.

### Greenhouse Gas Emissions

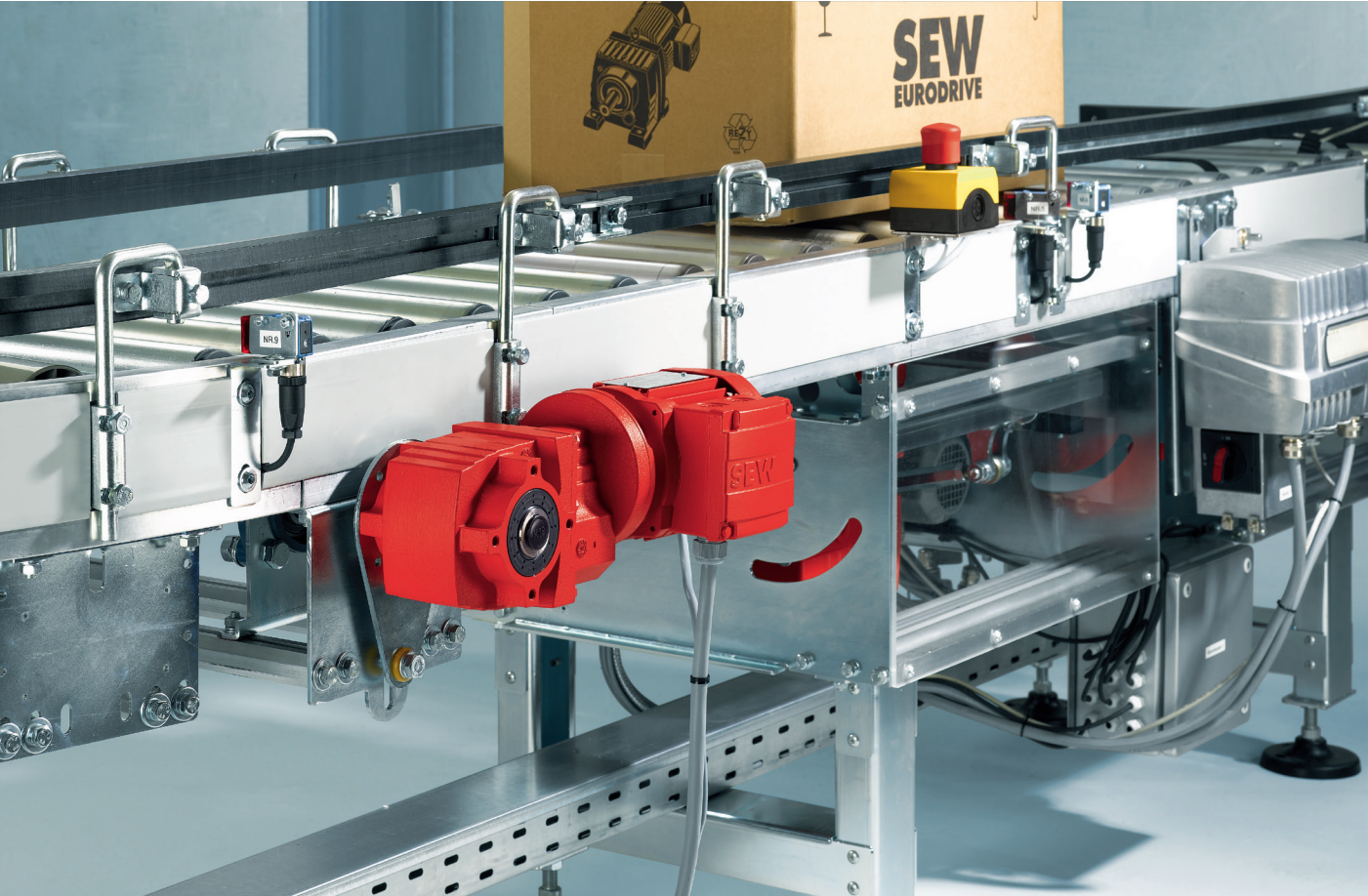
We measure our Scope 1 (direct emissions from heating and company-owned vehicles) and Scope 2 (purchased electricity) greenhouse gas (GHG) emissions based of the GHG Protocol Corporate Accounting Standard.

### Organizational Boundary

We are taking an operational control approach, which assumes that the facilities, fleets, and other equipment that we own and operate are within our GHG boundary.

### Operational Boundary

In order to set our operational boundaries, we must report our Scope 1 (direct emissions) and Scope 2 (indirect emissions) greenhouse gas emissions.



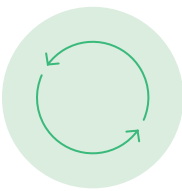


# Supply and Raw Material Chains

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.

## Procurement Policy

By keeping transportation routes as short as possible, we will reduce our CO<sub>2</sub> emissions and minimize the amount of packaging involved.



9,870,805

pounds of waste recycled.

# Ethics and Governance

## The most fundamental of our corporate principles

The high quality of our products and solutions is matched by a high benchmark in terms of ethical guidelines and standards. We believe that ethics and governance are about more than just abiding by applicable laws and global human rights standards. For us, ethics and governance are about actively managing sustainability in all facets of the word.

SEW-EURODRIVE cares not only about Environmental impact, but also creating a business that can sustain growth and prosperity for itself, its people, and its communities.

## Achievements

Governance Proper structure allows for success. We have processes to manage production, data security, vendor relations, etc. We understand we must follow all applicable laws in order to fulfill our mission in offering the market world class products and services.

## Ethical Practices

We provide training on ethics, handle all community and customer concerns ethically, and protect confidential customer information.



# Where We are Headed

## Focus on community.

Over the years we've come to learn that the best way to make a difference is by being involved in our local communities. It's easy to get carried away with national or global issues, but forget about where we work and live.

This is why we're committed to serving those communities. We have formed and are launching a 501(c)(3) non-profit organization that is built to serve the very communities where SEW-EURODRIVE has a brick and mortar operation. Each Eurodrive site will have a local advocacy committee. This committee, made up of Eurodrive employee volunteers, will research and bring forth to the board local issues that Eurodrive can directly support. Each community has specific needs, there is no one shoe fits all approach to this. We're giving power to our employees to make a positive local impact.

**Update for 2024:** The 501(c)(3) is called Greater Than Us. Our flagship project has been identified to help bring affordable childcare capacity to the Lyman, SC area. We, in partnership with our local school district and a local non-profit, have begun construction on an early childhood educational building. The goal is to serve 250 children 0-4 years of age. Payment will work on a sliding scale based on the needs of the family. We couldn't be more honored to work on such a worthy cause.



Rendering

Scope	Emission Type	Explanation	GHG Emissions	Footprint Percentage
Scope 1.1 Stationary Combustion	Direct Emissions	We accounted for all the natural gas burned for 2024 from every US SEW-EURODRIVE facilities which totalled 374,435 therms.	1,989 mtCO <sub>2</sub> e	16.63%
Scope 1.2 Mobile Combustion	Direct Emissions	We accounted for total miles from company-owned and controlled vehicles which totaled 3,070,752 miles from gasoline and diesel passenger vehicles.	792 mtCO <sub>2</sub> e	6.62%
Scope 2 Purchased Electricity	Location-Based Indirect Emissions	We accounted for 32,188,719 of purchased electricity from SEW-EURODRIVE locations.	9,563 MtCO <sub>2</sub> e	79.94%
Scope 2 Purchased Electricity	Market-Based Indirect Emissions	We accounted for 32,188,719 of purchased electricity from SEW-EURODRIVE locations.	8,802 MtCO <sub>2</sub> e	73.58%
TOTAL Scope 1 & Location-Based Scope 2			12,343 MtCO <sub>2</sub> e	
TOTAL Scope 1 & Market-Based Scope 2			11,583 MtCO <sub>2</sub> e	
SEW-EURODRIVE 2024 Carbon Footprint			12,343 mtCO <sub>2</sub> e	

\* Troy, OH purchases 100% green power - 0% market-based emissions.  
\*\*\*Hayward, CA generated 112,157 kWh of energy from onsite solar, which is 36% of total energy demand. 202,451 kWh is purchased electricity.  
\*\*\*Bridgeport, NJ generated 536,653 kWh from onsite solar, which is 72% of total energy demand. 206,744 kWh is purchased electricity.





Separate Addendum to the SEW-EURODRIVE Sustainability Report

1. Reporting Framework Statement

This addendum has been prepared to comply with California Health & Safety Code §38533 (SB-261) and is attached as an addendum to satisfy specific legal and reporting requirements that apply only to our Hayward, CA facility.

SEW-EURODRIVE (“SEW”) has elected to use the TCFD framework for its climate-related financial risk disclosures, and this document supplements SEW’s Sustainability Report by providing disclosures required under SB-261 that relate specifically to climate-related financial risks, governance, strategy, risk management, and scenario-based resilience. Environmental metrics and operational data already published in the Sustainability Report are not repeated here in this addendum.

2. Governance of Climate-Related Financial Risks

Board & Executive Oversight

Senior leadership reviews climate-related issues that could materially affect SEW’s operations, including physical climate risks, regulatory developments, energy cost volatility, and sustainability-driven market trends.

Management Roles

SEW’s EHS, Facilities, Procurement & Supply Chain, Sales and Production functions monitor climate-related conditions, evaluate supplier exposure, assess facility resilience, and report material trends to senior leadership.

3. Climate-Related Risks & Opportunities

Physical Risks

- Extreme heat and severe weather events affecting facilities and logistics
- Wildfire smoke impacts on operations, primarily in California
- Power grid reliability issues
- Regional water availability constraints

Transition Risks

- Changing environmental regulations
- Energy price volatility
- Customer demand for highly efficient and sustainable products
- Supply chain delays driven by climate conditions

Opportunities

- Growth in demand for energy-efficient automation
- Expansion of renewable and low-carbon energy use at facilities
- Savings from efficiency and waste-reduction initiatives
- Competitive advantage in sustainability-focused markets

4. Strategy & Climate Scenario Resilience

SEW assessed two qualitative climate scenarios consistent with SB-261 guidance.

Scenario 1: Moderate Climate Change / Government Regulation

A gradual increase in climate pressure and/or excessive regulatory requirements. SEW’s distributed footprint, efficient product technologies, and renewable energy initiatives support resilience and enable SEW to shift production from one SEW facility to another in order to mitigate weather-related operational disruptions and respond to potentially burdensome or rapidly evolving regulatory conditions.

Scenario 2: High Climate Change / High Government Regulation

More frequent disruptions and even stricter regulatory requirements. SEW’s local sourcing, energy initiatives, and facility-level planning provide a strong foundation for adaptation, with opportunities identified for expanded renewable deployment and infrastructure hardening enabling SEW to shift production to other regions of the country or world in order to avoid weather-related disruptions and adapt to increasingly stringent or unpredictable regulatory requirements.

5. Risk Management

Identification & Assessment

SEW evaluates climate-related risks through environmental performance tracking, facility assessments, supplier reviews, regulatory monitoring, audits, and business continuity planning.

Integration Into Operations

Climate considerations influence facility investments, sourcing strategies, product innovation, resource efficiency initiatives, and emergency preparedness planning.

Mitigation Measures

- Renewable energy deployment where feasible
- Localized procurement to reduce transportation exposure
- Operational and infrastructure resilience planning
- Ongoing evaluation of supplier and facility vulnerabilities

6. Forward Commitments

SEW intends to continue enhancing scenario analysis, considering long-term targets, strengthening supplier risk assessments, expanding renewable-energy options, and further integrate sustainability best practices that are proven and time tested into business planning.

7. Alignment Statement

This addendum, alongside SEW’s Sustainability Report, fulfills the requirements of California Health & Safety Code §38533. SEW will publish this document publicly and provide its URL to the California Air Resources Board in accordance with SB-261 reporting requirements.

*Note:* In accordance with CARB’s SB-261 guidance, SEW-EURODRIVE has used the most recent and best available data at the time of publication. Final metrics for year ending 2025 were not available within the statutory reporting timelines and will be incorporated into future reports/disclosures when finalized.



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