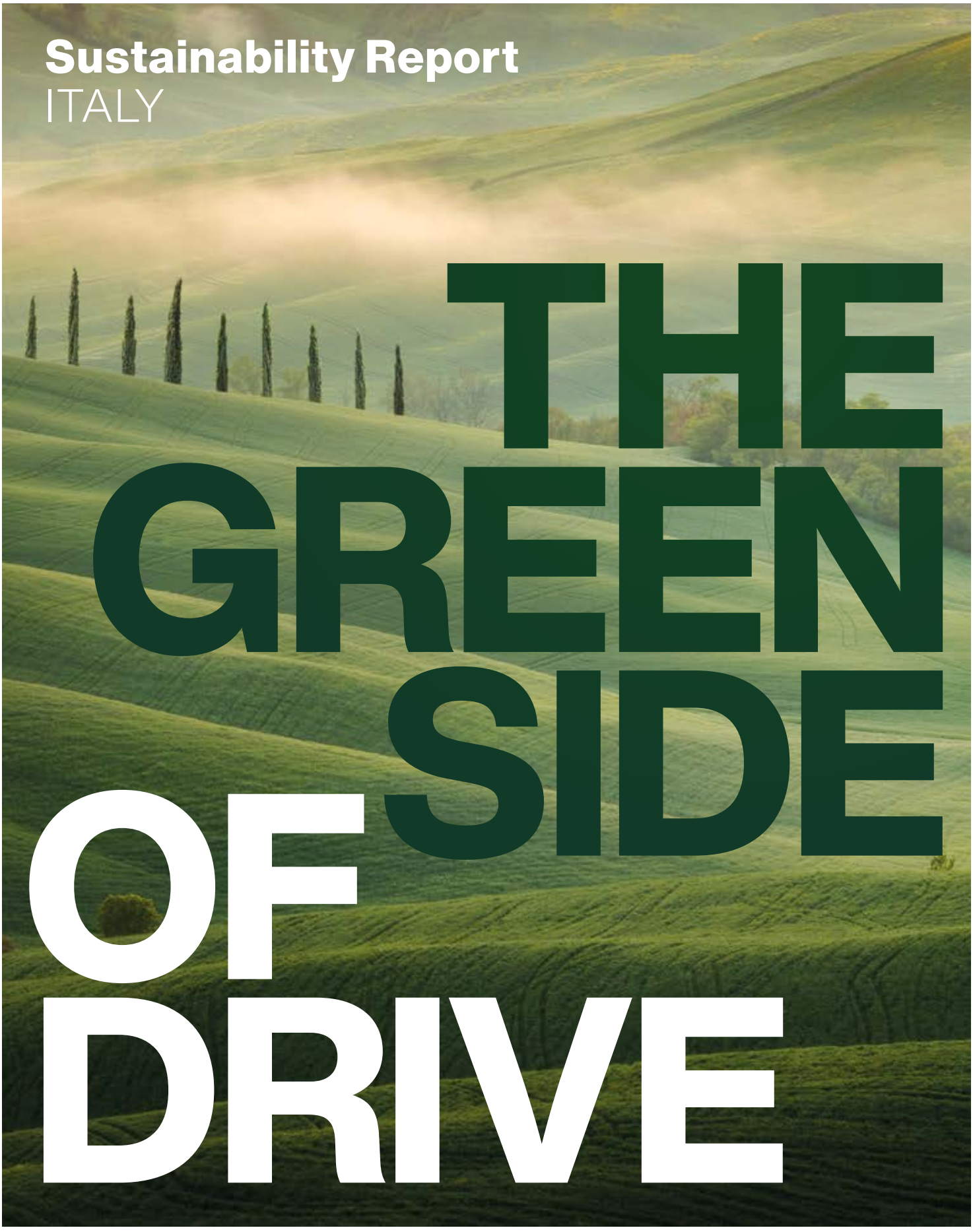
2024

SEW EURODRIVE



Sustainability Report
ITALY

THE GREEN SIDE OF DRIVE


SEW
EURODRIVE
Driving the world in a SEWstainable way

Index

Letter from the Managing Director

Dear Stakeholders,

We are delighted to present our fourth Sustainability Report. This document is not just a collection of data, but a testimony to our collective commitment and to the progress we have achieved together, in social, economic and environmental terms.

2024 was a particularly complex year. Geopolitical tensions and environmental crises — marked by record-breaking temperatures and the surpassing of the 1.5°C global warming threshold — have posed unprecedented challenges. However, with your trust and support we have been able to maintain a sound economic performance in the industrial automation sector.

I would like to express my heartfelt thanks to all of you customers, suppliers, employees and partners of the Industrial Innovation Lab. Your dedication and commitment have been instrumental in achieving our goals. Every achievement is the result of teamwork, and we are proud to have such extraordinary people at our side.

> ***"People are at the center of our company, with the belief that the common good comes before personal interests"***

In the social sphere, we have worked relentlessly to improve the wellbeing of our employees and of the communities in which we operate. Continuing education programmes and social inclusion initiatives are just a few examples of our commitment to creating a fair working environment.

On the environmental front, we have made great strides forwards in reducing CO_2 emissions and adopting sustainable practices. Innovative technologies and the use of renewable energy sources lie at the heart of our strategy for a greener future. The environmental certifications we have obtained are tangible proof of our commitment.

People lie at the heart of our company, guided by the knowledge that the common good takes precedence over individual interests. We understand the concept of civic-mindedness and are committed to promoting it in every aspect of our business.

Looking to the future, we are determined to continue down this path. Our vision is to become a benchmark in the industrial automation sector, demonstrating that it is possible to combine economic growth with sustainability. We are convinced that, together, we can face global challenges and build a better future for everyone.

Thank you so much for being a part of this journey. We are excited about the opportunities that lie ahead and are confident that, with your continued support, we will reach ever new heights.

With affection and gratitude,

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

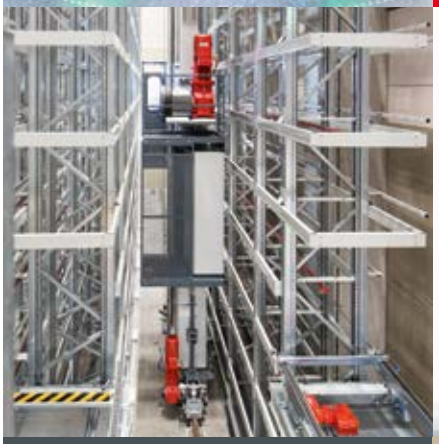
Automation technologies

Control and visualization technology

Solutions

AGV

Complete automated guided vehicles



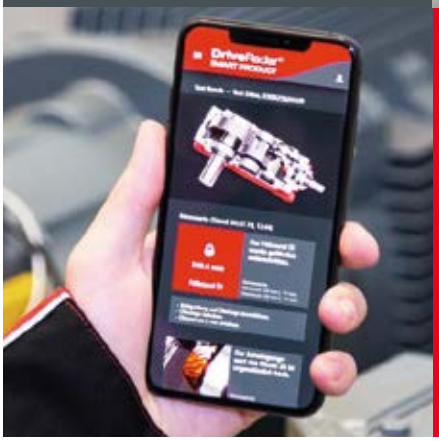
PE-S

Power and Energy Solutions

Intelligent power management system

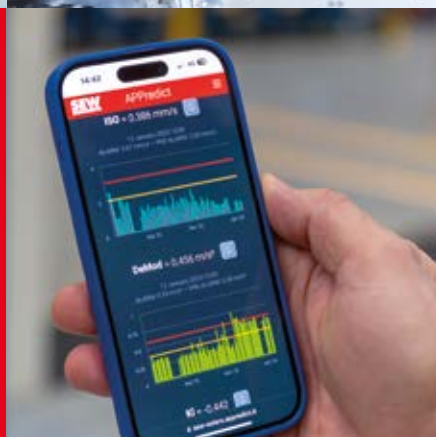
Delta Robot

Tripod



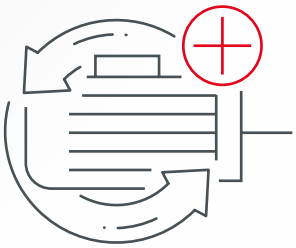
DriveRadar® and APPredict

Condition monitoring and predictive maintenance solutions



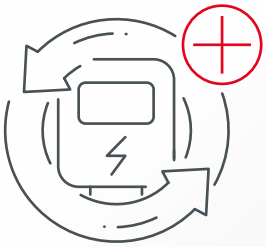
Services

Repair of electric motors, gear units and complete gearmotors

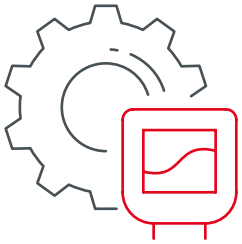


Repair of electronic components such as inverters and servo inverters

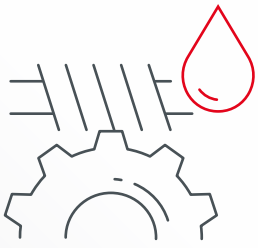
Mapping on products installed at end users' premises



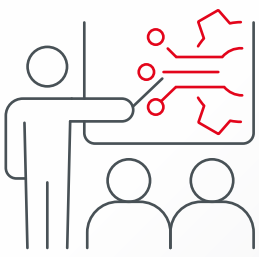
Qualitative oil analysis of gear units installed at end users' premises



Thermographic analysis of gear units installed at end users' premises

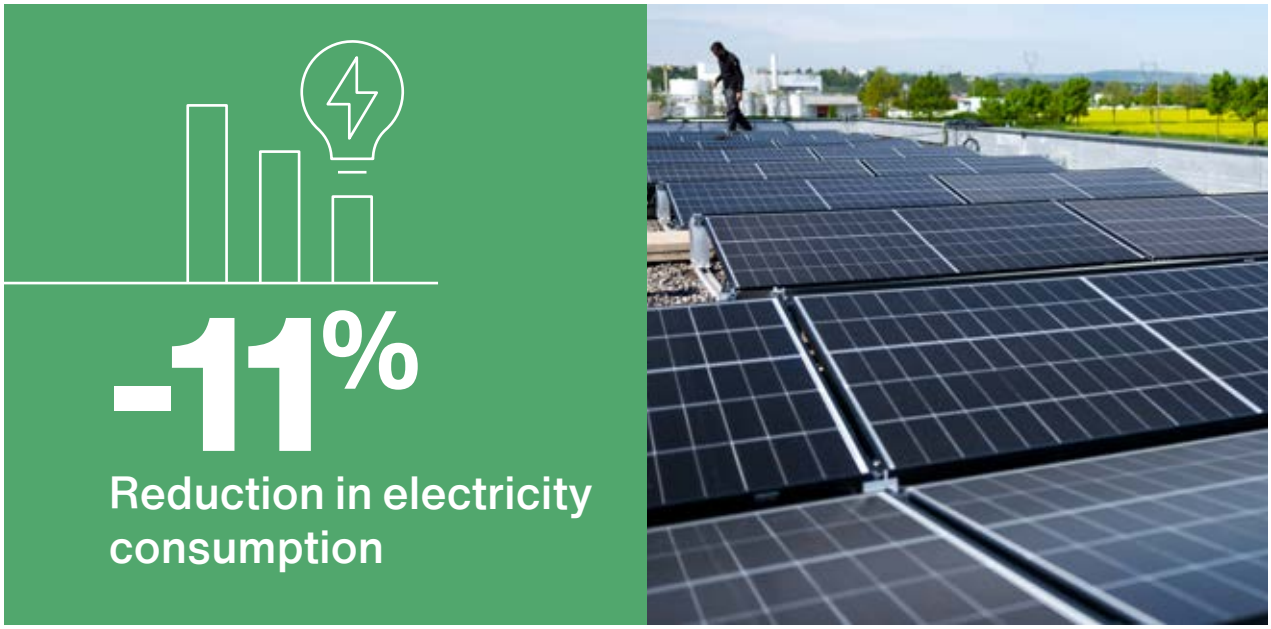


Basic training courses on programming electronic devices



Highlights

At **SEW-EURODRIVE Italia**, sustainability is a matter of substance: we constantly monitor data to measure progress and demonstrate concrete results.
The transparency and passion with which we pursue our goals allow us to build a virtuous, measurable and verifiable path.
We strive daily to **reduce our environmental impact and** improve the **wellbeing of our people**.



94.5%
NON-hazardous waste

12.6%
Fleet of fully electric vehicles

221
Employees

25.8%
Female share of the workforce

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.

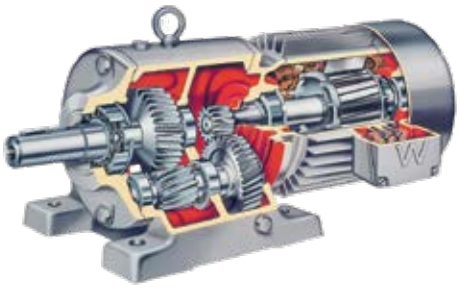
We invite you on a journey through our history, starting with an event that is truly extraordinary!

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**.

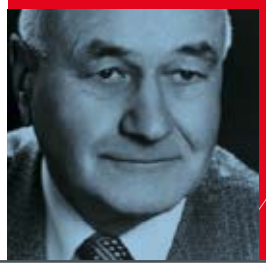
1973
The company acquired its main post-war competitor, **Obermoser in Bruchsal** (direct drives, refrigerator motors, worm drives, electric motors). Two new representative offices were opened in **Turin** and **Verona**.

Passing the baton

1987
When the founder passed away, **Rainer** and **Jürgen Blickle** became 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 Suddeutche Elektromotoren Werke (SEW)

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

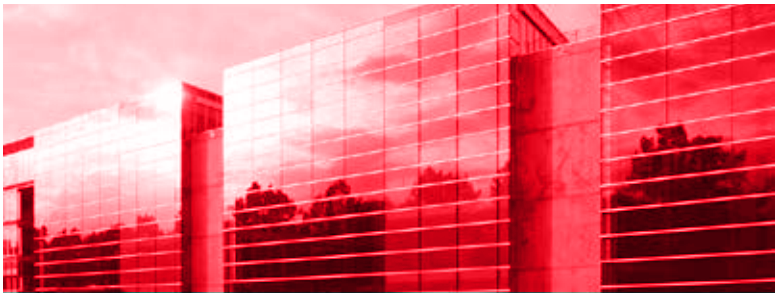
1999
New facilities were opened in **Solaro**, and the company made its first foray into China with a branch in **Tianjin**.

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

56 Countries in the world

17
Production facilities

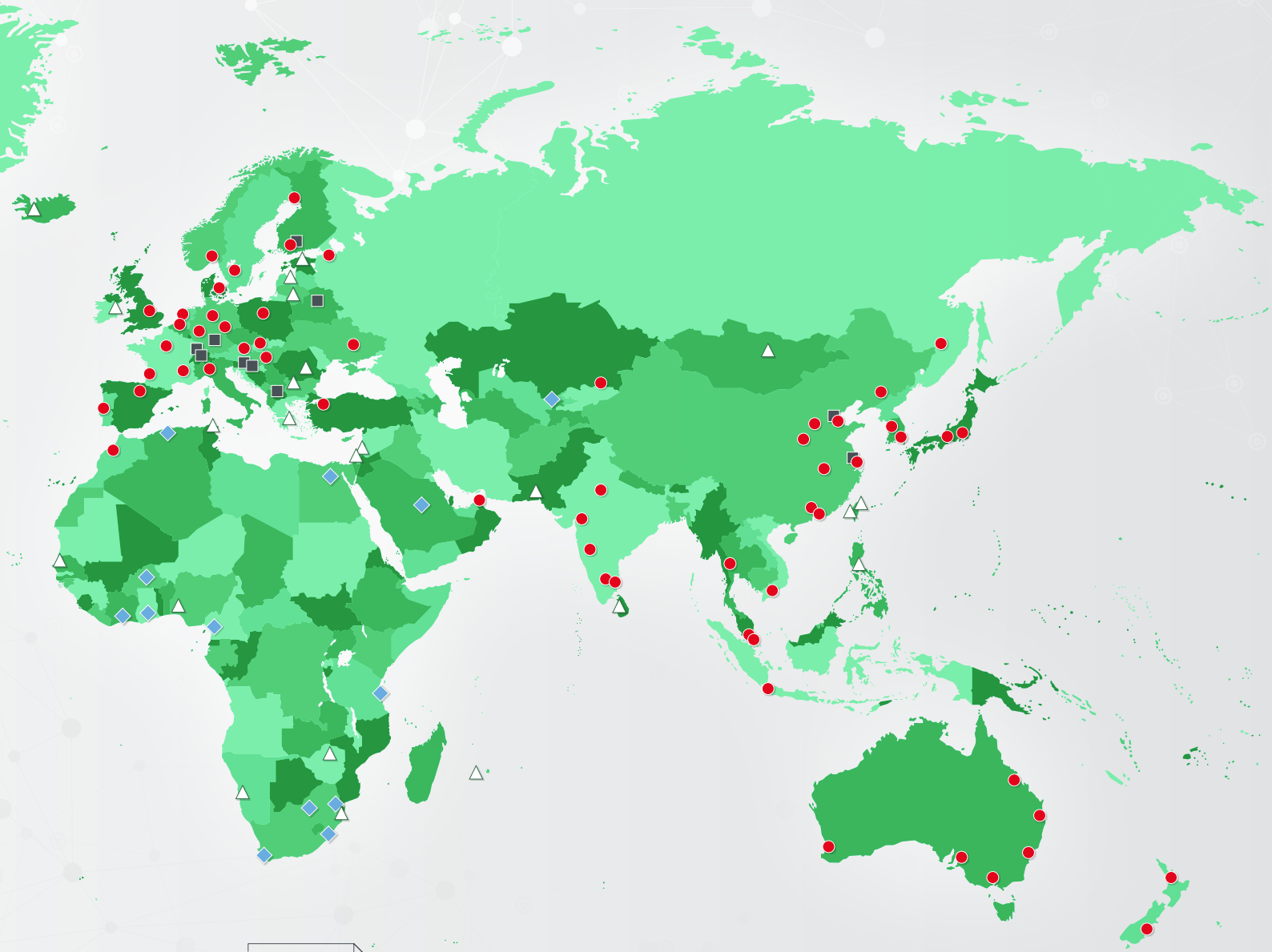
92
Drive Technology Centers

+230
Commercial branches

38
Partners

800
in Research and Development

+22,000
Collaborators



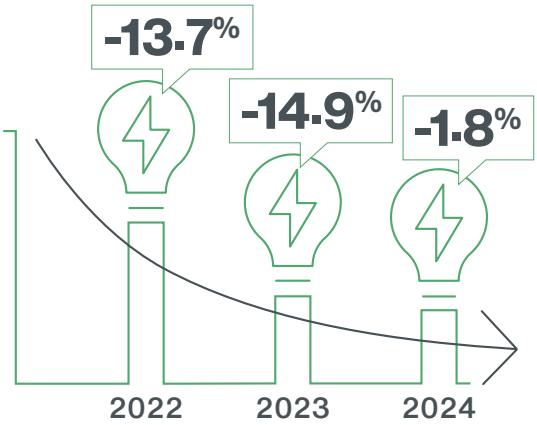
4.5 bn€
of turnover

Industry 5.0: a sustainable, human-centric future

Sustainability is one of the three fundamental pillars of Industry 5.0, along with **human-centricity** and **resilience**.
This new industrial model aims at a more human, sustainable and resilient future, **improving quality of life** along the entire value chain and reducing environmental impact, also for SEW-EURODRIVE Italia.

The evolution of industry follows a path of continuous progress: from mechanisation to digitisation, through to the current transition to a more sustainable and people-centric model. At SEW-EURODRIVE Italia, we have always focused on innovation, efficiency and wellbeing, and we embrace this transformation with **advanced industrial automation solutions** that keep people and the environment in the spotlight.

Reduction in electricity consumption (Joules)



5.84 MJoule — **1€**

> At SEW Italy, **producing €1 of turnover requires 5.84 MJoules**, corresponding to the amount of energy needed to keep a 10W LED bulb lit for 7 days and 7 nights

> When we talk about smart factories, Industry 5.0 and human-machine interaction, the digitisation 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**.

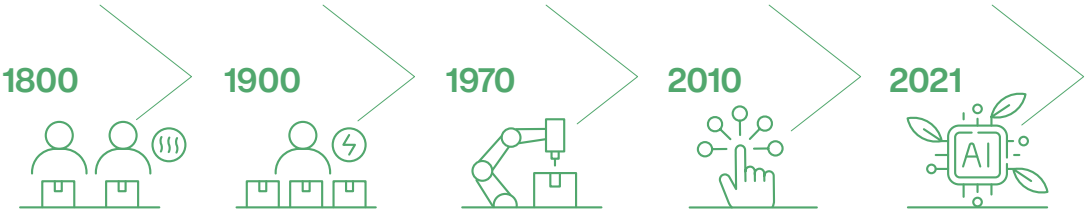
11%
economic value redistributed to employees

100%
employees who received training during the year

+10%
personnel with a university degree

Year after year, we reduce our energy consumption through optimisation and waste avoidance: **in the last 3 years, we have achieved a 20% cut in energy consumption**, confirming that our company's environmental impact is decreasing, even as we maintain — or enhance — performance levels.

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

In the document **'Industry 5.0: Towards more sustainable, resilient and human-centric industry'**, the European Commission states that: *"Over the past decade, Europe has gradually stepped up its commitment to industrial transformation mostly by working on the transition towards so-called* **industry 4.0**, *a paradigm that is essentially technological, centred around the emergence of cyber-physical objects, and offering a promise of enhanced efficiency through digital connectivity and artificial intelligence.* ***However, the Industry 4.0 paradigm, as currently conceived, is not fit for purpose in a context of climate crisis and planetary emergency, nor does it address deep social tensions. On the contrary, it is structurally aligned with the optimisation of business models and economic thinking that are the root causes of the threats we now face.*** *The current digital economy is a winner-takes-all model that creates technological monopoly and giant wealth inequality."*

Industry 5.0: an evolution of 4.0

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

A complex challenge for a sustainable future

The industrial transition is a social as well as an economic necessity.

It puts into question the current economic paradigm, defined by the European Commission as a winner-takes-all model based on the pursuit of profit and a linear take-make-dispose approach.

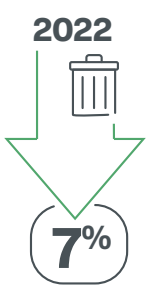
We are aware that great challenges are on the horizon; **the 4Ds of transformation represent 4 strategic areas to which we devote great resources and attention**.

To this end, at SEW-EURODRIVE Italia we are constantly working to transform our business model so as to transition from a linear economy to a **circular approach**, expanding from the traditional 3Rs to the 9Rs (see page 24).

Our commitment also extends to social aspects and, therefore, to promoting wellbeing, work-life balance and the holistic and ethical development of all individuals working with us, whether directly or indirectly.

> "At SEW-EURODRIVE Italia, we work to transform our business model so as to transition from a linear economy to a circular approach"

Our **sustainability culture level** has risen from 12.7 to 14.6



Non-hazardous waste decreased by 7% since 2022

Recovered non-hazardous waste increased by 66% over the previous year

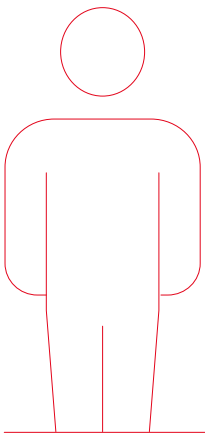
Recovered hazardous waste increased by 107% over the previous year

The challenges of SEW-EURODRIVE

Industry 5.0 represents an opportunity for SEW-EURODRIVE Italia to align with the principles of a value-driven economy. Our focus is not only on production efficiency and digitisation, but also on **sustainability**, the **wellbeing of workers**, and **social and economic responsibility**. This approach positions us at the forefront of a transformation that goes beyond traditional industry, contributing to a more balanced, sustainable and human-centric future.

The table below shows how the principles of Industry 5.0 integrate with those of a value-driven economy, highlighting **our commitment to more sustainable, 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 integral 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”

Sustainability leaders according to Il Sole 24 Ore

For us, sustainability is a growth engine and a strategic asset. Due to our ongoing commitment in this field and in innovation, SEW-EURODRIVE Italia has once again been acclaimed as a Sustainability Leader by Il Sole 24 Ore and Statista.

The study, based on sustainability reports and financial statements, has analysed some **500 Italian companies** across 45 environmental, social and governance (ESG) indicators.

The focus on sustainability is growing within the Italian industrial landscape, driven by new European regulations on the Green Deal. SEW-EURODRIVE Italia has already embraced this transformation through a corporate reorganisation geared towards the wellbeing of people and society and the development of technologies with a low environmental impact.

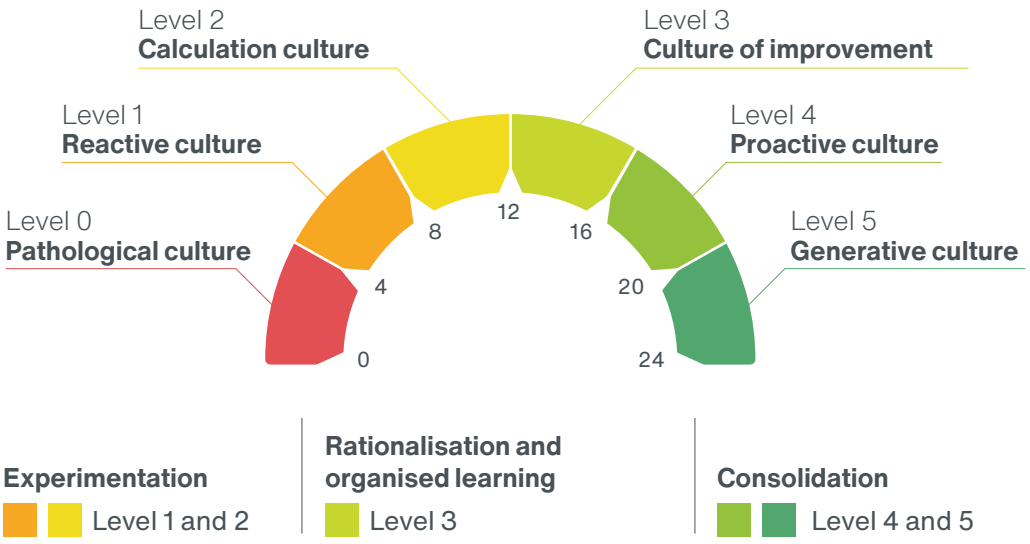
Sustainability Culture Index

To assess the cultural level of sustainability, we have conducted specific analyses. The first was performed in 2021 and the second in 2024, to monitor cultural progress on these issues. We believe that sustainability goals can only be achieved when **everyone involved understands the importance of our impact on the environment and society**.

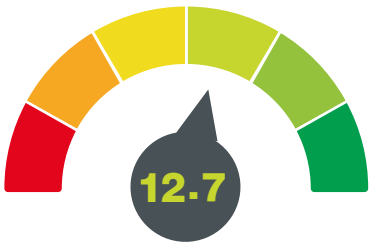
All employees were invited to complete the survey, with **159 responses out of 221 (71.9%) submitted**. The survey, conducted entirely anonymously, analysed several parameters: behaviour, attitude, knowledge and cultural-organisational considerations. Moreover, all the parameters were also assessed by considering the following socio-demographic categories:

- **Working area**
  Drive Centers, distinguishing between offices and workshops for the Solaro and Caserta sites
- **Age**
  Divided into three brackets:
  up to 35, between 36 and 50, over 50
- **Qualification**
  Middle school diploma, high school diploma, Bachelor's degree, Master's degree, postgraduate diploma

The list of classifications in the general index is as follows:



2021

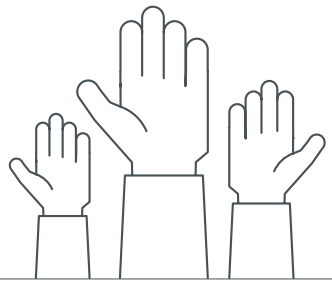


Level 3:
Culture of improvement

2024

Level 3:
Culture of improvement

> We achieved an overall index of **14.6** out of 24, improving on our performance of 12.7 in 2021 and confirming our culture of improvement



71.9%

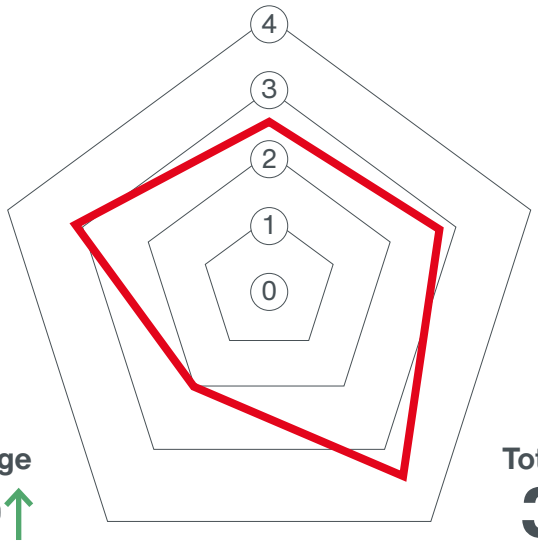
159

Employees who took part in the survey

The results obtained for the five parameters assessed are as follows:

Parameter average*

Behaviour outside of work
2.4 ↓
2.6 in 2021



Climate/culture
3.0 ↑
2.6 in 2021

Behaviour at work
2.7 ↑
2.5 in 2021

Knowledge
2.0 ↑
1.6 in 2021

Total attitude
3.4 ↓
3.5 in 2021

* The rating scale goes from 0 to 4; the threshold below which a value is deemed to need improvement is 2

Our vision and mission

Our "Be SEWstainable!" vision

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

Innovation | Automation leadership | Financial independence

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:

Strategic map
Shows how values and distinctive elements are the foundation stones of the company's vision and mission

1. **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

2. **Annual MBO targets**:
Annual Management by Objective targets assigned to individual 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**.

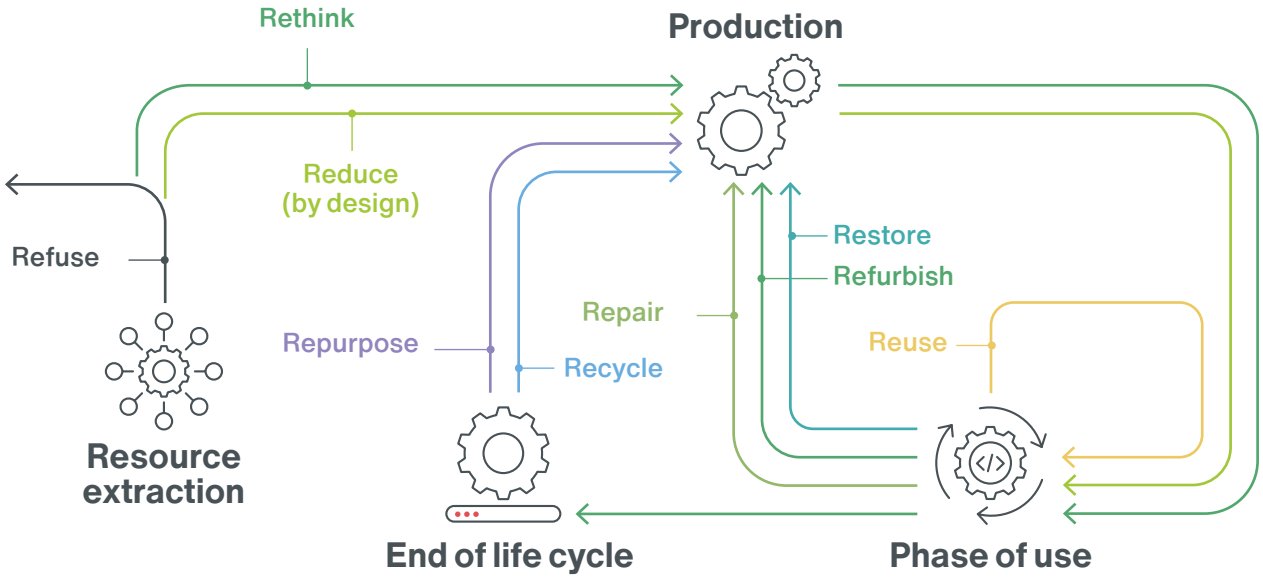
> "Flexibility, spirit of collaboration, transparency and ethical behaviour are the values that guide our and our collaborators' actions, guaranteeing efficient, safe and customised solutions for all major industries"

Our 9R approach

To communicate clearly in the matter of circular processes, SEW-EURODRIVE Italia is aligning its terminology to the **framework of the 9Rs of circular strategies**.

To ensure that every site around the world speaks a common, unambiguous language, SEW-EURODRIVE Italia's specific definitions of its main 9R strategies have been approved by the German HQ's Sustainability Committee and published in the Corporate Language Center.

Clear terminological alignment increases professionalism, promotes shared understanding, and can help avoid greenwashing criticisms.



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 Restore a product, through maintenance and/or repair, to a specified level of quality, which may not be the same as a new product

RESTORE
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

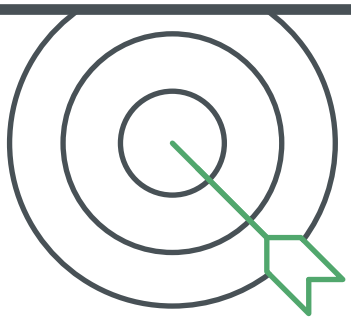
Effective use of materials

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

RECOVER
Recover materials used in products that cannot be recycled and incinerate them for energy recovery purposes

LINEAR ECONOMY

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

Innovative and sustainable processes

Processes aimed at creating a circular economy

Environmentally friendly process innovation

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 through to 2027

- **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 the company's 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.

Identification of impacts

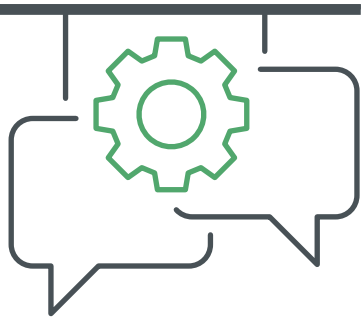
In 2024, we identified a series of key issues for SEW-EURODRIVE Italia, following the international **2021 GRI Sustainability Reporting Standards**. In parallel, in order to align with the **European CSRD Directive** *(Corporate Sustainability Reporting Directive)*, we correlated our material topics to the **ESRS** *(European Sustainability Reporting Standards)*.

We then confirmed the most significant impacts of our company on the economy, the environment and people (including human rights), and highlighted our contribution to sustainability. Finally, we evaluated and prioritised the selected topics, setting a threshold to identify material ones.

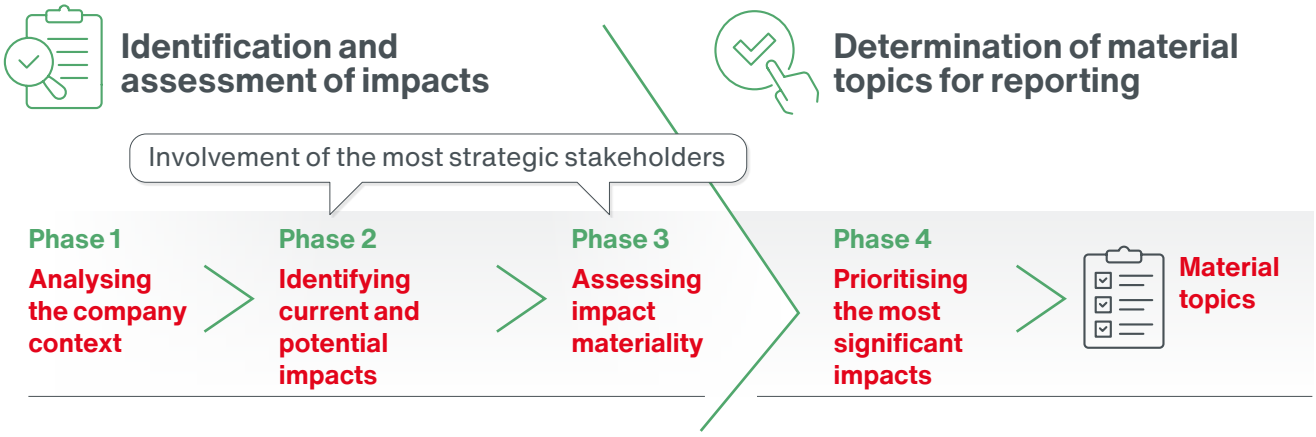
The identification of material topics for SEW-EURODRIVE Italia was carried out by means of:

- an **in-depth discussion** within the Sustainability Team,
- an **internal survey** involving — for the second time — all the employees of our company, including the parent company,
- an **external survey** involving a selected panel of stakeholders.

Materiality analysis and priorities



Also in 2024, 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 started the analysis by involving the Sustainability Team, under the supervision of the General Manager Giorgio Ferrandino. To this end, we assessed our activities, the Balanced ScoreCard (BSC), ESRS issues, our parent company's Sustainability Report, our business relations, and the social and environmental context in which we operate. Moreover, we analysed the issues emerging from the annual report of the World Economic Forum (WEF) and the demands raised over time by key stakeholders, including our parent company.

As a result of this first phase, **we were able to identify a number of key issues** in the environmental, social, economic and governance spheres.

Phase 2

Identification of actual and potential impacts

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

Phase 3

Assessment of impact materiality

We analysed the magnitude and likelihood of the identified impacts in order to determine their extent. The severity of an event was assessed by considering scale, scope and mitigation complexity, while the likelihood was determined based on the possibility and frequency of its occurrence.

Phase 4

Prioritising impacts for reporting purposes

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

Stakeholder mapping and classification

The ecosystem in Industry 5.0

One of the key elements of Industry 5.0 is the concept of 'ecosystem', which constitutes an evolution of Industry 4.0. **The shift from competitive to collaborative models** is crucial to meeting today's challenges.

> The complexity of business needs, the diversity of technologies adopted, and the speed of technological progress mean that **no company can act alone**

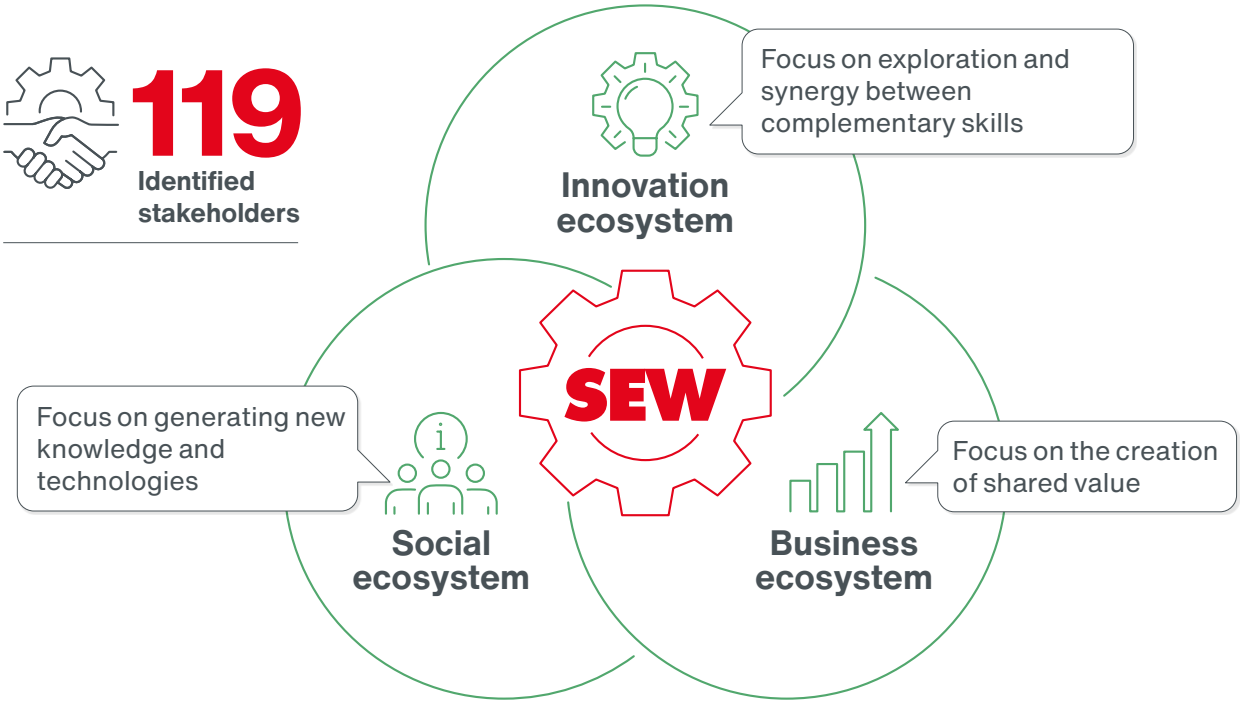
In line with this strategic vision and our Balanced ScoreCard (BSC), this year we remapped our strategic stakeholders, dividing them into **three ecosystems**:

- **Innovation ecosystem**
- **Business ecosystem**
- **Social ecosystem**

This classification enabled us to identify **119 stakeholders**, up from 98 in 2023 and 56 in 2022, confirming our ongoing commitment to strengthening stakeholder engagement.

Stakeholders and the SEW ecosystem

119
Identified stakeholders



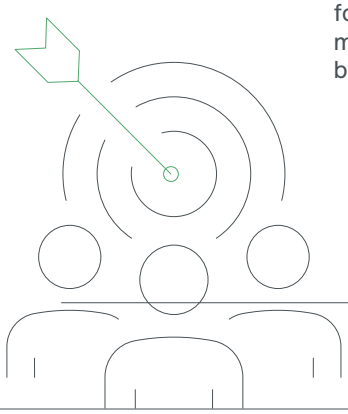
ECOSYSTEM	CATEGORY	2022	2023	2024
Innovation ecosystem	LAB Members	0	13	20
Business ecosystem	Partners	7	8	0
	Customers	24	22	24
	Top clients	0	33	31
	Suppliers	12	13	36
Social ecosystem	Owners	0	1	1
	Institutions	7	2	1
	Training organisations	4	4	6
	Associations	2	2	0
Total		**56**	**98**	**119**
Social ecosystem	Employees	0	213	216
Total with employees		**56**	**311**	**335**

The whole process of involving our stakeholders has made it possible to

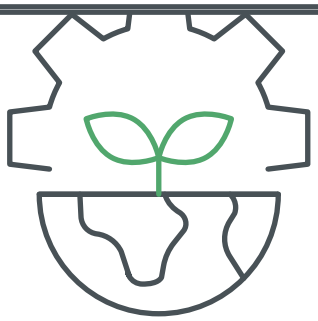
- **overcome possible barriers** (linguistic, gender, power, etc.)
- **involve any vulnerable groups** (removing social barriers to participation)
- **respect the human rights of everyone involved** (e.g. right to privacy, freedom of expression, etc.)
- **be consistent with the principles of sustainability**, avoiding unnecessary travel

In summary, **stakeholder dialogue and engagement activities** were organised throughout 2024 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
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



Below are the sustainability issues we identified and **the main impacts, both positive and negative, that may be generated on the economy, the environment and people**.
We have also highlighted the link between our material topics and their contribution 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 reduced ability to feel safe in the workplace
Enhancing skills and wellbeing	▪ Maintaining employee skills, engagement and satisfaction 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
Health and safety at work	▪ 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

Definition of the materiality threshold

The materiality threshold was determined by considering the results of internal and external analyses, based on the following procedure:

- Sorting of topics according to external impact
- Consideration of topics with an internal impact of ≥ 2
- Inclusion of topics with an average between external and internal impacts of ≥ 2.5

Through this process, **7 material topics** emerged, 6 of which had already been identified last year, leaving just 1 additional one.

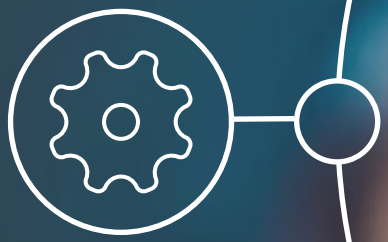
ESRS	SDGs	MATERIAL TOPIC	IMPACT		AVERAGE
			Internal	External	
S1	3 8	**Health and safety at work**	**2.30**	**2.92**	**2.61**
E1	8 13	**Fighting climate change (reduction of consumption and emissions)**	**2.55**	**2.79**	**2.67**
	8 16	Ethics and transparency in business	1.89	2.74	2.32
S1	3 8	**Skills enhancement and wellbeing**	**2.96**	**2.68**	**2.82**
	8 9	Product and process research and innovation	1.89	2.67	2.28
	3 12	Assessing the environmental and human impact of products	1.50	2.63	2.07
E5	9 12	**Increased circularity**	**2.54**	**2.57**	**2.55**
	8 10	Cost of living and social cohesion	2.23	2.55	2.39
	8 12	Sustainable supply chain assessment	2.10	2.55	2.33
G1	8 9	**Economic performance / Market presence**	**2.73**	**2.50**	**2.61**
	6 12	Resource scarcity - shortage	1.55	2.47	2.01
	4 12	Dissemination and growth of a sustainable culture	2.12	2.43	2.38
S4	9 12	**Servitization**	**2.84**	**2.39**	**2.61**
E1	11 13	**Ability to adapt to climate change**	**2.86**	**2.36**	**2.61**
	5 10	Diversity and inclusion	2.12	2.34	2.23
	15	Protecting biodiversity	1.46	2.33	1.90
	9 16	Cybersecurity	1.51	2.30	1.90
	4 9	Digital culture	2.14	2.11	2.12

Confirmed topic New topic Outgoing topic

	2022	2023	2024
	✓	✓	✓
	✓	✓	✓
	✓		
		✓	✓
	✓		
		✓	✓
		✓	✓
	✓	✓	
			✓
		✓	✓

Sustainability and governance

+ Our governance
+ Instruments of governance and control
+ Anti-corruption and Code of Ethics
+ Management systems and certifications
+ Economic value generated and distributed



→ Value chain

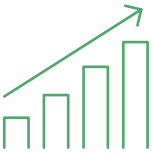

→ Governance
→ People
THE GREEN SIDE OF
→ Products/Services
→ Environment

Governance, ethics and integrity for tangible sustainability

Facing today's challenges requires a transparent and ethical organisation that looks beyond mere regulatory compliance. Sound governance is the first step in developing a sustainable corporate strategy that integrates ESG factors. This is why we have adopted a robust governance structure, a code of ethics, and control tools to ensure effective management of the company and the related risks.

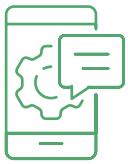
ESG material topics

The importance of this commitment also emerges from the topics determined by the materiality analysis conducted in 2024:



Economic performance/ Market presence

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

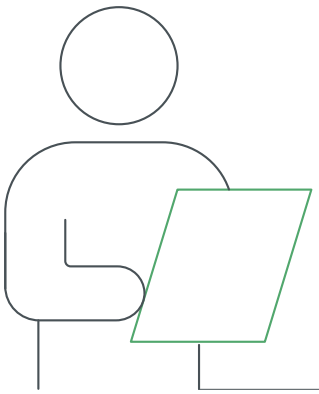


Servitization

Through servitization, SEW-Eurodrive Italia enables added-value solutions that meet customer needs, **enhancing competitiveness and business sustainability**.

100%

Attendance of the three directors at Board meetings



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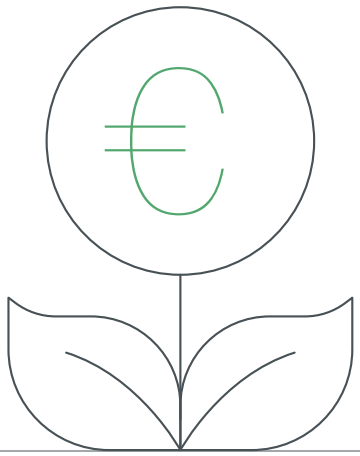
Internal audits conducted in 2024

+5.3%

Growth in economic value for employees



More than

5 million€

Investments in fixed assets

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.	**Chairman**	**Jürgen Dietmar Blickle**	▪ Executive: no ▪ Independent: yes ▪ Attendance at meetings: 100 %
	Managing Director	**Giorgio Ferrandino**	▪ Executive: yes ▪ Independent: no ▪ Attendance at meetings: 100 %
	Director	**Hans Krattenmacher**	▪ Executive: yes ▪ Independent: no ▪ Attendance at meetings: 100 %

Conflicts of interest

Giorgio Ferrandino can make decisions concerning management staff or personnel with a gross annual salary (GAS) greater than €80,000 per year (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 case of the following activities, the decision lies with the Board of Directors, and the Managing Director is required to abstain:

- For any other conflicts of interest between BoD members and stakeholders in general, the provisions of the Code of Ethics apply;
- For particularly large investments or purchases, and when issuing offers and accepting orders from customers above certain thresholds, written authorisation is required (Consent Requests or actual resolutions of the German board) which, by virtue of internal Bylaws, must be conveyed to group contact persons in the various areas (Finance, HR, Sales, etc.).

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.

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

Powers

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

Giorgio Ferrandino
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

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

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

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.

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.

Four-eyes principle
No authorisation may be signed by just one person

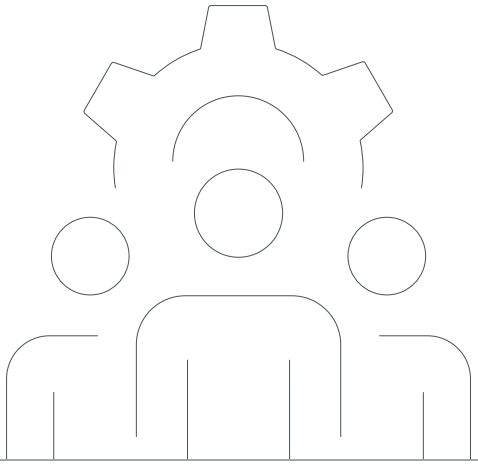
Sustainability and Core Team

The Core Team participates actively 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 Sustainability Team consists of the Core Team plus the Sustainability Manager, and is tasked with defining actions to promote corporate sustainability.

Members of the **Sustainability Team**

BODY	MEMBERS	GOAL	MEETING FREQ.
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**, possibly also through the impromptu participation of other colleagues.	Fortnightly
Sustainability Team	▪ **Core Team** ▪ **Sustainability Manager**	Defines actions to promote corporate **sustainability**.	Monthly
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

BODY	MEMBERS	GOAL	MEETING FREQ.
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 (MMT)	▪ **Managers with responsibility for one or more core departments and with teams reporting to them** ▪ **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 for 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 always followed a prudent approach to business management. For this reason, although we are not obliged to do so, in 2024 we adopted an Organisational Model pursuant to Italian Leg. Decree 231/2001, concerning the administrative liability of entities for offences committed by their representatives. This allows us to **strengthen our internal control system**, making it adequate to the complexity and risks of our business management.

In line with Model 231, a Supervisory Board (SB), made up of internal and external members, has been appointed to monitor the model's effectiveness, report any critical issues and update same in accordance with regulatory or organisational changes. The Supervisory Board is also responsible for implementing audit plans to ensure compliant and transparent corporate management.

> “Strengthen our internal control system, making it adequate to the complexity and risks of our business management”

Anti-corruption and Code of Ethics

We promote the fight against corruption in all its forms: active or passive, direct or indirect, in the public and private sector. To ensure training on anti-corruption policies and procedures, we make use of the communication channels established for reporting violations of the Code of Ethics.

At the request of the Supervisory Board (SB), we have produced an informative video illustrating the regulations introduced by Italian Leg. Decree. 231/01, the purposes of the Organisational Model, and the role and functioning of the Supervisory Board. This compulsory corporate training is a fundamental tool for spreading knowledge of Model 231.

No significant corruption-related risks emerged through the mapping of residual risk, conducted by an external consulting firm. However, medium risks were identified, mainly related to procedural improvements of the internal control system.

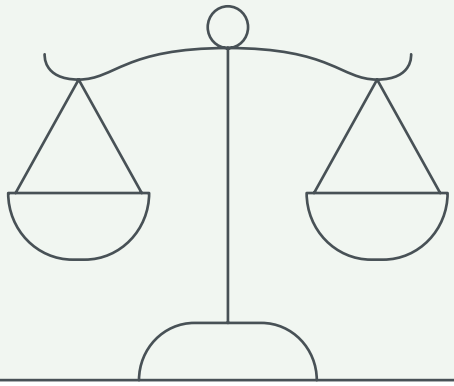
No corruption proceedings have been brought against SEW-EURODRIVE Italia or its employees.

The **Italian Code of Ethics** defines the commitments and responsibilities that guide our activities and relations with employees, customers, suppliers and the community. As an instrument of social responsibility, the Code of Ethics serves as a guide for corporate behaviour and is an essential element of the internal control system.

> “As an instrument of social responsibility, the Code of Ethics serves as a guide for corporate behaviour and is an essential element 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.

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

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.

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

Management systems and certifications

Sustainability monitoring with EcoVadis and Open-es

In 2024, we used the Ecovadis and Open-es platforms to objectively monitor our **sustainability performance along the entire value chain**. The surveys completed resulted in scores of **65/100** for Ecovadis and **83/100** for Open-es.

These results make us proud of the path we have undertaken, confirming that we are on the right track. At the same time, the corrective actions plan and the suggestions received from the platforms have given us useful insights to further improve our sustainability practices.

This year, we were awarded a **Bronze Medal** by Ecovadis, an independent platform that assesses the sustainability performance of companies based on their social, ethical and environmental impact. This acknowledgement confirms our commitment to greater transparency in reporting and the establishment of sustainable policies and procedures.

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

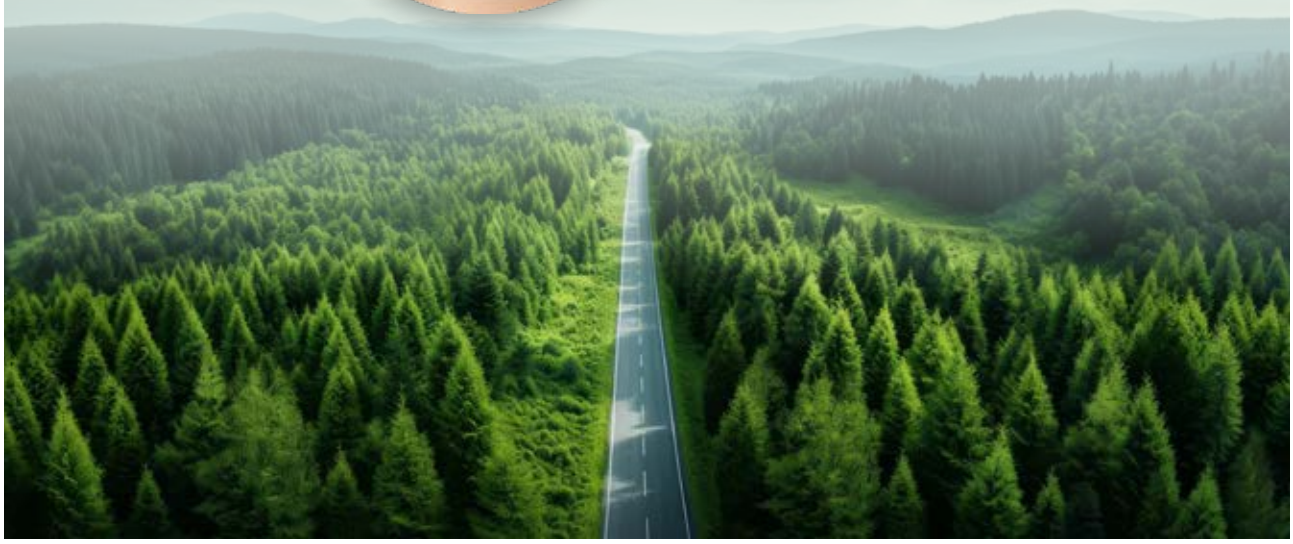
Overall score

65/100

Percentile

84th

The Ecovadis certificate is renewed annually and we are already working to gather suggestions from Ecovadis to improve our score when renewing the certificate.



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**

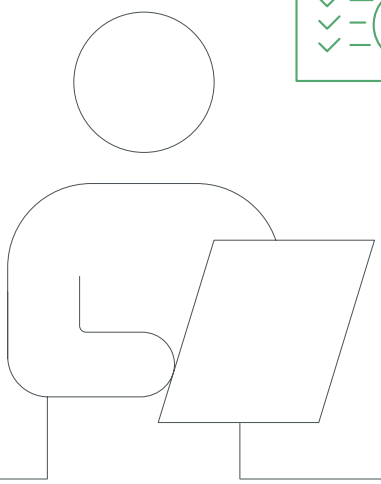
Two main areas have been defined within the Quality department:

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 (such as the new CRM4U planned for 2025), 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.

15 internal audits were conducted in 2024, and 14 are planned for 2025, ensuring timely coverage of all corporate departments.



15
internal audits
conducted
in 2024

14
expected
in 2025

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	Second-Party Audit (Parent Company)	3 years
IEC61508:2010 Functional Safety Products	Sales & Service	Second-Party Audit (Parent Company)	3 years
IEC6007919:2019 Ex Products	Sales & Service	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

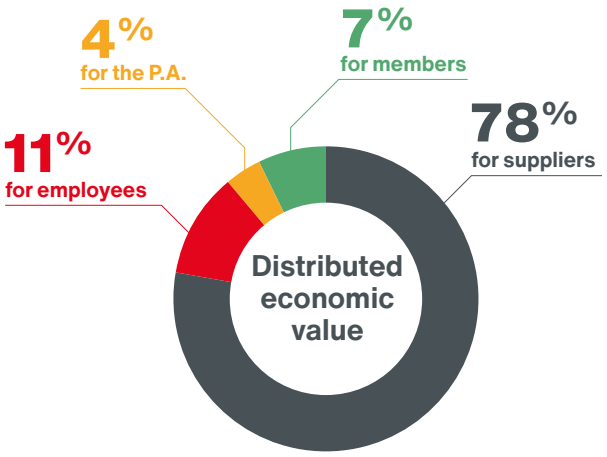
The 2024 financial statements closed with a decrease in turnover of approximately **6.4%**, which, together with a **17.5%** reduction in inventory, resulted in a significant decline in the economic value generated (**-10.6%**).
The largest contribution to this reduction is attributable to sales (**-€10.5 million**), which, particularly as regards electronic components, are suffering due, on the one hand, to the share lost to competitors in 2022/23 due to product shortages, and on the other, to excess stock in customer warehouses, which led to a drop in demand, especially during the first part of 2024.

The percentage change in sales in the two-year period 2023/24, however, is higher than the reduction suffered by the market in the reference sectors, according to the data published by ANIE - Federazione Nazionale Imprese Elettrotecniche ed Elettroniche (about -8% vs. -6.4% recorded by SEW-EURODRIVE Italia).

Also contributing to the reduction of the economic value generated is the reduction of stocks by approximately **€2 million**, which is, however, to be read as a positive factor resulting from the abnormal growth, in particular of electronic components, recorded in 2023 (almost **€6 million**), in an attempt to counteract the effect of the shortage suffered in 2022/23.

The contraction of the two aforementioned values also explains the drop in distributed economic value (**-5.7%**), the latter, however, having being supported by investments in progress, which were confirmed despite the non-positive trend in turnover. In 2024 alone, investments in fixed assets amounted to more than **€5 million**, of which approximately 4 million are attributable to the new site in Bologna (an investment of more than **€34 million**), which is scheduled for completion in the first part of 2026.

Within the aforementioned reduction, a growth in economic value for employees should also be noted (**+5.3%**), proving that the company did not implement any personnel reduction or containment policies despite a difficult market.



ECONOMIC VALUE GENERATED AND DISTRIBUTED	2022	2023	2024
A. Generated economic value	**166,448**	**171,160**	**152,989**
B. Distributed economic value	**161,257**	**162,755**	**153,544**
Economic value for suppliers	130.419	133,063	120,154
Economic value for employees	16,139	16,474	17,342
Economic value for the public administration	5,538	6,079	5,921
Economic value for shareholders	9,076	7,098	10,097
Economic value for the community	85	41	30
(A-B) Retained economic value	**5,191**	**8,405**	**-555**

Sustainability and people

- Growth starts with people
- The Team
- Recruitment and turnover process
- Training and career development
- Wellbeing of people
- Equal opportunities and remuneration
- Health and safety at work
- Communication activities
- For the territory and the community

→ Value chain


→ Governance
→ People
THE GREEN SIDE OF
→ Products/Services
→ Environment

Expressing personal potential is the basis of our corporate culture

At SEW-EURODRIVE Italia, we believe that individual talent is not enough: to offer a top-tier service, it is essential that **all departments work competently and in perfect synergy**.Our corporate culture is based on the enhancement of individual potential and social responsibility. We promote people's growth through delegation and widespread responsibility, which we regard as key elements for empowering the entire organisation. **Fuelling creativity is a challenge we're committed to mastering.**

Our goal, in line with our vision, is to create a fertile environment and a 5.0 culture that allows everyone to **express their potential**. Creating corporate culture is at the heart of our strategy and fully represents our vision.

ESG material topics

The importance of this commitment also emerges from the topics determined by the materiality analysis conducted in 2024:

Health and safety

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 zero-risk culture.

Enhancing skills

SEW-Eurodrive invests in ongoing training, with technical, managerial and cross-sectional 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

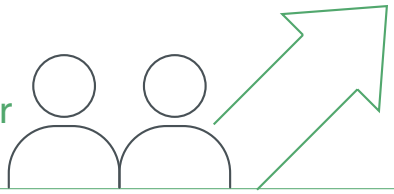
Wellbeing is promoted through concrete initiatives promoting a positive work-life balance, good health and psychological support.

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.

2.3%

Growth in the number of employees over 2023



221

Employees in 2024

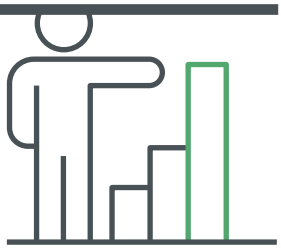
6,872

Employee training hours

100%

Employees involved in training

Growth starts with people



Being aware of the evolution of our industry, we have implemented a profound change in our business model: from a product-centred approach, we have moved to a **solutions and systems-based logic**.
For a company with over ninety years of global success — fifty-six of them in Italy — this transformation represents a significant turning point. Selling a product is radically different from offering an integrated solution.

Our goal is to evolve gradually towards an increasingly service-oriented identity, where the distinctive value no longer lies in "what" — the technology — but in "how": the **sales methods**, the **experience offered**, the **relationship built with our customers**.

That is why we wholeheartedly adopt the principles of **Industry 5.0**, i.e. putting people at the centre and basing our model on trust, sustainability and innovation.

We are building a harmonious ecosystem between technology and service, where training, inclusion and wellbeing are the pillars of collective growth and corporate resilience.

> "Our goal is to evolve gradually towards an increasingly service-oriented identity"

Engagement and trust: the foundation of everything

Our commitment is based on a management and social policy model based on **engagement** and **mutual trust** between Management, employees and staff. To reinforce this synergy, we invest in **ongoing training**, promoting a leadership style in line with our changing environment. Moreover, we adopt **corporate climate and management assessment** systems involving all workers, fostering an increasingly participative and inclusive work environment.

A strategic focus on the economic, social and environmental ecosystem

SEW-EURODRIVE Italia stands out for its approach based on the integration of economic, environmental and social sustainability into its business strategies. **Caring for people lies at the heart of the company's policies**, its philosophy being geared towards wellbeing, inclusion and individual growth.
Every action taken aims to create a working ecosystem in which balance, trust and innovation are the pillars of collective growth.

Wellbeing starts with health and safety

In the Smart Factory of Solaro, technological innovation is placed at the service of people. The introduction of AGVs (autonomous guided vehicles) has improved working conditions, reducing the physical load on operators and increasing ergonomics and productivity. However, we believe that technology alone is not enough: real progress is only achieved through people who are duly trained, engaged and valued. That is why **we continuously invest in training**, so that every employee can view innovation as an opportunity for growth.

For us, **health** and **safety** at work are fundamental principles, forming part of a broader vision of overall wellbeing. We promote an environment based on trust, listening and dialogue, ever aware that the value of a company lies in its people.

> "Once again this year we have been awarded the Great Place To Work© certification in recognition of our commitment to employee wellbeing"

In this context, we regularly take part in the **Great Place To Work©** survey, a leading corporate climate assessment tool. Once again this year we have been awarded the Great Place To Work© certification in recognition of our commitment to employee wellbeing.

Inclusion and promotion of diversity

The company attaches great importance to inclusion and diversity, promoting a working environment that respects and values every individual. Following in the wake of our significant women's empowerment process, a **Diversity & Inclusion** Policy Team has been established, within which a facilitator supports dedicated initiatives and projects.

Training programmes

Our training programmes are based on lifelong learning and generally cover three areas:

- **Soft skills**
- **Technical-specialist**
- **Quality and safety**

The training courses are delivered either by in-house staff, via a company platform, or by companies and professionals specialised in the field. Moreover, many colleagues participate in the training courses on hard and soft skills offered by the German HQ. These training sessions at the parent company's premises have a twofold aim: on the one hand, to foster professional growth, and on the other, to promote the creation of an international **network between Euro Drive managers worldwide**.

The Team

The number of employees increased **by 2.3%** over the previous year.

PROFESSIONAL CATEGORIES	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Managers	9	0	**9**	9	1	**10**	9	1	**10**
Executives	28	3	**31**	26	3	**29**	25	4	**29**
Office workers	81	46	**127**	83	47	**130**	86	46	**132**
Labourers	41	5	**46**	41	6	**47**	44	6	**50**
Total	**159**	**54**	**213**	**159**	**57**	**216**	**164**	**57**	**221**

* Employees as at 31/12

We make **very little use** of non-employees:
we only have 4 people on fixed-term contracts, 2 on internships and 7 on temporary contracts.

TYPE OF CONTRACT*	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Temporary employees	3	4	**7**	1	1	**2**	5	2	**7**
Internship staff	3	2	**5**	1	0	**1**	1	1	**2**
Total	**6**	**6**	**12**	**2**	**1**	**3**	**6**	**3**	**9**

The largest departmental area remains the **Commercial area of the Drive Centers**,
followed by Operations, located at the Solaro site.

EMPLOYEES BY DEPARTMENTAL AREA		2022			2023			2024		
		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	6	**13**	7	7	**14**	8	7	**15**
Operations		48	15	**63**	47	16	**63**	50	15	**65**
Business Management Innovation Technology		33	10	**43**	36	11	**47**	40	12	**52**
Solaro Total		**91**	**39**	**130**	**93**	**42**	**135**	**101**	**42**	**143**
Drive Centers (DC)		**68**	**15**	**83**	**66**	**15**	**81**	**63**	**15**	**78**
of which:	Milan	14	2	**16**	14	2	**16**	14	2	**16**
	Bologna	16	6	**22**	16	6	**22**	17	6	**23**
	Turin	11	2	**13**	10	2	**12**	9	2	**11**
	Verona	16	3	**19**	15	3	**18**	14	3	**17**
	Caserta	11	2	**13**	11	2	**13**	9	2	**11**
Total		**159**	**54**	**213**	**159**	**57**	**216**	**164**	**57**	**221**

* Employees as at 31/12

EMPLOYEES BY AGE GROUP*	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Up to 30	6	9	**15**	9	10	**19**	6	4	**10**
31-50	102	28	**130**	100	30	**130**	97	30	**127**
>50	51	17	**68**	50	17	**67**	61	23	**84**
Total	**159**	**54**	**213**	**159**	**57**	**216**	**164**	**57**	**221**

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

COLLABORATORS BY QUALIFICATION	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Middle school diploma	23	0	**23**	20	1	**21**	23	1	**24**
High school diploma	88	38	**126**	88	38	**126**	87	37	**124**
Bachelor's degree	13	6	**19**	13	6	**19**	13	5	**18**
Master's degree	31	10	**41**	36	12	**48**	38	14	**52**
Postgraduate diploma	4	0	**4**	2	0	**2**	3	0	**3**
Total	**159**	**54**	**213**	**159**	**57**	**216**	**164**	**57**	**221**

* 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.

CONTRACT TYPE	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Permanent employees	159	53	**212**	158	56	**214**	161	56	**217**
Temporary employees	0	1	**1**	1	1	**2**	3	1	**4**
Total employees*	**159**	**54**	**213**	**159**	**57**	**216**	**164**	**57**	**221**

* Employees as at 31/12

FULL-TIME AND PART-TIME EMPLOYEES	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Full-time	159	46	**205**	159	50	**209**	164	49	**213**
Part-time	0	8	**8**	0	7	**7**	0	8	**8**
Total	**159**	**54**	**213**	**159**	**57**	**216**	**164**	**57**	**221**

* Employees as at 31/12

Recruitment and turnover process

Our selection process involves an in-depth analysis of candidates' profiles through interviews and specific tools.
Every new recruit follows a structured onboarding process that includes:

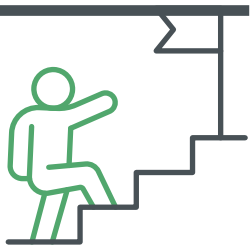
- **Induction Days**, to learn about the company's corporate culture, values and operational processes
- **Regular tutoring meetings**, to support new recruits and monitor their adaptation
- **Ongoing feedback** through tools such as 360° reviews, ensuring open, two-way communication

> The company promotes internal talent as a priority, offering opportunities for advancement before turning to the external market

The company promotes internal talent as a priority, offering opportunities for advancement before turning to the external market. Where necessary, the external selection process is carried out with a focus on people within the company, also thanks to the **SEWANTED! referral** programme, which encourages employees to refer potential candidates and rewards referrals that result in successful hirings, thus strengthening the sense of community.

To retain talent, we offer an **environment based on trust and professional growth**, **valuing aptitude and motivation**. Regular feedback and development interviews, training pathways, a system for individual and collective performance appraisal, and a compensation model aligned with market benchmarks all contribute to low company turnover, net of retirements.

Training and career development



In order to ensure that people are adequately trained and ready to face business and market challenges, we are preparing a training plan based on the training needs defined annually by each department, through a periodic evaluation of performance and professional growth. **100% of employees** participate in this competence development process.

The training plan determines the budget required to meet the needs of the departments, as well as defining standard pathways by role/professional family and supporting key strategic projects to face new challenges. We regularly offer **technical and managerial training courses**, both in-house and in cooperation with prestigious academic institutions.

Main training programmes in 2024

- **Effective Financial Education**
  Two-day course for all employees to improve personal financial management, reduce financial stress, and increase overall wellbeing
- **People Management Coursest**
  Dedicated to team leaders
- **Business Coaching**
  Aimed at middle managers, to provide tools for the growth and development of their teams
- **Machine Learning and Deep Learning**
  Dedicated training for the technical-application structure
- **Training on Italian Leg. Decree 231**
  Aimed at the entire corporate population, to illustrate the regulations of Italian Leg. Decree 231/01, the purposes of the Organisational Model, and the role of the Supervisory Board
- **Management training**
  Course launched in 2024 and continued in the first half of 2025, aimed at cultural integration, organisational development and innovation

The course methods are defined based on the type of training offered.

NO. OF TRAINING HOURS*	2022		2023		2024	
	M.	W.	M.	W.	M.	W.
Managers	1271	0	275	218	522	53
Executives	1315	163	2160	246	1349	285
Office workers	2269	773	3338	4190	2813	981
Labourers	499	24	629	352	777	92
Hours of training by gender	**5354**	**960**	**6403**	**5006**	**5461**	**1411**

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

NO. OF EMPLOYEES INVOLVED IN TRAINING*	2022		2023		2024	
	M.	W.	M.	W.	M.	W.
Managers	10	0	9	1	10	1
Executives	26	3	30	3	25	4
Office workers	82	46	86	47	88	46
Labourers	30	2	39	5	44	6
Total	**148**	**51**	**164**	**56**	**167**	**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		2024	
	M.	W.	M.	W.	M.	W.
Universal training	21,95	406	3,572	4,449	3,019	1,116
Specialist technical training	2,274	360	2,105	459	1,711	201
Health-Quality-Safety training	885	194	726	98	731	94
Total	**5,354**	**960**	**6,403**	**5,006**	**5,461**	**1,411**

TRAINING COST PER TYPE OF SKILL (€)	2022		2023		2024	
	M.	W.	M.	W.	M.	W.
Universal training	110,160	34,760	75,642	87,291	71,253	24,649
Specialist technical training	24,787	15,740	14,539	7,877	27,044	5,790
Health-Quality-Safety training	17,652	2,740	14,662	2,154	16,480	2,364
Total by gender	**152,599**	**53,240**	**104,843**	**97,322**	**114,777**	**32,803**
Total		**205,839**		**202,165**		**147,579**

The Decision Test
Employee engagement tool for significant organisational changes

For SEW-EURODRIVE Italia, the **relationship between employees and management** is crucial, especially during periods of significant change. That is why, since 2018, we have introduced the Decision Test, a structured method of **engaging employees** whenever management intends to introduce major changes in the company.

Our commitment includes an active phase of listening to the people involved, in order to better understand any consequences, fears, resistance and critical aspects that need to be considered.

The tools used to gather feedback include:

- **Focus groups**, for in-depth discussions on specific topics
- **Internal surveys**, to collect opinions on a large scale
- **A mix of both**, depending on the complexity of the project

Whenever it is appropriate to implement a significant change, a **dedicated project team** is formed whose membership is based solely on the specific expertise required by the project.

Wellbeing of people

Our corporate vision confirms that people's wellbeing lies at the heart of our social policies.

At the **Smart Factory of Solaro**, advanced automation relieves the burden of repetitive tasks, improving ergonomics at every workstation.

Smart AGVs perform a dual function: they transport semi-finished products and serve as a dynamic workbench. Each AGV self-adjusts based on the assembly task and the operator's physical characteristics, improving both productivity and working conditions.

Corporate welfare and quality of life

Welfare also means providing a **corporate welfare package that offers efficient social services**, income support solutions, and a work-life balance. Private companies play a complementary role alongside public policies, contributing to:

- Strengthening relations between companies, employees, local authorities and institutions
- Supporting household income with high added-value services

With this in mind, we have developed the **SEWelfare** plan, which offers services in three key areas:

- **Work-life balance and time/money savings**
- **Health protection**
- **Family support**

SEWellness project: wellbeing in the workplace

We are aware of how much lifestyle affects our personal wellbeing and how daily routines make it difficult to maintain healthy habits. As a result, in 2023 we launched the SEWellness project, an initiative aimed at **improving quality of life through specific activities**.

The project includes two weekly training sessions for all our colleagues in Solaro, focusing on posture and on stretching, strengthening and toning muscle, so as to promote movement and physical wellbeing directly in the workplace. **The programme continues to be pursued with great success**, confirming SEW-EURODRIVE Italia's commitment to concretely supporting the wellbeing of its people.

> "The SEWellness project provides two weekly training sessions for all colleagues at Solaro"

Psychological support service

An employee psychological support service has been active for years, offering a **safe and confidential space managed by external professionals**. It is available to employees who feel the need for support in managing the challenges of achieving a good work-life balance, providing concrete help to colleagues experiencing difficulties.

Wellbeing in sales offices and dedicated initiatives

For our sales offices in Italy, we have teamed up with a partner that offers access to an **online workout platform**, to sports centres, and to affiliated wellness studios across Italy. In addition, it is also possible to arrange a **meeting with a nutritionist** for a customised diet plan.

Lady Care: a special focus on female wellbeing

In 2024, we launched Lady Care, a SEWelfare service dedicated exclusively to female colleagues, with the aim of concretely supporting women's welfare. Every colleague is provided with a monthly supply of **feminine hygienic products**, easily accessible in the women's toilets at all our sites in Italy. We believe that such gestures can make a difference, and this initiative is a further step towards building an inclusive, caring working environment for all.

Healthy break: fresh fruit for all employees

Another popular initiative relates to healthy eating: every week we offer **fresh seasonal fruit** at all our sites, thus promoting healthier eating during work breaks.

EMPLOYEE BENEFITS	2022				2023				2024			
	ATI	ATD	FT	PT	ATI	ATD	FT	PT	ATI	ATD	FT	PT
Hourly flexibility	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Supplementary health care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Willingness to grant part-time	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Extension of paternity leave	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Supplementary pension	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Filling in form 730	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Scholarships for children of employees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Time-saving services (laundry, mail, car maintenance/washing, parcels on site)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Credit on top on welfare portal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Listening desk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pink parking spaces for pregnant colleagues	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paid leave for medical examinations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Covid-19 services	✓	✓	✓	✓								
Company internships for children of employees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate conventions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Loans to employees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Restaurant ticket	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sports services					✓	✓	✓	✓	✓	✓	✓	✓
Feminine hygiene products*									✓	✓	✓	✓

ATI: Permanent **ATD**: Fixed-term **FT**: Full-time **PT**: Part-time

* Specific initiatives for women, such as the 'Lady Care' project through which free feminine hygiene products are provided to female colleagues.

Equal opportunities and remuneration

We are committed to equal opportunities through:

- programmes to **increase the representation of women** — despite the 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
- **wage equity policies** based on regular monitoring and on merit-based criteria, to ensure transparency and equal treatment
- the appointment of a D&I **facilitator**

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

RATIO OF FIXED GROSS ANNUAL SALARY (GAS) BETWEEN WOMEN AND MEN BY CATEGORY	2022	2023	2024
	W./M.	W./M.	W./M.
Executives	0.92	0.93	0.92
Office workers			
B1	0.91	0.85	0.83
B2	0.84	0.84	0.86
B3	0.83	0.78	0.81
C2	-	-	-
C3	0.90	0.89	0.82
Labourers			
C1	0.98	0.96	0.96
C2	0.93	0.88	0.90

RATIO OF VARIABLE PAY* BETWEEN WOMEN AND MEN BY CATEGORY	2022	2023	2024
	W./M.	W./M.	W./M.
Executives	1.06	1.17	0.84
Office workers			
B1	0.81	0.82	0.78
B2	0.84	0.79	0.71
B3	0.76	0.74	0.78
C2	1.07	-	-
C3	0.89	1.07	0.76
Labourers			
C1	0.54	0.60	-
C2	0.45	0.91	1.08

* 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, particularly among blue-collar workers, in which category five people were hired in 2022.

REMOTE WORKING	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Number of employees who remote worked	109	50	**159**	106	49	**155**	91	49	**140**
% who used remote working out of the total	68%	93%		67%	86%		55%	86%	**63%**
% employees who used remote working out of the total number of eligible employees	-	-	**-**	91%	98%	**93%**	76%	96%	**82%**
Total days remote worked	4,310	3,120	**7,430**	4,043	3,253	**7,296**	5,717	2,838	**8,555**
% of days remote worked out of the total days worked	13%	33%		38%	68%		30%	30%	**30%**

PARENTAL LEAVE	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
No. of employees entitled to leave	6	5	**11**	9	5	**14**	7	7	**14**
No. of employees who took leave	6	5	**11**	9	5	**14**	7	7	**14**
No. of employees who returned to work after leave	6	5	**11**	9	5	**14**	7	7	**14**
No. of employees who returned to work after leave and who were still employed by the organisation for the 12 months following their return	6	5	**11**	9	5	**14**	6	7	**13**
Return rate	100%	100%	**100%**	100%	100%	**100%**	100%	100%	**100%**
Retention rate	100%	100%	**100%**	100%	100%	**100%**	67%	100%	**93%**

NUMBER OF EMPLOYEES WITH DISABILITIES	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Managers	-	-	**0**	-	-	**0**	-	-	**0**
Executives	-	-	**0**	-	-	**0**	-	-	**0**
Office workers	4	6	**10**	2	6	**8**	3	6	**9**
Labourers	1	0	**1**	1	-	**1**	2	-	**2**
Total	**5**	**6**	**11**	**3**	**6**	**9**	**5**	**6**	**11**

Health and safety at work

EMPLOYEE ACCIDENTS	2022			2023			2024		
	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**	1	0	**1**	2	0	**2**
No. of accidents with serious consequences*	0	0	**0**	0	0	**0**	0	0	**0**
Total hours worked	262,578	75,478	**338,056**	271,502	85,711	**357,213**	269,600	87,946	**357,546**
Rate of occupational accidents with serious consequences	0	0	**0**	0	0	**0**	0	0	**0**
Rate of recordable work accidents	0.38	0.0	**0.31**	0.37	0.0	**0.28**	0.74	0	**0.56**

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

HEALTH SURVEILLANCE	2022			2023			2024		
	M.	W.	Tot.	M.	W.	Tot.	M.	W.	Tot.
Examinations carried out	111	35	**146**	102	25	**127**	129	45	**174**
Fitness for work (out of total examinations)	63	10	**73**	58	9	**67**	68	12	**80**
Fitness with prescriptions and limitations (out of total examinations)	48	24	**72**	44	15	**59**	61	33	**64**
Temporary unfitness (out of total examinations)	0	1	**1**	0	1	**1**	0	0	**0**
No. of reported occupational diseases	0	0	**0**	0	0	**0**	0	0	**0**

Health and safety: an ongoing commitment

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 **528**, and no commuting accidents occurred.

For us, the health and safety of people is not just an indicator; it is the only acceptable way of working.
The Health and Safety department is tasked with supporting business growth while minimising risks.

CORE PRINCIPLES OF ACHIEVING OPERATIONAL EXCELLENCE

- Safety starts first and foremost with the behaviour of workers.
- Everyone is involved, no one excluded.
- Zero risk does not exist.
- Zero injuries is a common goal, to be pursued every day and under every condition.

Occupational health and safety management system (OHSMS)

We have implemented an Occupational Health and Safety Management System (OHSMS) to **control**, **monitor**, **assess** and **improve** all aspects of health and safety on an ongoing basis. Our model is based on compliance with regulatory requirements, in particular Italian Leg. Decree 81/08 and current regulations. Process standardisation and continuous improvement are integral elements of the system.

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**

Each pillar includes several requirements, assessed by the **Health and Safety Service** through checklists and scores that measure the degree of maturity of the OHSMS. The corporate goal is to raise the implementation level each year, in the pursuit of a long-term programme to achieve full implementation of the **8 pillars** and the **40 requirements under examination**.

> We believe in the importance of ongoing training, also in terms of health and safety

1. Commitment of Senior Management

All managers work on implementing best practices in health and safety.

Purpose: to ensure that safety is part of the company's priorities, with visible commitment and investment.

How we operate:

- Review of performance and safety-related events
- Assignment of responsibilities
- Discussion of procedures and regulations, and their enforcement
- Analysis of anomalies, search for continuous improvement solutions

2. Risk recognition

Purpose: hazard identification, risk assessment and accident investigation

Reporting of critical issues and improvement proposals to reduce risks are key elements for success in this area. Risks are assessed by the **Health and Safety Manager**, in cooperation with the **Employer, supervisors and workers**.

The assessment method involves the application of the formula **R = P × D (Risk = Probability × Damage)** for each risk identified in the workplace, whether generic or specific. Data is collected directly in the field, with the support of external consultants and technicians, analysing in detail all operational phases, the equipment used, and the products employed.

A key contribution comes from the **Medical Officer**, who provides information gathered during health surveillance examinations and inspections.

The risk assessment results in an improvement plan known as the **CAPA Plan** (Corrective Action, Preventive Action), which defines specific actions, timeframes, responsibilities and priorities for action.

3. Equipment, working tools, plant checks

Within this technical pillar are risk assessments, technical reports and field audits to ensure safety in various operational areas, including:

- Working at height
- Management of flammable substances
- Industrial handling equipment
- Prevention of trips and falls

These activities are key to identifying and mitigating risks, thus improving safety in the workplace.

4. Ongoing training

We believe in the importance of ongoing training, also in terms of health and safety. Job-specific skills development and general compulsory training are fundamental elements of our system, enabling workers to **acquire and demonstrate the skills inherent in their roles**.

Training and, where applicable, specific coaching takes place when:

- **the employment relationship is established** or the assignment commences in the case of temporary staff
- **duties are transferred or changed**
- **new equipment, technologies or hazardous substances are introduced**

TRAINING MASTERPLAN MANAGEMENT

The safety and health training programme is managed by the HR and HSQ departments, and follows these macro-phases:

- Analysing training needs (certificate deadlines, regulatory requirements, tasks)
- Gathering individual needs based on job risks
- Defining and approving the training budget
- Selecting and involving accredited external training schools
- Planning interventions on an annual basis
- Passing tests and issuing certificates

The courses are split into **mandatory** (State-Regions Agreement) and **specific** (task-related) units.

2024 TRAINING INDICATORS

105 Workers trained and involved in at least one training module

898 Hours of training delivered both as e-learning and in-presence

17 Different training modules

35 Managed classes, some with only one participant

5. Prevention and mitigation of health and safety impacts for technical operations carried out under contract

It is essential that companies operate in a manner consistent with our **Environment, Health and Safety Policies and Procedures**. For this purpose, we have developed a specific safety procedure for the management of contracting companies, in accordance with Title IV of Italian Leg. Decree no. 81/08.

As the contracting entity, we verify the professional qualifications and compliance with safety regulations of suppliers and contractors by collecting supporting documentation, including:

- Absence of prohibitory measures
- Self-certification of professional eligibility
- Contribution regularity
- Employment contracts
- Education and training certificates

A **DUVRI** (documento unico di valutazione dei rischi interferenti: combined risk-recognition and interference assessment report) is drawn up for each supplier, containing information on the company's own risks and any risks introduced by the supplier.

The **Health and Safety Service**, with the support of specialised external consultancy firms, assesses the conformity of the documentation received and only approves the supplier's intervention in the event of a positive outcome of these checks.

6. Incident analysis and investigation of causes

Reporting is widely used in companies as a tool to detect anomalies and critical conditions, thereby preventing accidents and emergencies. Risk and hazard reports are sent to the Health and Safety Manager, who analyses the event and classifies it by type.

In the event of an injury or near miss, the first step is to talk to the person involved. If this is not possible, the testimonies of the personnel present are collected and the direct interview is postponed until the person involved returns to the company.

> "Reporting is widely used in companies as a tool to detect anomalies and critical conditions"

ROOT CAUSE ANALYSIS AND EVENT MANAGEMENT

We use a **Root Cause Investigation** model, which examines key information to guide the analysis of the event:

- Circumstances leading up to the event
- Interviews with people involved
- Mode of occurrence
- Triggering factors
- Analysis of apparent cause
- For complex and serious events: root cause analysis
- Definition of corrective and preventive actions

CLASSIFICATION OF ADVERSE EVENTS (SAFETY PYRAMID)

- Accident (broken down by days of absence)
- Fire/Explosion
- Medication (surgery without days off and non-hospitalised)
- Near miss
- Unsafe action
- Unsafe condition

This methodology allows us to take targeted actions to improve safety and reduce the risk of future events.

Event management

In the case of an event related to the health and safety of workers (non-conformity), we intervene with the following operational flow:

PHASE	PURPOSE
Urgent intervention according to event severity	Securing the person in the event of an accident or illness
Verification	Impact, damage, circumstances of the accident
Description of facts, cause analysis	Collecting key information (5W+1H method, 5 whys, fishbone diagrams)
Countermeasure	Technical-managerial-organisational corrective action (e.g. on employee training to correct any training gaps of personnel involved in the event, to eliminate further incidents of the same nature)
Verification	Effectiveness of the countermeasure, preventive and corrective action

7. Emergency preparedness plan

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

Equipment, facilities and professionals appropriately trained to handle emergency management are immediately defined and made available to ensure timely and effective intervention.

To ensure proper application of the procedures, **simulations** and **exercises** are regularly conducted, aimed at testing the ability to respond to specific emergency scenarios and at improving operational readiness.

8. Risk recognition

Prevention is based on **observing unsafe conditions** and on reporting anomalies. To support the safety pyramid, events without direct consequences — such as unsafe conditions, unsafe actions, and near misses — are also reported, as they help eliminate the likelihood of accidents.

FIELD SERVICE INTERVENTIONS

External interventions at customers' facilities, both nationally and internationally, follow a standardised workflow to ensure the protection of off-site workers. Safety is ensured through a **pre-assessment of the intervention** and through document verification during the planning phase.

All technical consultants and service operators undergo ongoing training updates, including:

- **PES (Qualified Person) and PAV (Informed Person)**
- **Working at height and use of EWPs (Elevated Work Platforms)**
- **Management of Personal Protective Equipment (PPE)**
- **Forklift driving**

These training courses not only strengthen technical skills, but also contribute to minimising risks, thus preserving the health and safety of personnel.

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

OCCUPATIONAL HEALTH SERVICES

In accordance with current legislation, health surveillance is entrusted to an **external Medical Officer**, who collaborates with the **Health and Safety Service** on various aspects, including:

- **Review of the Risk Assessment Document (DVR) and its new versions**
- **Significant changes in production processes, company organisation, and working methods with an impact on risk**
- **Evidence gathered from workplace inspections**
- **Participation in regular safety meetings**
- **Identification and definition of risk profiles according to the task**

A **company health protocol** has been drawn up in cooperation with the Medical Officer. Based on the tasks indicated in the DVR, an examination plan has been structured, which establishes the health checks (preventive and periodic) required to protect the health of workers exposed to specific risks, including clinical examinations, diagnostic investigations and targeted specialist examinations.

Communication activities

Internal communication

The primary objective of internal communication is to engage all employees, creating **connections between people**, departments and processes so as to **generate added value**. Our approach is based on a communicative style that **values human relations** and the **sharing of experiences** through increasingly participative, two-way communication.

Internal communication is the responsibility of the HR department. It is sometimes managed by individual departments, and sometimes with the support of the marketing team, through dedicated tools and moments.

Internal communication tools:

- **Digital signage**
  Monitors installed in refreshment and break areas that broadcast updates on events, Corporate Social Responsibility initiatives, activities with strategic customers, economic and energy consumption data, and innovation projects
- **DriveNet**
  The group's intranet, which hosts organisational charts, internal communications, performance indicators, and corporate tools for document management, business and administrative monitoring and e-learning training
- **Email communication**
  Brief updates and charts on sustainability issues and corporate initiatives, sent by the sustainability team on a bi-weekly basis
- **Launch of new products and services**
  Targeted communications at each introduction into the market
- **Media updates**
  Periodic reports on the presence of articles in trade and generalist media
- **Webinars**
  Online sessions open to customers and employees
- **Newscenter**
  Updates from our parent company on international projects and products

Internal newsletters and presentations

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

External communication

A company must dialogue with all its stakeholders through appropriate tools and strategies. External communication through listening and interaction channels contributes to **improving the perception of the quality of our products and services**, defining brand values and creating content that attracts a variety of stakeholders, including:

- **Client companies**
- **Suppliers and business partners**
- **Institutions, associations and bodies**
- **Foundations, schools and universities**
- **People seeking employment**
- **Banking bodies and investors**

External communication also supports the social, cultural and economic development of the brand by collecting feedback to **monitor the needs and expectations of the target audience**.

The brand image is polished through a variety of strategic communication tools, including:

- **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**

The role of Marketing in external communication

The Marketing department is responsible for external communication and interaction with stakeholders. Its activities focus on creating a clear value proposition aimed at building a consistent and effective **brand image**. It develops plans and strategies to **promote products and services**, defining messages and actions to be taken through various communication channels (advertising, PR, social media, website, events, etc.). It is also responsible for creating and maintaining **long-lasting relationships with customers**, through loyalty activities, feedback management and customer care. It measures **the effectiveness of marketing initiatives** through key performance indicators (KPIs) such as sales, web traffic, social media engagement and other metrics. In addition, it **analyses the return on investment (ROI) of campaigns**, ensuring the best results are achieved. It is committed to staying **constantly up to date on industry developments** and emerging technologies, with a continuous focus on innovation.

Marketing supports the Sustainability team in communicating the **sustainability report**, taking care of both the printed and digital/web versions.

The Marketing Plan

Every year we draw up a Marketing Plan to **define the positioning of the brand** in the industrial, social, environmental and territorial context in which we operate. This plan contributes to corporate growth and the achievement of social and cultural sustainability goals, in coordination with corporate strategy.

Through a targeted content strategy, the Marketing department presides over all corporate communication channels, facilitating **interaction between internal departments and external stakeholders**. Brand positioning indicators are updated annually and include:

- **Lead Generation targets**
- **Types and volumes of content to be produced**
- **Dissemination and communication strategy**

The Marketing department defines the topics and content to be shared, based on input from our Parent Company and aligned with the editorial plans of the company blog and relevant media outlets. This makes it possible to programme:

- **The schedule of posts for social networks**
- **The production of graphic content (graphic cards, sliders)**
- **The publication of press releases and articles for dissemination through various channels**

LEAD MANAGEMENT AND MARKETING AUTOMATION

The Marketing department oversees the entire lead management process, from generating qualified contacts to nurturing and monitoring business results. To do so, it uses:

- **A Marketing Automation platform for tracking and analysing data**
- **Tools integrated into the corporate CRM system, optimising the management and monitoring of customer relations**

> “The Marketing department focuses on creating a clear value proposition aimed at building a consistent and effective brand image”

For the territory and the community

Industrial Innovation Lab: an ecosystem for innovation

In collaboration with the **LUM School of Management**, we have set up our **Industrial Innovation Lab (IIL)**, a cultural workshop created to support the transformation of small and medium-sized Italian companies into agile, innovative and sustainable organisations.

The Industrial Innovation Lab is a free initiative that aims to build a community with our stakeholders. It is open to:

- **Entrepreneurs**
- **Managing Directors and General Managers**
- **Department and HR managers of SMEs**
- **Lecturers, researchers and social players** who are particularly sensitive to the topics handled by the workshop

> The Industrial Innovation Lab is a free initiative that aims to build a community with our stakeholders

The four key development areas of the Industrial Innovation Lab are:

- **People**
  Core skills and values for a dynamic and responsible business ecosystem
- **Technologies**
  Technological innovation as a lever for cultural, organisational and production renewal, as well as for the development of new skills
- **Sustainability**
  Responsibility towards the environment, energy resources and the social context in which the laboratory operates
- **Business and Management Models**
  Adoption of innovative solutions to meet the challenges of change and ensure the company's economic sustainability

As of December 2024, the Lab had **23 member companies**, confirming the network's growth and the positive impact of the initiative.

SEW-EURODRIVE Italia's collaboration ecosystem

One of our long-term goals is to create a collaborative ecosystem focused on **Knowledge**, **Innovation** and **Business**. In line with our corporate vision, this ecosystem aims to **foster innovation and research** through strategic partnerships that support manufacturing companies in their digital transformation and in the adoption of Open Innovation for the development of advanced industrial automation software.

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.

2024 RESEARCH PROJECT: AI FOR PREDICTIVE ANALYSIS

In 2024, we embarked on an initial research project with an academic partner, based on the **use of Artificial Intelligence tools**. The project involves the development of an advanced software solution to improve predictive analysis on the state of wear and tear and degradation of electromechanical components installed on our customers' machinery. The aim is to **reduce the risk of sudden plant shutdowns** and consequent production losses, thus ensuring greater efficiency and operational reliability.

> “In line with our corporate vision, this ecosystem aims to promote innovation and research”

Act locally: a global vision to generate local value

COMMITMENT TO A MORE EQUITABLE AND INCLUSIVE SOCIO-ECONOMIC ENVIRONMENT

In line with our goal of building a fairer and more inclusive socio-economic context, we support **Fondo Seconda Stella - Mai più sola**, funded by Fondazione Comunitaria Nord Milano, and the **Antiviolence Centres** of Rho and Bollate forming part of the HARA - RICOMINCIO DA ME Network. These projects aim to:

- **Manage listening desks for female victims of violence**
- **Support pathways to autonomy**
- **Offer hospitality in shelters**
- **Promote guidance and training paths for job placement purposes**
- **Develop projects alongside companies to foster cultural change**

We have also held **awareness-raising meetings** open to the entire corporate population, with the aim of making them understand the importance of recognising signs of violence and intervening promptly, as well as offering food for thought on cultural aspects, in particular language-based stereotypes, that support and fuel forms of gender-based violence.
The series of meetings concluded with the exhibition — hosted at the Solaro facilities — entitled **"It happens".** Curated by photographer Emanuela Colombo, the show was dedicated to the theme of reconstructing self-perception and self-image in female victims of violence.

Training ecosystem

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 have also launched the **Drive Academy 2.0** project, with the aim of **disseminating knowledge** at all levels, both internally and externally.

THE LEAN SMART FACTORY IN SOLARO: TRAINING AND INNOVATION

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 5.0 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.

COOPERATION WITH UNIVERSITIES AND BUSINESS SCHOOLS

We partner with leading universities and business schools, including:

- **Master of Science in Innovation and Technology Management** organised by the Università Cattolica del Sacro Cuore in Milan
- **Global Executive Master in Operations and Supply Chain Management** of the MIP Politecnico di Milano - Graduate School of Business

Through these agreements, **we share knowledge and know-how**, helping to train professionals capable of meeting the challenges of industrial transformation. We are currently reviewing our agreement with MIP for the Gemos Master, which ended in October 2024.

PROMOTING EDUCATION AND INCLUSION IN STEM

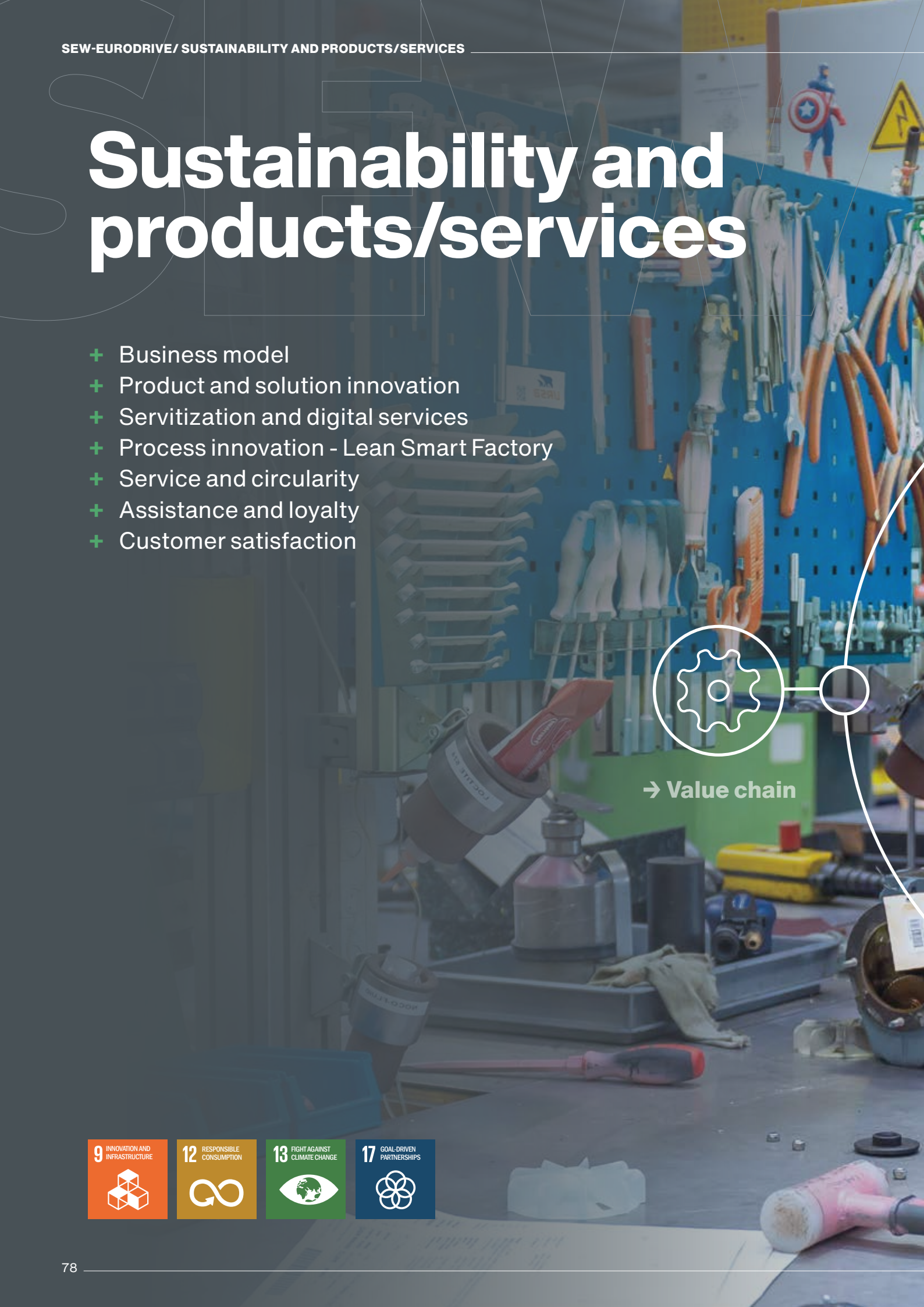
We support the **Girls Code it Better** project, which aims to overcome cultural gender biases and introduce girls to STEM (Science, Technology, Engineering and Mathematics) subjects. The programme involves forming clubs of female students, supported by coach-teachers and coach-makers, over a period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

We have also established a collaboration with the **L. Pirandello Middle School**, **Comuni Insieme**, **the local government, and the Informagiovani/ Informafamiglie Hub** of the Municipality of Solaro for an innovative school guidance project. We have welcomed the older students from Solaro's middle school, offering them the opportunity to **get a closer look at the world of work and the local industrial fabric**.

> “The Girls Code it Better project aims to overcome cultural gender biases and to introduce girls to STEM subjects”

Sustainability and products/services

- Business model
- Product and solution innovation
- Servitization and digital services
- Process innovation - Lean Smart Factory
- Service and circularity
- Assistance and loyalty
- Customer satisfaction



→ Value chain


→ Governance
→ People
THE GREEN SIDE OF
→ Products/Services
→ Environment

A business consistent with technological innovation and sustainability

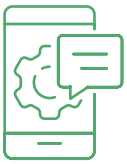
Technology and progress have profoundly transformed business models, gradually making them lose contact with nature and build an anthropocentric paradigm. However, in the current market scenario, this model is no longer environmentally or economically sustainable.

Adopting a sustainable strategy is now a necessity for any business that seeks to secure a solid future by striking a balance between profitability, environmental protection, social welfare and forward-looking governance.

The technological innovation of our industrial automation solutions helps to spread sustainability, not only within the company but also among our customers. Our business model responds concretely to new market requirements, intercepting the needs of end users, which in turn influence the technological choices of industrial machine manufacturers.

ESG material topics

The importance of this commitment also emerges from the topics determined by the materiality analysis conducted in 2024:

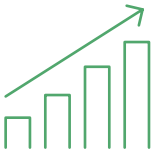


Servitization

Servitization is a natural evolution of our traditional business model. Our approach goes beyond simply supplying products and systems: we offer integrated services and tailor-made solutions, with **the aim of creating concrete added value for every customer**.

Increased circularity

Increasing circularity reduces environmental impact and enhances the 9R approach to resources, **contributing to a more sustainable industrial model**.



Economic performance/ Market presence

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

Towards a more sustainable production ecosystem

The advent of digitisation and the evolution towards a more **human-centric** industrial ecosystem have rapidly transformed the manufacturing world. The focus has shifted towards innovative integrated systems, which require a complete re-design of production processes and a circular approach focusing on waste reduction and material upcycling.

The Smart Factory: smart, green and digital.

Our Smart Factory embodies these principles, optimising the entire production process to:

- Reduce energy consumption
- Shorten return on investment for end users
- Implement predictive maintenance strategies to extend the life of components

The ESG approach translates into tangible benefits:

ENVIRONMENTAL
Improved production efficiency, lower resource consumption

SOCIAL
Greater employment in rewarding, less risky activities

GOVERNANCE
Reduced running costs and greater sustainability in the long term

Business model

Technological competence and innovation in automation

Being **specialists in drive technology** is a competitive advantage for SEW-EURODRIVE.

With our extensive product portfolio, we offer customised solutions for every need, designing user- and application-specific drive systems.

Our offer includes:

- **Standard gearmotors**
- **Industrial gear units with decentralised technology**
- **Servo and control technology**
- **Motion control solutions**

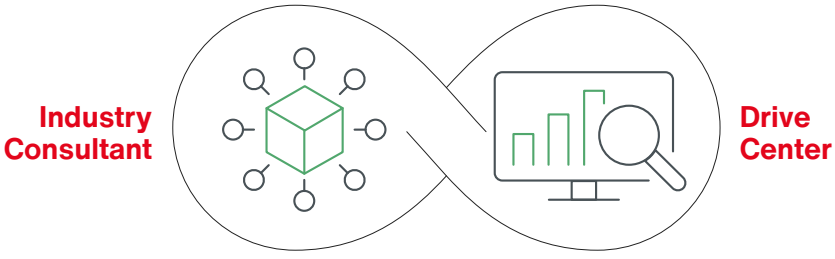
Our solutions can adapt to different industrial sectors, and can be integrated into processes, plant and machinery. With our **modular and flexible** approach, we meet customer requirements precisely, guaranteeing functional security and customised software connection for every interface.

> “Our solutions can adapt to different industrial sectors, and can be integrated into processes, plant and machinery”

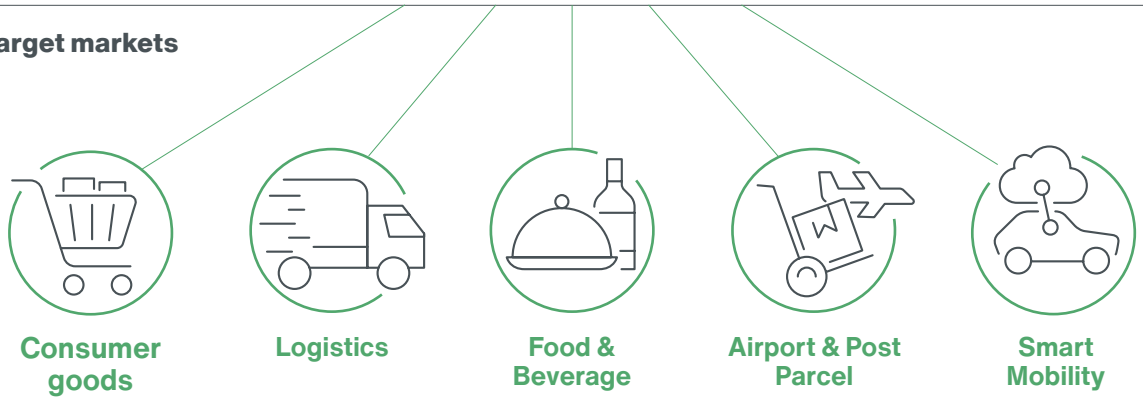
Strategic support and industrial consulting

Our team of **Industry Consultants**, dedicated to our strategic markets, 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






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 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**.

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

Product and solution innovation

Product Carbon Footprint

What CO_2 emissions does a SEW-EURODRIVE drive solution generate?

Due to the modular nature of our product portfolio, there is no one single answer regarding the environmental footprint of our drives, as each solution is tailored to the customer's specific needs. However, in order to accurately estimate the emissions of every solution, the departments at our German headquarters are working to provide the most complete and up-to-date calculation of PCF.

The general conditions and calculation methods for PCF are defined in ISO 14067, while DIN EN 50598-3 stipulates further specific requirements for drive technology.

Carbon footprint calculations for some of the most common and widely used product lines have already been made available, gathering valuable data on the main factors influencing the CO_2 emissions of our products. What emerges clearly is that **the greatest impact on PCF comes from customer use of the product**. According to DIN EN 50598-3, in the case of motors and frequency inverters, more than 90% of product-related emissions are generated during use.

Since our products have a long service life, their impact on total CO_2 emissions is significant. For this reason, **energy efficiency continues to be a priority in the development of our solutions**.

Carbon accounting and emission reduction opportunities

Through carbon accounting, we have identified several opportunities to reduce CO_2 emissions within the boundaries of the 'cradle-to-gate' system, i.e. at the material procurement and product manufacturing stages. This approach allows us to improve the carbon footprint of our products, mainly through **the integration of components and materials used in a closed loop system**.

Right from the development phase, our parent company pays special attention to the concepts of **circular economy** and **environmental sustainability**.

Read the Headquarters' Sustainability Report

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**
- **Material Handling** within production sites

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

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

Energy Efficiency and Lean Production

Energy optimisation is complemented by the redesign of logistic-production flows according to Lean Production principles. A significant example of a Power Energy Solution is the stacker crane system used in our automated warehouses, which makes it possible to:

- **Reduce** power peaks and energy absorbed from the main grid
- **Recover** regenerative energy from electric motors, for example during braking, thus reducing energy demand from the grid

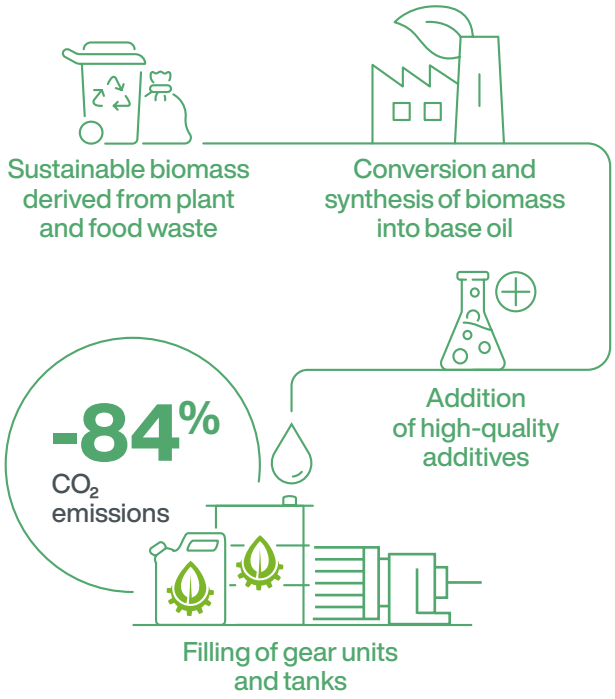
GearFluid, oil from sustainable biomass

GearFluid is an innovative and sustainable lubricant, developed as an alternative to fossil-based products. Produced through an advanced process, GearFluid **reduces CO_2 emissions by 84%** compared to conventional lubricants.

Main features of GearFluid:

- **Sustainable raw material**
  Obtained from biomass derived from plant and food waste
- **High quality**
  Advanced synthesis process guaranteeing high performance
- **Increased durability**
  Lasts 50 % longer than conventional oils, reducing maintenance frequency
- **Certified biodegradability**
  Conforms to the OECD 301B standard, making it suitable for use in sensitive environmental areas
- **Superior efficiency**
  Compared to conventional bio-oils, it extends the lubricant change interval by up to 300 %

GearFluid represents a step forward in sustainable lubrication, offering environmental and economic benefits for companies wishing to reduce their environmental impact without compromising performance.



ECO2 design, unpainted gearmotors

ECO2 Design eliminates the need for painting aluminium housings, significantly reducing energy consumption and the use of raw materials that are difficult to dispose of, such as paints and solvents. This approach not only leads to energy savings, but also improves end-of-life management of the product: **unpainted components can be reused or recycled more easily, resulting in a lower environmental impact**.

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.

The aim is to further expand the range of products available in the ECO2 version and to report on the CO_2 savings achieved compared to conventional paints, thus promoting more environmentally friendly and sustainable production.

Repair programme

We have implemented an innovative circular economy repair programme (called Up-to-Next), focused on reducing the use of raw materials and CO_2 emissions from the disposal of malfunctioning products and the production of new gearmotors.

Main advantages of Up-to-Next:

- **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

This solution allows companies to optimise their resources, thereby reducing costs and environmental impacts without compromising on operational reliability.

Why is our modular system so sustainable?

PxG® as an example of the circularity of SEW products

The modular concept behind our products is one of the key elements of their success and contributes significantly to their sustainability. Although this principle applies to many of our products, a particularly representative example is the new PxG® planetary servo gear unit, which perfectly embodies the logic of circularity.

Sustainability of the PxG® servo gear unit

- **Optimisation of components**
  The design is based on creating as many variants as possible from as few individual parts as possible
- **Smart reuse**
  The same gear assembly can be used in different configurations—for example, as the final stage in one gear unit size and as the preliminary stage in the next size up.
  This approach optimises production and reduces waste of resources
- **Efficient production**
  Through modularity, we can scale the production of specific components, improving efficiency and reducing environmental impact
- **Digital twin**
  Virtual product simulation has made the need to build physical prototypes for parameter validation obsolete, further improving the use of resources and reducing waste

The approach taken with PxG® demonstrates our commitment to sustainable production, combining technological innovation and resource optimisation.

Servitization and digital services

Servitization: a new business model

For SEW-EURODRIVE Italia, servitization is an evolution of the traditional business model. We do not limit ourselves to selling products and systems; instead, 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.

Appointment of the Servitization Manager

In order to promote and develop servitization in line with economic, environmental and social sustainability goals, in July 2024 we appointed a **Servitization Manager** within the Sales Manager Team.

In order to maximise operational efficiency and reliability, our servitization offering includes a range of digital services and innovative business models.

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 to map the installed base of SEW-EURODRIVE Italia products and optimise our spare parts stock for **correct asset management**.

Predictive maintenance and advanced diagnostics

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.

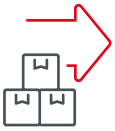
The digital offering is expanded with **Online Support**, an e-business portal that provides both technological support for machine and plant management, and an integrated platform for placing and managing orders, guaranteeing a complete experience from selection to maintenance.

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

Usage-based business models

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 the **Clevertech Group**. The **Programmable Logic Controller (PLC)** is an electronic device used in industrial automation to control machinery and processes. Moving 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

Automation and smart logistics

Integration of robotics, artificial intelligence and Autonomous Guided Vehicles (**AGV and AMR**) for advanced handling and intralogistics solutions.

Sustainability and the circular economy

Servitization enables a **more efficient use of resources**, through programmes for revamping, refurbishing and reusing components, thus contributing to a reduced carbon footprint and increased circularity in the production cycle.

Process innovation - Lean Smart Factory

E

Improved production efficiency and lower resource consumption

S

Employment in more rewarding and often less risky activities

G

Reduced operating costs

Redesigning the logistics-production flow according to Lean Manufacturing and Industry 4.0

Since 2018, we have been redesigning the logistics-production flow in the Solaro assembly centre, based on the principles of Lean Manufacturing and Industry 4.0.

In this Lean Smart Factory transformation process, **the role of people is key and decisive for the success of the company's evolution.** The key elements guiding the entire journey are:

- **Active involvement** of staff from the early phases of the project
- **Ongoing training** to ensure up-to-date skills and to foster the adoption of new operating models

This approach maximises efficiency, reduces waste and makes the entire production system more agile and sustainable.

The pathway towards a Lean Smart Factory consisted of three main phases:

1. Analysis of the current logistics-production process

During this phase, activities were classified into three categories:

- **Added-value activities**
- **Necessary activities with low added-value (auxiliary activities)**
- **Non-added-value activities**

Three main low added-value activities were identified, and actions were implemented to eliminate or reduce them by introducing automation solutions adapted to the needs of the process.

Mobile Assistance System for material handling

The layout of the assembly centre was reorganised to minimise material handling. Subsequently, a **Mobile Assistance System (MAS)** was designed in-house with the dual aim of automating material handling and providing assistance to operators during assembly.

Automatic Oil Filling

An automatic oil filling machine was developed in-house, interconnected to the ERP system and equipped with SEW components. This automation has freed operators from repetitive tasks, improving quality control during this phase.

Automatic Motor Press for manually pressing the bearing and/or motor end cap

The solution adopted was to design an automatic motor pressing machine, also interconnected to the ERP system and developed in-house by SEW engineers. This system has improved quality control with regard to pressing parameters, while also relieving operators of unergonomic tasks, directing them towards higher added-value tasks.

The entire process is managed by the SAP system, which provides a real-time overview of production progress in the Smart Factory.

2. Planning the future logistics-production process

After the activities were classified, the process and layout of the workshop was redefined with clear objectives, extending the analysis to post-assembly stages such as painting and final packaging of the gearmotor. **A number of repetitive activities with low added value were identified** and the process was reorganised according to the following principles:

- **Improved safety and ergonomics**
  Elimination of unsafe conditions in working areas
- **Elimination of non-added-value activities**
  Minimisation of unnecessary movements of workers and materials
- **Automation of repetitive tasks with low added value**
  Implementation of systems for carton forming, box strapping, palletising, etc.
- **Simplification and optimisation of added-value activities**
  Reorganisation of operations such as add-on picking and nameplate application
- **Flexibility for future extensions**
  Use of a modular design to allow for future adaptations
- **Streamlining of packaging materials**
  Optimisation of carton and pallet usage (validated with steady-state data)

Main changes

- **New packaging logic**
  To reduce the throughput time and optimise the production flow, the operator packs each part individually according to the One Piece Flow principle. Subsequently, an anthropomorphic robot automatically performs the palletising phase.
- **High level of automation**
  Several repetitive tasks have been automated with machines interconnected to factory IT systems, including:
  - Conveyor lines for automated handling
  - Forming machines for box preparation
  - Anthropomorphic robots for sorting and palletising
- **Reorganisation of added-value activities**
  Activities identified as having added-value have been centralised in the Hang-Down station, which will remain the only area with a full-time operator in the packaging system.

This redesign allows for a more efficient workflow, reducing processing times and improving safety and operational quality.

3. Integration of the technological element

After redesigning the logistics-production process, the most suitable technologies were selected and validated to ensure **efficient, coherent integration with the new production system**. The adoption of advanced solutions has further optimised processes, improving efficiency, quality and operational safety.

Service and circularity

Our Service department has developed internal processes in line with the principles of the circular economy, pursuing objectives traceable to the 9Rs, with a particular focus on **Reduce, Reuse and Recycle**.

Main circular economy projects:

- **Repairing products**
  Complete maintenance of the internal mechanical parts of the gear unit and electric motor, replacing parts subject to increased wear and tear to prolong their service life and reliability. A refurbished component achieves performance levels comparable to that of a new product
- **Recycling end-of-life products**
  Recovery of valuable raw materials contained in the electric motor. A special motor-splitting machine makes it possible to recover copper from the stator and rotor, as well as the aluminium of the housing, which, if suitably treated, can be reused for new products

Pickup & Delivery Service

To make things easier for customers, we offer a Pickup & Delivery service: the end user can store mechanical and electronic assemblies for repair or refurbishment in a special plastic container provided by SEW-EURODRIVE at no extra cost.

Re-use and sustainable painting

- **Reusing components and gear units**
  Whole products or internal components that are still usable are recovered through a sandblasting process for intact gear units
- **Collaboration with the Graben, Haguenau and Brumath factories**
  The Product Support and Release Management department develops processes for the reuse and recycling of motor brake assemblies, enabling the recovery of the brake body and copper coil

Sustainable painting processes

93% of the products and preparations used in painting processes are **water-based paints**.

The benefits of using water-based paints include:

- Reduced environmental emissions (VOC)
- Absence of components with endocrine-disrupting properties
- Low flammability
- Lack of classification for carcinogenicity, reproductive toxicity, or specific target organ toxicity

The integration of these processes enables a more sustainable management of resources, helping to reduce environmental impact and improve production efficiency.

Assistance and loyalty

More sustainable maintenance from several points of view:

E

Preventing damage to the environment due to faults and increasing service life

S

Identifying faults and hazards before they occur

G

Improving production efficiency, minimising plant downtime and optimising maintenance strategies

Customer Service is a key element in ensuring timely and reliable support to customers in the event of product failure, thus avoiding sudden and potentially damaging downtime.

Rapid intervention and support 24/7

- Customer Service operates on a round-the-clock emergency basis, guaranteeing immediate repairs of mechanical and electronic components
- If the repair cannot be carried out at our Service centre, the technicians intervene directly at the customer's premises
- A support service is available 7 days a week, to ensure business continuity for our customers

Predictive Monitoring with DriveRadar® and APPredict

Through the **DriveRadar®** software platform and the **APPredict**application, customers can:

- **Monitor** in real time the degree of wear and tear on the mechanical and electronic components installed on customer's machines.
- **Predict** possible causes of failure and plan preventive maintenance work
- **Avoid** sudden plant shutdowns, thus increasing reliability and operational efficiency

These advanced services enable us to increase customer loyalty, thereby strengthening our corporate reputation and creating a positive impact on our business.

> "These advanced services enable us to increase customer loyalty, thereby strengthening our corporate reputation and creating a positive impact on our business"

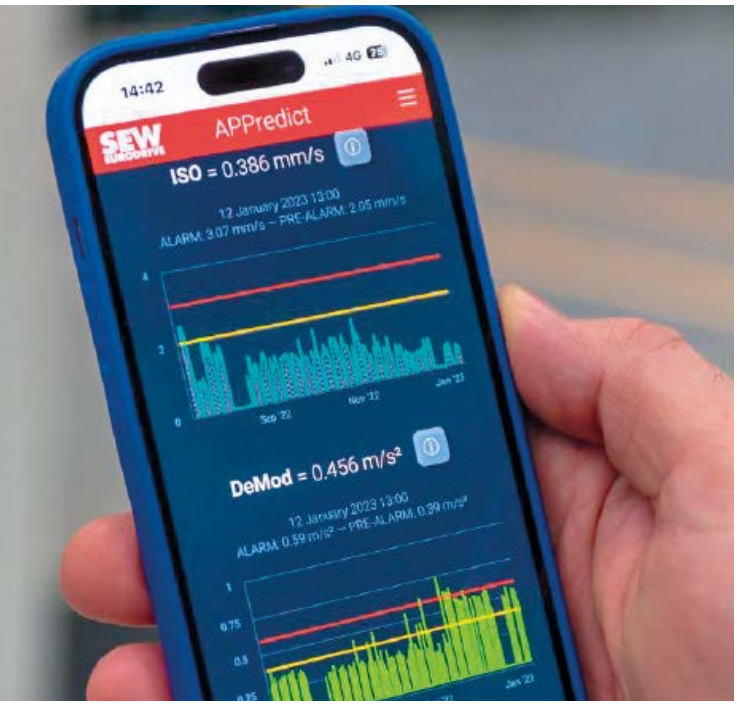
APPredict 2.0: the evolution of predictive maintenance

The new version of the **web-based APPredict** application redefines the concept of predictive maintenance, introducing advanced functionality for monitoring component health through vibration data.

Advanced features of APPredict 2.0

- **Advanced sensors**
  Real-time analysis of key indicators (temperature, vibration, oil condition, FFT frequency spectrum)
- **Constant, targeted monitoring**
  Intuitive interface for clear display of critical parameters
- **Multi-account dashboard**
  Hierarchical access management for different user levels
- **Historical trend and seasonal analysis**
  Possibility to observe data trends with 2 years of historicisation in the cloud
- **Configuration of multiple production lines**
  Customised setting of line alarms and relative temperature parameters

With these innovations, APPredict 2.0 makes predictive maintenance more efficient, reliable and smart, improving system control and reducing the risk of unexpected failures.



Wireless sensors and sustainability in predictive maintenance

The adoption of wireless sensors in predictive maintenance not only improves operational efficiency, but also contributes to environmental sustainability.

Environmental benefits

- **Reduced waste**
  Fewer breakdowns and optimised use of resources reduce the consumption of materials
- **Lower emissions**
  Reduced frequency of repairs and equipment replacements
- **Energy efficiency**
  Less machine downtime leads to lower energy consumption, thus reducing environmental impact

Benefits for people

- **Improving the quality of work**
  Sensorisation eliminates the reactive approach to faults, allowing operators to focus on planning interventions instead of managing emergencies
- **Facilitating the entry of new technicians**
  Smart sensors allow even junior employees to contribute to maintenance right from the start, without depending solely on more experienced colleagues

This combination of technological innovation and sustainability creates tangible value for both companies and workers, improving operating conditions and reducing environmental impact.

> “APPredict 2.0 makes predictive maintenance more efficient, reliable and smart, improving system control and reducing the risk of unexpected failures”

Customer satisfaction

> Being sustainable means listening carefully to your customers, understanding their needs and building relationships that create mutual value.
> We are committed to placing customer expectations at the heart of our strategy, aiming to deliver solutions that truly meet their needs while championing practices that foster long-term value creation

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

Focusing on efficiency for the purpose of customer satisfaction has been our constant goal throughout the company's history. Over the years, customer satisfaction surveys have been periodically conducted to gather feedback on product and service offerings, with the aim of **strengthening the brand and consolidating its competitive positioning on the market**.

In 2023, SEW-EURODRIVE Italia organised a customer satisfaction survey, the results of which were analysed in 2024. The goal was to **gather feedback on customer satisfaction and link it to a structured improvement and development plan for our offering, through targeted engagement initiatives involving our core customers.**

The customer satisfaction survey organised by SEW-EURODRIVE Italia

The research was split into three phases:

- **Interviews with select customers**, to listen more in-depth to their needs and opinions
- **Submission of surveys** to a large group of customers, to collect responses on a large scale
- **A workshop** with approximately 30 customers in attendance, aimed at defining concrete ideas to improve SEW's offering

The main goals of the survey were to:

- Determine the overall CSR (Customer Satisfaction Rate) and NPS (Net Promoter Score)
- Acquire information on the SEW-EURODRIVE Italia brand image
- Analyse the positioning of SEW-EURODRIVE Italia on the market
- Measure the level of satisfaction with SEW-EURODRIVE Italia products, services and contact points
- Gather suggestions on specific areas under investigation, including:
  - Administration
  - Sales
  - Application engineering
  - Customer care
  - Services
  - Shipping
  - Online support platform
  - Communication channels

These areas were also dealt with at the workshop held in May 2024, which gave rise to a comprehensive activity plan to be implemented over the next 12 months.

Sustainability and the environment

+ Green policy
+ The strategy to reduce environmental impact
+ Greenhouse gas emissions - Scope 1 and 2
+ Greenhouse gas emissions - Scope 3
+ Total greenhouse gas emissions
+ Sustainable construction
+ Mobility
+ Biodiversity

→ Value chain


→ Governance
→ People
THE GREEN SIDE OF
→ Products/Services
→ Environment

Road to Net Zero, our leading commitment

Climate change is **one of the most urgent and significant challenges facing our planet**, profoundly affecting environmental, social, and economic dynamics on a global scale.

Addressing this emergency requires a collective effort to reduce greenhouse gas emissions generated by human activities.

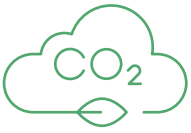
At SEW-EURODRIVE Italia, we are actively committed to **building a more sustainable future**, taking concrete measures to mitigate environmental impacts and contribute to a more balanced social and economic system.

ESG material topics

The importance of this commitment also emerges from the topics determined by the materiality analysis conducted in 2024:

Ability to adapt to climate change

SEW-Eurodrive Italia **manages climate risks and ensures operational resilience** in a changing environment.



Fighting climate change

Reduction of consumption and emissions

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

Increased circularity

Increasing circularity reduces environmental impact and enhances the 9R approach to resources, **contributing to a more sustainable industrial model**.

Our goals for a sustainable future

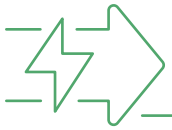
To protect the environment and ensure a welcoming world for future generations, we pursue global objectives aligned with the 2015 Paris Agreement.

- **Reducing direct and indirect emissions related to activities at our production sites (Scope 1 and 2).**
- **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

2024:

Scope 1+2 emission reductions are confirmed.

This is the first year we publish **scope 3** emission data.

Italy and the Paris Agreement

As a member of the European Union (EU), Italy signed the Paris Agreement in 2015, thereby taking an active role in the **fight against climate change**. Italian commitments are an integral part of the EU's climate policy, which operates as a single block in international agreements.

Italian companies, including **SEW-EURODRIVE Italia**, play a crucial role in achieving these goals, contributing concretely to the ecological transition. The **common goals** of the Paris Agreement are represented as follows:

- 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

- Ensuring 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 own buildings and facilities

- Achieving **carbon neutrality by 2050**.

  We aim to reach it in 2026

Through our efficiency-oriented approach, we are succeeding, year after year, in **reducing gas and electricity consumption**. We are successfully navigating the downward curve of consumption that brings us closer to a Net Zero condition.

Net Zero

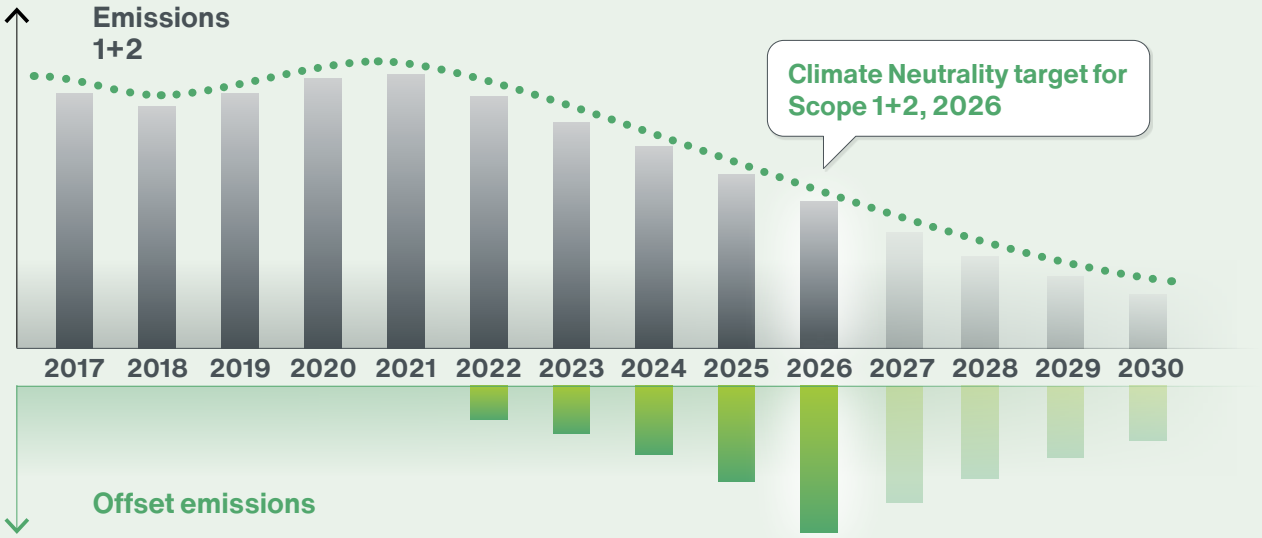
This is the condition that all organisations should strive for, i.e. to reduce emissions as much as possible and to achieve an optimal balance between greenhouse gas emissions inevitably produced and those removed from the atmosphere. This is the condition to which every organisation should aspire: **minimising greenhouse gas emissions and balancing unavoidable ones with offsetting measures.** This is also the long-term goal SEW-EURODRIVE is striving for by aiming for sustainable business development based on innovation, technology, optimisation and waste reduction.

Carbon neutrality

Carbon neutrality is also a condition in which net emissions are zero because everything that is produced is offset; however, it is an earlier stage than net zero, as it assumes that **there are still emission reductions to be made** ***- SEW-EURODRIVE Italia target for Scope 1+2 emissions (2026)***.

Graphically, our journey is represented as follows:

> "We have started a process of consumption reduction that is yielding positive results year on year: a continuous reduction is underway"



-11.2%
Electricity consumption

100%
Electricity from renewable sources

40 ton
CO_2 offset at a trade show event

-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. In our buildings, we are improving insulation and installing photovoltaic panels, 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 in 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”

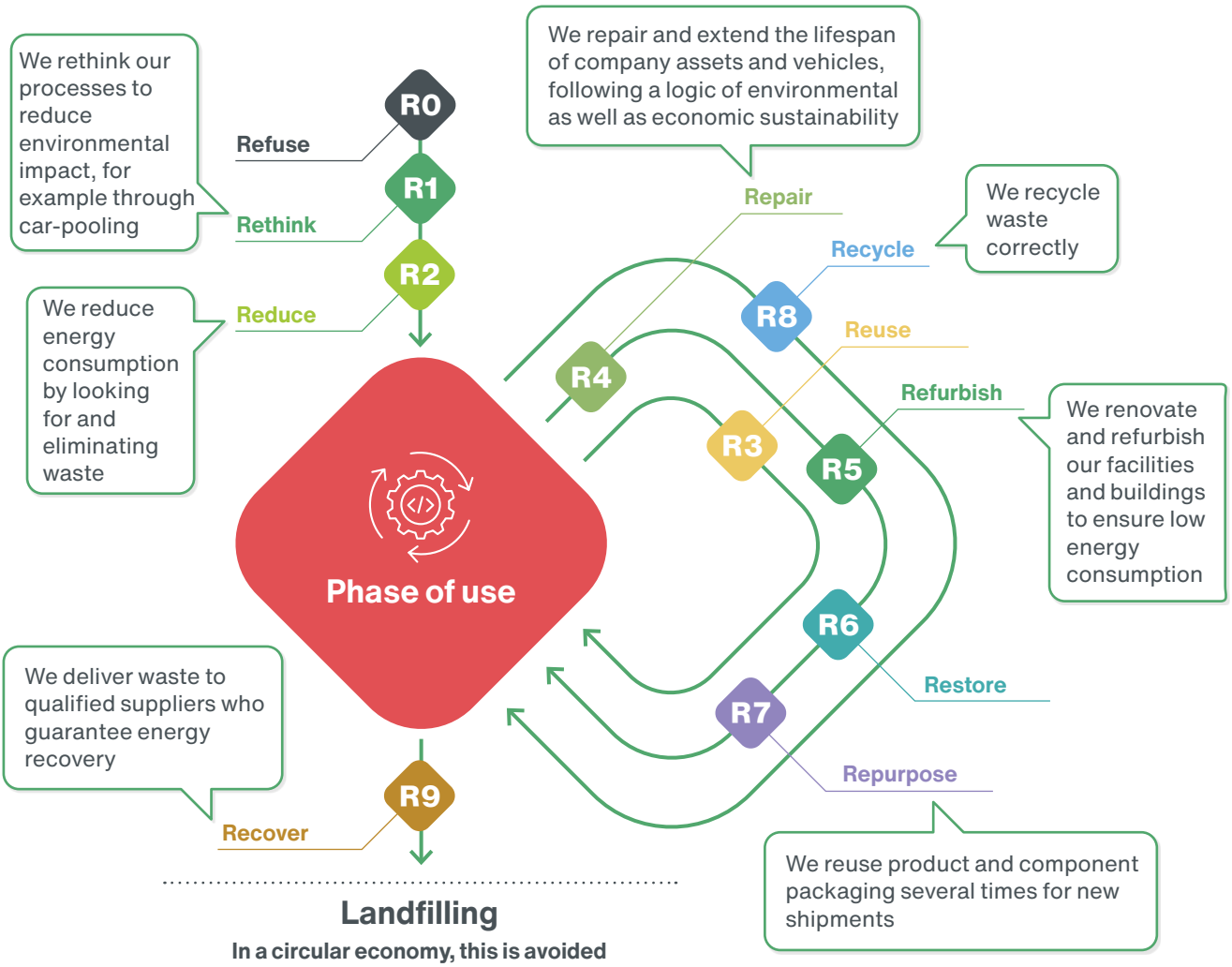
The 9R strategy to reduce environmental impact

So far, we have adopted the concept of the 3Rs (Reuse, Reduce, Recycling) to describe our actions in favour of the environment. Now, following the parent company's approach, we have expanded our efforts, aligning ourselves with the terminology of the **9R framework** *(see the strategy section on page 24)*, to harmonise the SEW language globally.

Our range of actions for the environment evolves together with our awareness, competence and determination to activate circular processes.

The image below illustrates our management of and commitment to the 9Rs in our daily work.

9R strategy in the circular economy



Waste management

Waste

Any solid or liquid matter discarded from a process, whether domestic, agricultural or industrial.

Type

- **Urban (offices)**
  Municipal disposal
  (paper/cardboard, glass/cans, wet, mixed)
- **Special (production)**
  Disposal through specialised companies:
  - **Non-hazardous**: paper/cardboard, plastic, wet, mixed, wood
  - **Hazardous**: paints, solvents, sprays, oil, PPE, dirty cans, electronics, etc.

Disposal of the waste we produce in our workshops follows a linear flow based on 6 macro-activities:

Waste management in Italian plants

In the Italian facilities, dedicated exclusively to assembly and servicing, **there is no production waste**. Most of the waste produced is attributable to the packaging of materials used in the assembly of products.

Dedicated storage containers are provided in the workplaces for each waste category. These are identified with signs showing the name of the waste and the relevant EWC code. Waste delivered to disposers is mainly treated in two ways, which must be reported by law: it is either **recovered (R) or disposed of (D)**.

> “Waste delivered to disposers is mainly treated in two ways, which must be reported by law: recovered (R) or disposed of (D)”

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.

Reduction and reuse of materials

Our waste analyses include that proportion of material that, **without our intervention, would have become waste**. This category is indicated as **[RIU]** in the monitoring tables. We place great importance on the reuse of materials that are still useful, selecting and setting aside metal components of factory structures and packaging materials for reuse, thus contributing to a more sustainable management of resources.

WASTE BY TYPE AND DISPOSAL METHOD			2022	2023	2024
Non-hazardous waste	Recovered [R]	Kg	65,441	76,546	108,338
	Disposed of [D]	Kg	0	0	0
	Reused [RIU]	Kg	211,913	214,737	149,819
	Total	Kg	**277,354**	**291,283**	**258,157**
Hazardous waste	Recovered [R]	Kg	5,310	4,394	10,991
	Disposed of [D]	Kg	5,197	2,149	3,803
	Total	Kg	**10,507**	**6,543**	**14,794**
Total		Kg	**287,861**	**297,826**	**272,951**
Year-on-year % change				**3.5%**	**-8.4%**

Reduction and innovative management of waste

Overall, the amount of waste produced by SEW-EURODRIVE Italia decreased from 298 tonnes in 2023 to **272 tonnes in 2024**.

The introduction of a **new automatic packaging system** (April 2024) resulted in a reduction of reused cardboard, as the system requires new packaging with uniform dimensions and folding, and these characteristics are not guaranteed by the cardboard recovered from the central warehouses of SEW-EURODRIVE Italia.

As far as **wooden pallets** are concerned, a recovery circuit exists operated by companies specialising in the restoration and resale of used pallets. We have given these operators the pallets that could no longer be reused in the new automatic line, so as to guarantee their reuse elsewhere.

A further initiative launched in 2024 concerns the **recovery of the hard plastic trays** used to hold mechanical components during assembly. Reuse of these trays, which are only discarded in the event of breakage or oil contamination, significantly reduces environmental impact and costs, maximising the efficiency of available resources.

Italy, together with the French production plant USOCOME, was a pilot for this initiative, which is expected to extend to other products and to involve further Eurodrive plants in 2025. This project, which is the brainchild of one of our workshop colleagues, saw the first tests and the definition of the operational aspects performed in 2024. If consolidated and spread throughout the group, it will have a significant impact both environmentally and economically.

Waste management: data and responsibilities

96% of our waste is classified as non-hazardous, facilitating its recovery and proper management.

In 2024, the proportion of waste disposed of either through landfilling or incineration — the least environmentally sustainable solutions — increased slightly. The quantity increased from 2,149 kg to **3,803 kg** (still a low quantity in industrial terms) due to the disposal of waste resulting from extraordinary floor scraping maintenance in a particular area of the production facilities.

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.

Improving separate waste collection and raising awareness

Although the percentage of unsorted waste is very low, for the second year in a row there has been a deterioration in the quality of sorting in our departments. The share of non-recyclable waste increased from 2.1% in 2022 to 2.9% in 2023, even reaching **4.2% in 2024**.

Non-recyclable waste includes mixed materials that cannot be separated or are contaminated, such as work gloves, which are made up of non-separable textiles and rubber. To fight this phenomenon, we implemented department training sessions, improved signage, and optimised the location of waste bins. However, the hoped-for result was not achieved and a further deterioration occurred. For 2025, new, more intensive training actions and a strengthening of surveillance are planned to improve the quality of sorting.

To reduce waste and raise awareness among our employees, we have launch a number of office-based initiatives, including the use of ceramic cups instead of plastic cups for the coffee machines. Any plastic cups, however, are collected and disposed of separately, allowing for greater waste compaction and more efficient handling of discarded materials.

Every year, we organise a **SWAP week** for the free exchange, among employees, of clothes, objects, books and accessories that are still usable but no longer needed. **reducing waste and strengthening the sense of community among people**.

> “Every year, we organise a SWAP week for the free exchange, among employees, of clothes, objects, books and accessories that are still usable but no longer needed”

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

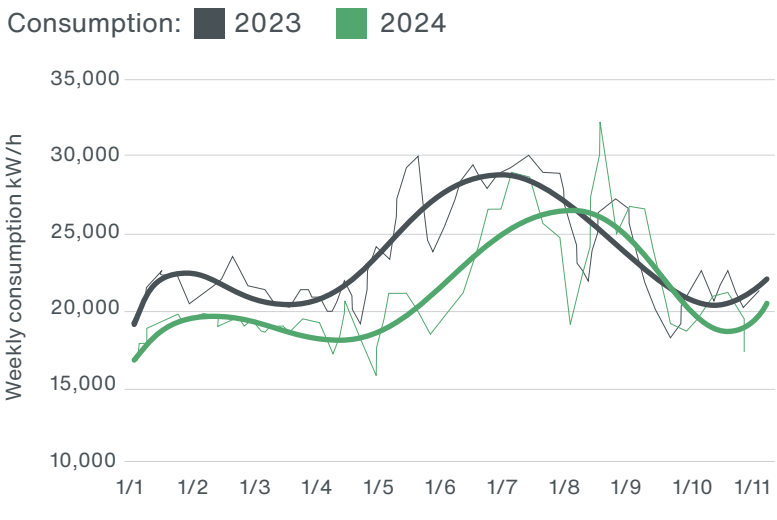
The Solaro plant's energy consumption is constantly monitored through an advanced network consisting of approximately **100 measuring points** strategically distributed in the most energy-intensive departments. These points collect data in real time and store it in a centralised system to enable detailed 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.

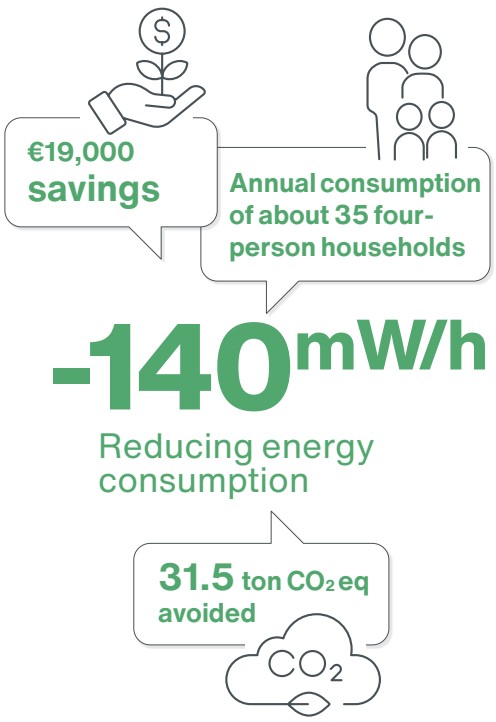
Our commitment to energy management allows us to progressively reduce consumption, in line with Directive 2018/2002/EU, which sets the target of improving energy efficiency by at least **32.5% by 2030**.

Total energy at SEW-EURODRIVE Italia Solaro
2024 results

Energy consumption at the Solaro site is down by 11.2% over 2023.



Energy cost €0.14 kW/h, source: utility bills
Emissions 0.225g CO_2, source: EEA



ENERGY CONSUMPTION WITHIN SEW-EURODRIVE ITALIA.		2022	2023	2024
Total electricity consumption	kW/h	1,338,085	1,227,744	1,090,742
	GJ	4,871	4,420	3,927
Year-on-year % change		-3.8%	-8.2%	-11.2%
Total gas consumption	sm^3	88,269	65,693	67,868
	GJ	3,114	2,595	2,689
Year-on-year % change		-25.4%	-25.6%	3.3%
Total energy consumption - electricity and gas	GJ	7,985	7,015	6,616
Year-on-year % change		-13.6%	-15.1%	-1.8%

Energy savings and consumption optimisation in 2024

For 2024, the initial target to reduce energy consumption was set at **3%**, based on planned and implemented measures. However, through in-depth analysis and targeted system interventions, results have exceeded expectations: **electricity consumption was reduced by11.2%** over 2023, with overall **savings of approximately 140,000 kWh**.

The achievement of this goal was aided by a particularly favourable climatic trend. The winter did not record particularly cold temperatures, nor did the summer register excessive heat peaks. The months of May and June, in particular, were characterised by mild temperatures, thus reducing the use of air conditioning. We also complied with our Green Policy by **keeping office temperatures within the limits set by the 2021 decree of the Italian Ministry of Economic Development (MISE)**: 28°C in summer, 19°C in winter.

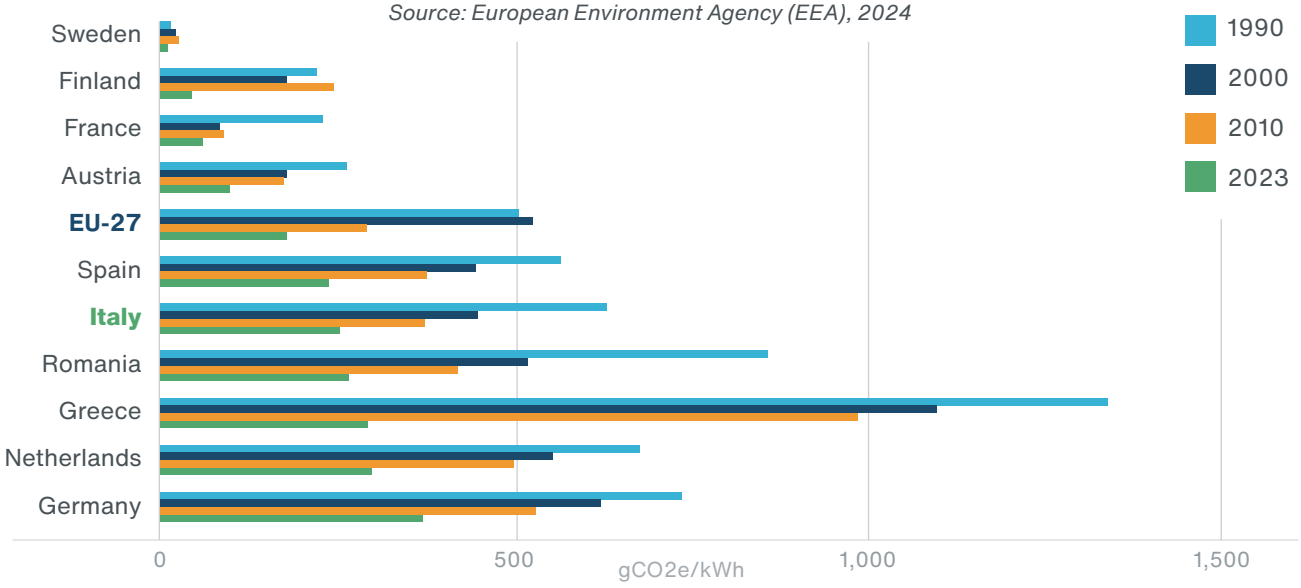
The main actions implemented in 2024 to optimise consumption include:

- Optimising ventilation speed in the drying line's cooling system;
- Resetting spray booth operating parameters;
- Improving remote management of the air-conditioning system, with the support of external specialists;
- Switching off the air-conditioning system's water circulation pumps during idle hours.

These actions have contributed significantly to reducing consumption and improving the overall energy efficiency of the Solaro production site.

Greenhouse gas emission intensity of electricity generation

Source: European Environment Agency (EEA), 2024



Emissions monitoring and progress towards Net Zero

In our calculations, we considered that electricity produced in Italy is responsible for 225 grams of CO_2 per kWh produced *(Source: Greenhouse gas emission intensity of electricity generation in Europe)*. This value is close to the European average, and we hope that it will improve in the coming years thanks to increased energy generation from renewable sources, supported by both public and private investment.

Our efforts led to concrete results: we recorded a **reduction in energy consumption of 11.2%** over the previous year, further improving on our performance in 2023, when we had already reduced consumption by 8.2%. This positive trend confirms that we are successfully on the road to Net Zero, progressively reducing our environmental impact.

Monitoring gas consumption

Gas consumption has remained virtually unchanged since 2023. However, it should be noted that there was a sharp drop in the years 2022 and 2023, resulting from maintenance work on boilers that corrected system settings and resolved some inefficiencies.

Having already eliminated the main sources of waste in previous years, the scope for further optimisation is now limited, and it is therefore normal for consumption to stabilise. The slight variations observed are mainly related to the trend in outside temperatures.

Energy intensity and use of renewables

Energy intensity shows a decreasing trend and is calculated considering all forms of energy (electricity and natural gas expressed in joules). The above table shows a year-on-year % reduction of -13.6%, -15.1% and finally -1.8% in 2024. This reduction will slow down over time due to the permanent reduction of waste made possible by energy management.

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.

> “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”

Photovoltaics

SEW-EURODRIVE Italia's currently installed solar park comprises:

Solaro

Active since 2018

174 m²
PV panels on the roof of the office building

32.4 kWp
Maximum power

32 000 kWh
Energy production in 2023

Caserta

Will be activated by GSE during 2025

352 m²
PV panels on the roof of the warehouse

76.8 kWp
Maximum power

Activated by GSE in October 2024

64 m²
PV panels on the roof of the office building

12.8 kWp
Maximum power

> "A new photovoltaic system of about 1,600 square metres will be installed in Borgo Panigale"

ENERGY CONSUMPTION WITHIN SEW-EURODRIVE ITALIA		2022	2023	2024
Self-produced and consumed photovoltaic electricity	kW/h	35,721	32,723	32,322
Percentage of self-generated energy on total Italian consumption		2.7%	2.7%	3.0%
Percentage of self-generated energy on total Solaro consumption		2.9%	3.0%	3.6%

Despite the installation of solar panels in Caserta, which have been active since October, there has been a drop in productivity due to two main factors: a physiological drop in the performance of the photovoltaic system over time, and a summer season characterised by unfavourable weather conditions, which, while limiting solar production, also reduced energy consumption for air conditioning.

In late 2024, the photovoltaic installation planned for the Caserta site was completed, reaching a total capacity of **89.6 kWp**, which will cover **9%** of SEW-EURODRIVE Italia's national energy needs.

The plant will be fully operational in 2025, pending approval by GSE (Gestore Servizi Energetici).

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 **340 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 an annual production of **580,000 kWh**, thus covering approximately **45%** of current energy needs (2024).

Greenhouse gas emissions - Scope 1 and 2

Our activity does not generate any particular atmospheric pollutant emissions, except in very small quantities. The mandatory periodic inspections of the exhaust stacks on certain production machines confirm each year that **threshold limits are respected** and do not indicate any need for continuous or real-time monitoring.

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

- **Scope 1**

  Direct emissions resulting from sources owned and controlled by the company.
  In our case, this includes emissions from the company car fleet, even when used for personal journeys by employees who have been allocated a company car. We chose to keep all these trips in Scope 1 because the distinction between business and personal trips would be made using rough estimates.

- **Scope 2**

  Indirect emissions resulting from the production of electricity drawn from the grid and consumed by the company.

- **Scope 3**

  Other indirect emissions.

NOTE: In 2024, we consumed **1,090,742 kWh of 100% green energy**, avoiding Scope 2 emissions in the extent of **245.41 tonnes of CO_2** due to electricity consumption. Indirect consumption associated with the production of this energy is accounted for in Scope 3.3 (purchase of energy sources).

The conversion factor used is:
Emission factor =225 gCO_2/kWh

Source: EEA annom 2024, https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-14/#tab-googlechartid_chart_41

1,090,742 kW/h
100% green energy used in 2024

245.41 ton
CO_2 emissions avoided

DIRECT GREENHOUSE GAS EMISSIONS - SCOPE 1		2022	2023	2024
Emissions from transport with the company car fleet	tCO_2 eq	408.87	338.33	198.32*
Emissions from gas consumption for heating	tCO_2 eq	178.42	132.79	137.18
Gas leaks in air-conditioning systems	tCO_2 eq	4.90	0	164.45
Total Scope 1 emissions	tCO_2 eq	**592.20**	**471.12**	**499.95**

INDIRECT GHG EMISSIONS - SCOPE 2		2022	2023	2024
Emissions from electricity consumption	tCO_2 eq	0.00	0.00	0.00
Total Scope 2 emissions	tCO_2 eq	**0.00**	**0.00**	**0.00**

* Compared to the previous sustainability report, the drafting of Scope 3 has introduced, in Section 3.8, a specific focus on emissions-generating leasing activities, such as rental cars and the resulting fuel consumption. As a result, we have separated the total emissions previously included in Scope 1, separating those generated by the owned fleet, which remain in Scope 1, from those related to rental cars, now reclassified in Scope 3. The owned fleet consists of 40 vehicles, with emissions of 198 tCO_2, while the rented fleet consists of 57 vehicles, with emissions of 255 tCO_2.

Again, the intensity of emissions was related to several factors. Emissions for the year 2024 increased for two reasons:

- We recorded refrigerant gas leaks from the air conditioning system at the Solaro plant.
- The methodology used by the supplier to calculate emissions associated with vehicle use has been refined, resulting in more accurate — albeit higher — figures compared to those reported by the same supplier in 2023.

TOTAL GHG EMISSIONS		2022	2023	2024
Total GHG Emissions - Scope 1+2	tCO_2 eq	592.20	471.12	499.95
Year-on-year % change	tCO_2 eq	3.2%	-19.7%	+5.8%

Greenhouse gas emissions - Scope 3

The Scope 3 challenge

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.

Accurate measurement of Scope 3 is made possible by the adoption of **Sustainable Procurement**, which includes:

- **greater supplier involvement**, promoting the sharing of data and best practices,
- **the introduction of more precise metrics**, allowing a shift from calculations based on generic estimates (such as the spend-based method) to more accurate measurements of actual emissions.

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.

> “Calculating Scope 3 emissions is a challenge as it includes all indirect emissions along the entire value chain”

Scope 3 emission categories estimated/calculated

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 our 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 we sell 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**

For the calculation of Scope 3 emissions, where possible we have adopted an activity-based approach, which guarantees greater accuracy. Where this is impossible due to a lack of data, instead, we used the spend-based method, which is however less accurate.

The spend-based approach estimates emissions based on economic expenditure per purchasing category, applying sector-average factors. Although simpler and quicker to apply, it has the limitation of not taking into account the specificities of suppliers and products.

The activity-based approach, on the other hand, uses direct activity-related data (e.g. material consumption, energy, transport) and applies specific emission factors, ensuring a more precise calculation. However, it requires more complex and detailed data collection.

In the coming years, our goal is to **progressively improve the measurement of Scope 3 emissions**, increasing the quality of the information collected and adopting more and more the activity-based method, to achieve a more accurate and meaningful assessment of indirect emissions along the value chain.

	Activity-based emissions	Spend-based emissions
Distinguishing between biogenic and fossil emissions	☑	☐
Development monitoring	☑	☐
Accuracy sufficient for emission reporting	☑	☐
Ease of data collection	☐	☑
Calculation speed	☐	☑
Integration possibilities	☐	☑

> “Our aim is to progressively improve the measurement of Scope 3 emissions, increasing the quality of the information collected and transitioning more and more to the activity-based 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
26,742 tCO_2e[1,2,3]

3.2 Capital goods
1,181 tCO_2e[1,2,3]

3.3 Fossil fuel-related activities
232 tCO_2e[3,4]

3.4 Upstream logistics
853 tCO_2e[1,2,3]

3.5 Waste generated
45 tCO_2e[3]

3.6 Business trips
63 tCO_2e[1,2]

3.7 Employee commuting
74 tCO_2e[6]

3.8 Upstream leasing activities
262 tCO_2e[3,4]

Emission calculation methodology
- Activity-based
- Spend-based

3.9 Transport and downstream distribution
407 tCO_2e[5]

Source of emission factors:

1. Ingwersen, W. Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6.
2. U.S. Environmental Protection Agency, Washington, DC, 2023 .
3. Ecoinvent 3.11.
4. *DEFRA 2024.*
5. *Supplier-specific emission factors In-house calculation.*
6. *ISPRA 2024*

120,206,573€

Economic volume of purchases considered in this calculation
(excluding VAT)

0.2484kgCO_2/€

Scope 3 emission intensity per unit of expenditure*

*I3 = 29,859,000 kg of CO_2 / 120,206,573 = 0.2484

For the first time, in 2024 we succeeded in calculating our Scope 3 emissions, marking a milestone in a journey that began in 2021 with the publication of our first sustainability report. The work done in previous years enabled us to collect more accurate and reliable data, through the active collaboration with our suppliers.

As part of the actions aimed at monitoring and reducing Scope 3 emissions, it is worth noting the **training and mentorship project** launched with one of our main transport suppliers *(see page 137)*. The initiative allowed for the collection of timely data on the emissions generated by that supplier, who is responsible for **82% of downstream transport emissions** *(category 3.9)*, attributable to SEW-EURODRIVE Italia's main logistics operator.

Another significant example is the **provision of our Solaro plant** for sampling, data collection, and direct on-site analysis. This supported another of our suppliers in drafting the Carbon Footprint assessment of their product, leading to the certification of the cleaning service offered, expressed in terms of carbon emissions (CO_2-eq/m^2).

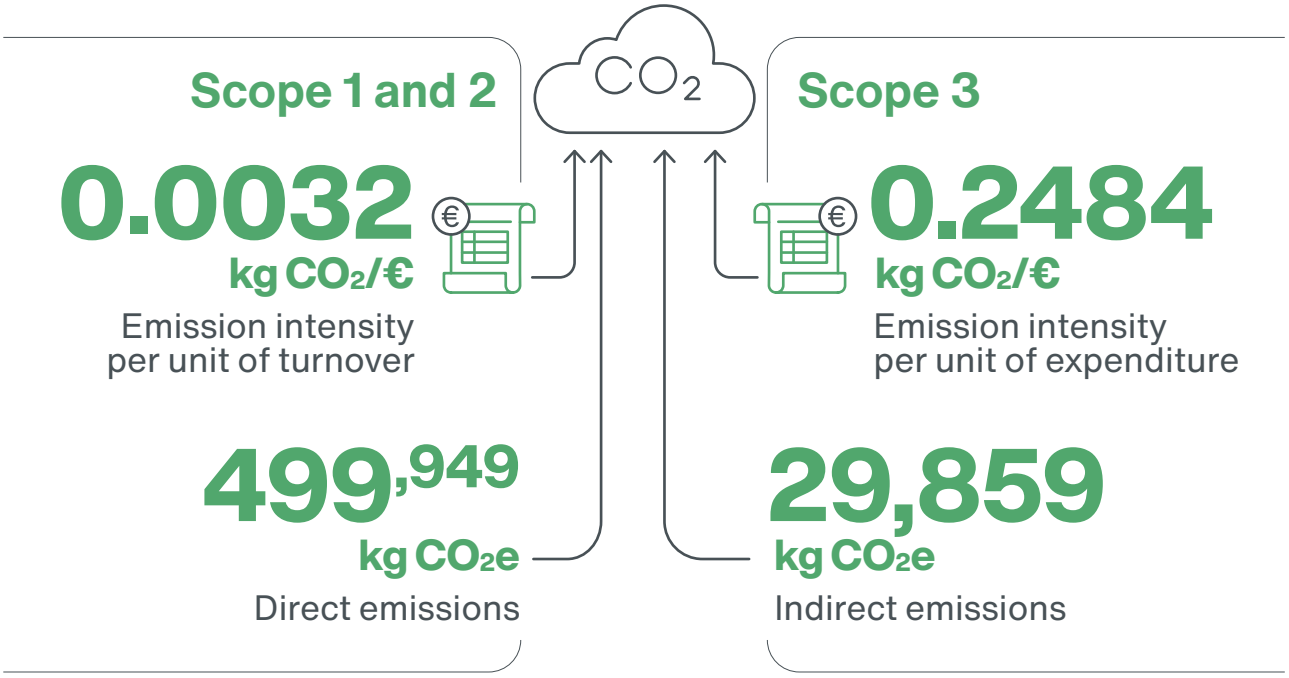
These initiatives demonstrate our commitment to improving the measurement of emissions throughout the value chain, promoting awareness and sustainability also among our partners.

> “For the first time, in 2024 we succeeded in calculating our Scope 3 emissions, marking a milestone in a journey that began in 2021 with the publication of our first sustainability report”

Total greenhouse gas emissions

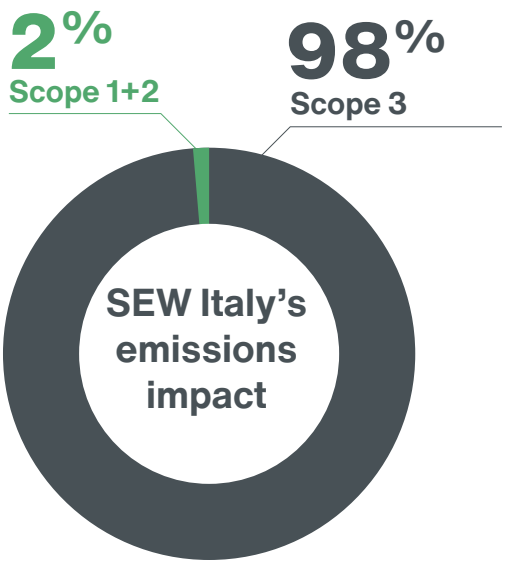
The complete calculation of direct and indirect emissions was conducted for the first time this year, on an experimental basis. The calculation complies with the requirements of the **GHG Protocol** and uses coefficients provided by official reference bodies such as **ecoinvent**. However, we would like to point out that our German HQ is developing a calculation tool that will be distributed to Eurodrive sites worldwide, to ensure the correct, homogeneous calculation of emissions.

This first Italian calculation experience was encouraged as a useful project to **understand the needs of a single country and then extend the methodology to others**.

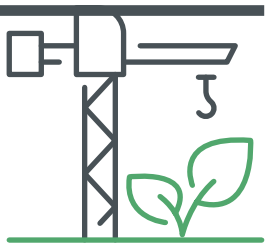


> As expected, Scope 3 emissions constitute the predominant part of our impact, accounting for 98% of total emissions

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.



Sustainable construction



In July 2024, work began on the construction of the new **SEW-EURODRIVE Italia plant in Bologna, Borgo Panigale**, a strategic project that consolidates our presence in one of Italy's most dynamic and innovative regions. The new site will cover a total area of **8,000 sqm**, equally divided between **offices**, **research centre, co-engineering spaces** (4,000 square metres) and an **assembly** and **service** area (4,000 square metres), to respond even more effectively to the needs of local customers.

Emilia-Romagna is an industrial centre of excellence at the international level, known for its motor valley and packaging valley, and for its highly specialised ecosystem in the construction of industrial machinery and in the automotive sector. In this context, our expansion includes the move from our historical sales branch — currently numbering 21 colleagues — to a new hub that will expand in size by offering up to **80 jobs**.

The project immediately aroused great interest also from our parent company, which plans to develop some R&D activities there, promoting international exchanges between the group's research centres. The new facility will also offer collaboration spaces for partner companies and start-ups to work side by side with our experts, creating an **"innovation hub"** dedicated to the co-creation of cutting-edge technology solutions.

The building's architecture will offer a blend of functionality and aesthetics, with high-tech interiors and an exterior reminiscent of our Solaro and Caserta sites. In addition, its design recalls and celebrates some of the territory's most iconic works, such as the Reggio Emilia high-speed train station, considered a symbol of avant-garde modernity.

> "The building's architecture will offer a blend of functionality and aesthetics, with high-tech interiors"

Rendered image of the new Bologna plant

Evolution and innovation in our facilities in Italy

We have been operational in Italy since 1968. The **Drive Technology Center in Solaro** (MI) houses the central and executive offices and the assembly workshop. The regional offices, the **Drive Centers in Turin**, **Milan**, **Bologna**, **Verona** and **Caserta**, and the **Sales Office in Pescara** ensure widespread support throughout the country.

In 2017, the restyling and Lean-oriented expansion of the Solaro plant was completed. The project mainly involved the production area: a **Smart Factory** representing the beating heart of the technological innovation of SEW - EURODRIVE.

In 2023, the new 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.

The Solaro plant (MI)

The Caserta Drive Center

In addition to being beautiful and architecturally advanced, the building will incorporate all the best choices and technologies to make it energy and environmentally efficient.

The building will be equipped with **photovoltaic panels on the roof**, **charging towers for electric vehicles,** and a **rainwater recovery and storage system** for the irrigation of green areas. The thermally efficient building envelope, free of thermal bridges, will ensure optimal energy performance, making it a Nearly Zero Energy Building (**NZEB**).

In order to reduce its environmental impact right from the construction phase, **the tender was launched among local companies**, prioritising regional suppliers. This choice not only supports the local economy, but also helps to reduce logistics-related emissions.

NZEB buildings, regulated by European Directives, represent the future of sustainable construction. In Italy, these energy efficiency standards have been mandatory for all new buildings since 2021.

Construction work started in the summer of 2024 and will be completed in early 2026. Fit-out and operational start-up will follow, with the **aim of inaugurating the new site in 2027**.


Inauguration of the Borgo Panigale construction

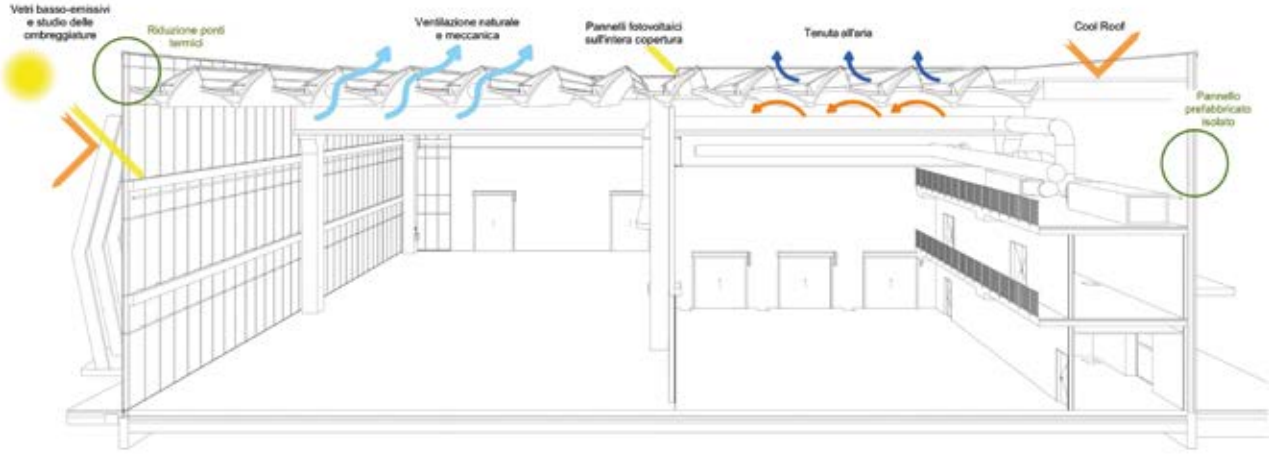
NZEB Building

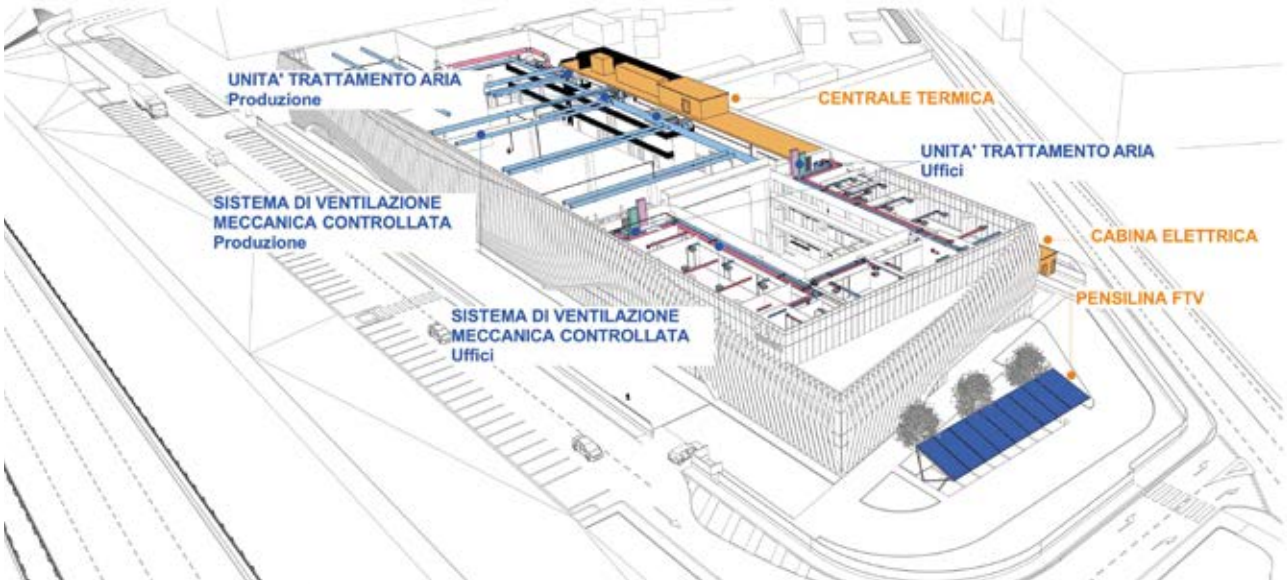
The new industrial building will be constructed according to sustainable design principles. It will be fully integrated into its surroundings and optimised to harness natural resources such as sunlight and wind through proper orientation, qualifying as a **Nearly Zero Energy Building**.

The site features insulated prefabricated panels that minimise thermal bridging, particularly along the glazed façade, where sun-shading elements, such as sunscreens, reduce the effects of radiation and glare.

Heating and cooling are supported by a controlled mechanical ventilation system. The microshed roof structure allows for indirect, even lighting and optimal placement of photovoltaic panels, while also enabling a chimney effect through operable openings, ensuring consistent indoor comfort throughout the building.

> “The building harnesses natural resources and sunlight through proper orientation”



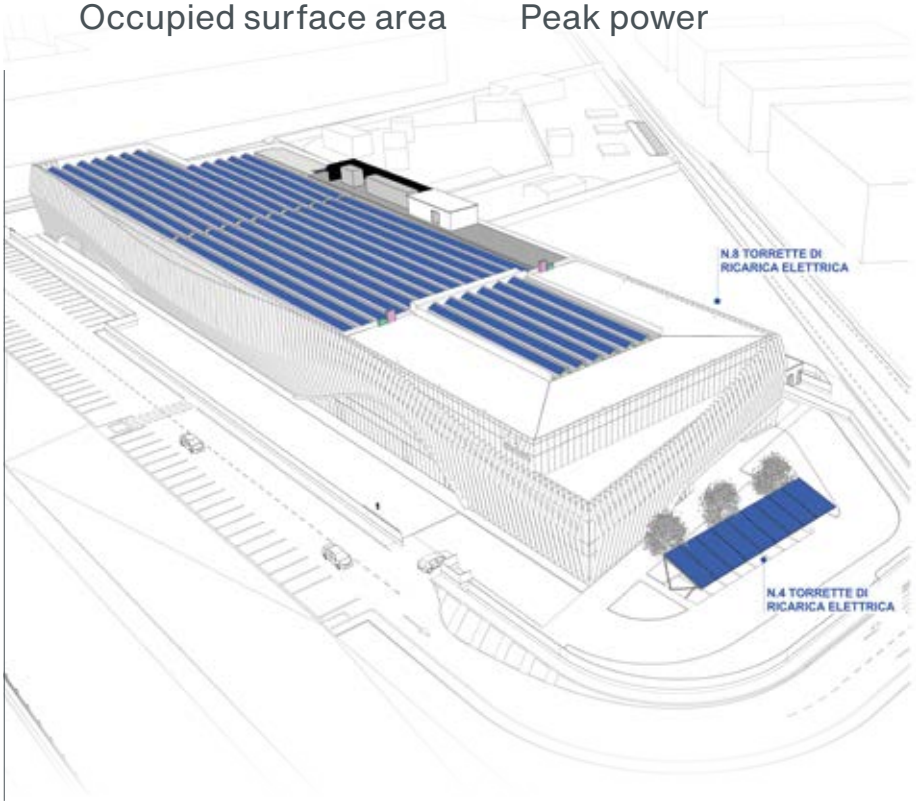


Photovoltaic system

Photovoltaic panels installed on prefabricated microshed roofing

1,600m2
Occupied surface area

340kWh
Peak power



Greenery and permeability

Selection of low-maintenance native essences

Examples of trees

Examples of groundcover tree species

Examples of shrub species

Rainwater recovery for irrigation and sanitation purposes

Underground rainwater recovery tank in the north-west corner of the lot

120mc
Capacity

Mobility

Car policy and sustainable mobility

Within the framework of the 2030 Agenda, **the promotion of sustainable transport is crucial for several Sustainable Development Goals** (SDGs) and targets, including SDG11 (Sustainable Cities), SDG12 (Responsible Consumption and Production) and SDG13 (Climate Action).

Sustainable mobility is a key lever for reducing environmental impact and improving quality of life. According to the *Italian Institute for Environmental Protection and Research* (ISPRA), in 2022 **transportation accounted for 26.6% of total greenhouse gas emissions in Italy, with more than 90% of these emissions coming from road transport**.

To meet this challenge, we have taken targeted actions on both direct corporate mobility (related to management of the company fleet) and indirect mobility (related to the daily travel of employees). These initiatives are part of our commitment to a sustainable transition, promoting transport solutions with a lower environmental impact and incentivising virtuous practices within our organisation.

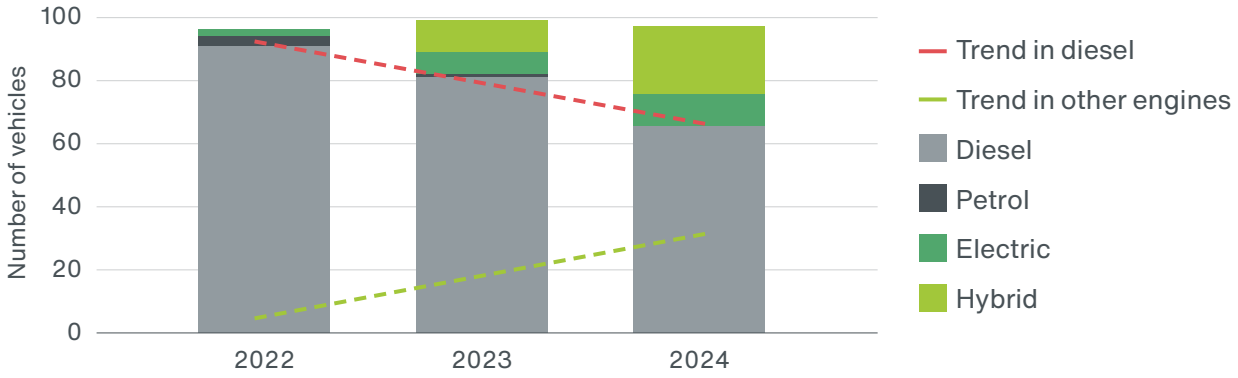
> “Sustainable mobility is a key lever for reducing environmental impact and improving quality of life”

Corporate mobility

In line with previous years, SEW-EURODRIVE Italy has renewed its commitment in 2024 to improving its company fleet with the aim of reducing emissions. The emissions optimisation project, launched in 2022 and reinforced through the 2023 Car Policy, introduced hybrid and electric vehicles as alternatives to traditional diesel engines.

This approach has already produced significant results, as shown in the following graph.

Distribution of fuel types by year



There is a clear decrease in diesel vehicles, from 91 in 2022 to **69 in 2024**. The trend shows a steady decline, in line with the company's emission reduction strategy. At the same time, alternative engines are growing: **electric vehicles have increased from 2 to 10 units**, while **hybrids registered the most significant increase, rising from 0 to 18**.

The graph confirms the company's commitment to making the fleet more sustainable, reducing fossil fuels and investing in electric and hybrid vehicles. A clear development in line with our environmental sustainability goals.

Fleet Carbon Footprint as at 31/12/2024

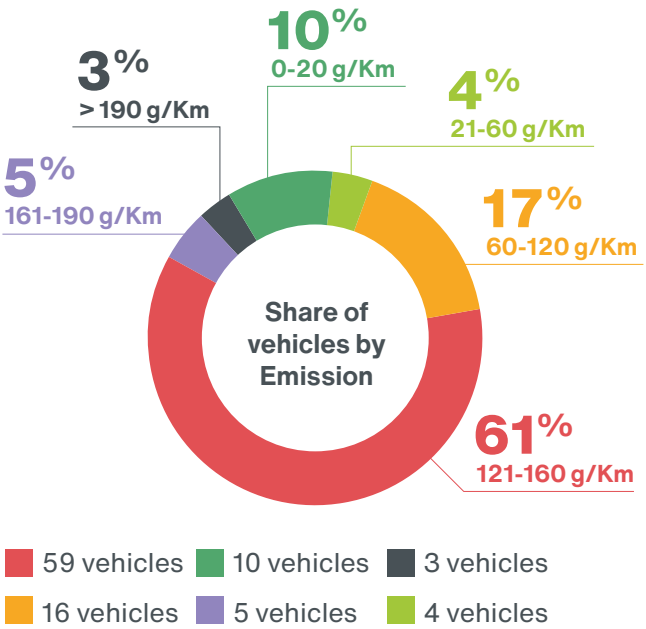
As at 31/12/2024, the SEW-EURODRIVE Italia fleet consisted of:

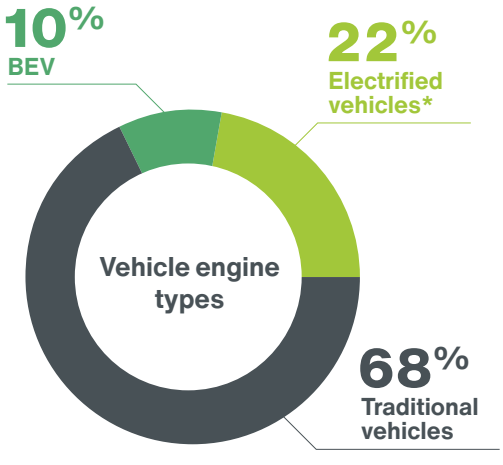
97 Vehicles

94 Cars

3 Small vans

The fleet's Carbon Footprint registers the following data:





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

The share of BEVs (100% electric vehicles) has risen from 6% to **10%** over 2023 (**+4%**), contributing to greater fleet sustainability.

At the same time, **traditional vehicles** have fallen from 83% to **68%**, confirming the transition to low-emission technologies. The 121-160 g/km emission range, while still predominant, is decreasing, marking a gradual shift to more efficient vehicles.

Due to this development, **average emissions per vehicle have reduced to 119.86 g/km, a drop of 4.5 g/km** over the previous year (124.36 g/km). This concrete result demonstrates a significant progress in our sustainability strategy and SEW-EURODRIVE Italia's active role in decarbonisation.

A key aspect of accurately monitoring fleet emissions lies in controlling consumed fuel. Each vehicle is equipped with a multicard, which tracks refuelling and provides detailed data on consumption and emissions.

Below are the specific fuel consumption figures expressed in litres.

FUEL CONSUMPTION		2023		2024	
		Quantity	CO2eq [ton]	Quantity	CO2eq [ton]
AdBlue	L	440	N/A	498	0.38
External electric power	kWh	2,102	0.00	11,814	4.02
Petrol	L	6,466	15.14	27,067	84.31
Diesel fuels	L	121,580	323.20	104,180	365.20
Total			**338.33**		**453.91**

The conversion factors used by the supplier are as follows:
- the combustion of one **litre of diesel** produces about 3.51 kg of CO_2
- the combustion of one **litre of petrol** produces approximately 3.11 kg of CO_2

The emission factors have changed since 2023 because our supplier has updated the method of calculating emissions. With this update, it is now possible to obtain a transparent overview of the entire emission perimeter of the fleet (Well-to-Wheel), including emissions before refuelling/recharging (Well-to-Tank) and afterwards (Tank-to-Wheel). In 2023, 1 litre of diesel produced 2.66 kg of CO_2 and 1 litre of petrol 2.34 kg of CO_2.

Energy consumption trends and emission impact of the corporate fleet

Electricity consumption increased significantly, from 2,102 kWh in 2023 to **11,814 kWh in 2024 (+462%)**. This increase is due to the introduction of electric cars for travelling personnel between the end of 2023 and the beginning of 2024.

At the same time, **petrol consumption** increased dramatically, from 6,466 L in 2023 to **27,067 L in 2024 (+318%)**. This reflects the increased presence of petrol hybrid vehicles in the fleet.

Diesel consumption, on the other hand, fell by 14%, from 121,580 L in 2023 **to 104,180 L in 2024**.

Overall, **fuel burned increased by 2% over 2023**.

However, the introduction of petrol vehicles mitigated the increase in emissions due to their lower impact compared to diesel (2.34 kg CO_2/L versus 2.66 kg CO_2/L).

> “The introduction of petrol vehicles mitigated the increase in emissions due to their lower impact compared to diesel”

> Workplace travel is a key area for reducing emissions

Commuter traffic

Sustainable mobility is a strategic opportunity for companies: it reduces environmental impact, improves employee welfare, optimises operating costs and concretely reinforces corporate social responsibility. **Workplace travel**, which accounts for a significant proportion of daily traffic, **is a key area for reducing emissions**.

In Italy, Interministerial Decree No. 179 of 12 May 2021 defined the role, functions and requirements of the Mobility Manager, introducing the obligation of a *'Workplace Travel Plan (PSCL)'* for companies with more than 100 employees.

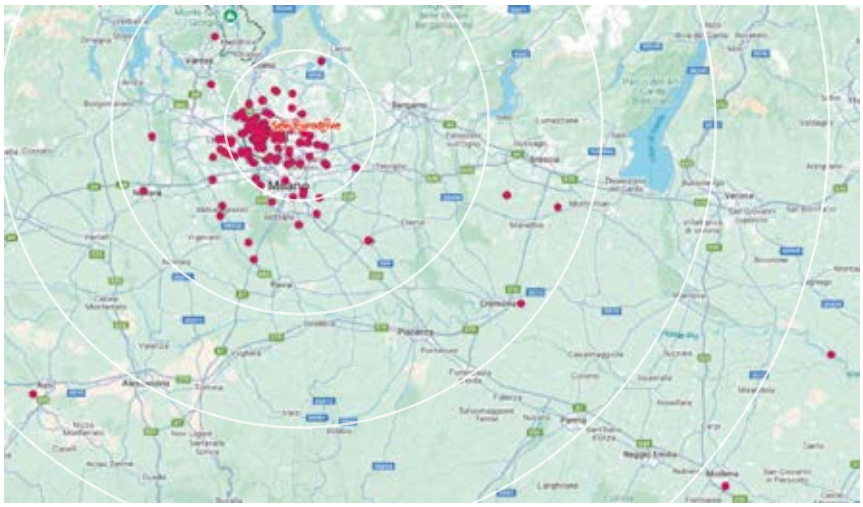
SEW-EURODRIVE Italia is now at its third revision of the PSCL.

Below is the evolution of the initiatives taken.

The Workplace Travel Plan

The Workplace Travel Plan (PSCL) is a strategic document that aims to **reduce commuter traffic by promoting more sustainable modes of travel**. By analysing employees' workplace travel, it provides an overview of corporate mobility, comparing travel habits with local resources, such as **public transport** and **company infrastructure**, in order to identify solutions for improvement.

For 2024, the analysis focused on the Solaro site, with the aim of extending it to all corporate sites in 2025. This will allow a broader vision and planning of interventions on a larger scale.



> The study shows that the majority of employees at the Solaro site reside in the vicinity of the company

The kilometres covered for workplace travel increased, leading to a **42%** increase in **estimated CO_2** emissions, from 59 tCO_2 in 2023 to **84 tCO_2** in 2024. This increase is mainly related to the growth of personnel at the Solaro site, where the analysis involved **156 employees**, compared to 139 in 2023.

However, in 2024, employees without a company car could take advantage of the **SEW Corporate Carpooling** project, which provides two electric shuttle buses for daily carpooling. The crews were selected through an internal competition, designed to raise awareness and encourage participation in an engaging way. During the year, 15 people joined the initiative.

For a more accurate estimate of emissions, the kilometres travelled by the **company shuttle buses** were subtracted, thus reducing the calculated emissions from 84 tCO_2 to **74 tCO_2**.

Mitigation effects of car pooling with shuttle buses in terms of km and tonnes of CO_2

	Annual km	Daily km	Emissions
Total Without considering company cars	**519,383**	**2,361**	**84 tCO_2**
Avoided by the shuttle bus	**64,157**	**292**	**10 tCO_2**
Downstream effects of mitigation activities	**455,226**	**2,069**	**74 tCO_2**

Remote working stands out as one of the most effective measures to ease commuter and vehicle traffic, enabling office staff to work up to three days a week away from the office. The average utilisation index rose to **1.11 days per person**, up from 1.05 the previous year.

This is complemented by the adoption of **remote meetings**, which limit travel, and corporate services such as **in-house laundry** and **changing rooms** for those who travel by bicycle, designed to facilitate employees' day-to-day management.

A significant contribution comes from the **Corporate Carpooling** project, which was highly successful in 2024. This result has led SEW to consider introducing a **third electric shuttle bus** for 2025 as well, further expanding this sustainable initiative.

> “Remote working stands out as one of the most effective measures to ease commuter and vehicle traffic”

Biodiversity

Collaboration between SEW-EURODRIVE Italia and the Parco delle Groane e della Brughiera Briantea

We are committed to protecting the environment and biodiversity by actively contributing to a more sustainable future. To reduce and offset the CO_2 emissions connected with our activities, we have established a collaboration with the **Parco delle Groane e della Brughiera Briantea**, located close to our site in Solaro (MI).

On 16 November 2022, a **Protocol of Understanding** was signed in Solaro between the President of the Park Authority and our General Manager, Giorgio Ferrandino. This agreement reinforces the **partnership for environmental protection** and the **enhancement of the Park**, a regional protected area classified as a forest and metropolitan belt park (Italian Regional Law no. 32/1986).

We actively engage employees, customers, schools and organisations, to raise awareness on environmental challenges in the area. Through dedicated initiatives, we promote social inclusion and dialogue with the local community, with a view to generating a positive and lasting impact.

PROJECTS UNDERWAY

Necromass

In cooperation with Parco delle Groane e della Brughiera Briantea, we have created a **"necromass corner"** in our company park. This space is designed to provide an ideal habitat for pollinating insects, creating areas dedicated to nesting and reproduction.

Bees and other pollinators play an essential role in biodiversity, ensuring the pollination of plants, which is crucial for the production of fruits, seeds and the balance of ecosystems. However, their survival depends on the presence of decaying wood, an increasingly rare element in urban gardens and manicured green areas. With this initiative, we have recreated a **small corner of wilderness** to encourage their presence and safeguard biodiversity.

> "We have recreated a small corner of wilderness to encourage and safeguard biodiversity"

The necromass corner is not only a practical initiative, but also an **educational opportunity**. It has brought the topic of biodiversity into the company, raising awareness among employees and promoting greater awareness on the importance of protecting these precious allies of the environment.

This project is part of our broader commitment to sustainability and the enhancement of the local area.

PROJECTS UNDERWAY

Flower Bed
The Flower Bed project continues successfully

Launched in 2022, the Flower Bed project takes a concrete step towards enhancing biodiversity. We have transformed part of our company garden, **a green area of approximately 5,000 square metres**, into a natural oasis sown with native flowers and left to grow wild, without mowing. This space has become an ideal habitat for bees, bumblebees, butterflies and beetles, encouraging the presence of pollinating insects that are essential to the ecosystem.

In addition to improving the appearance and environmental quality of our garden, the project shows that even minor initiatives can make a difference to nature. Launched with the support of an experienced beekeeper and approved by Parco delle Groane, it followed natural rhythms: soil preparation in winter, sowing in spring, and **first blooming in summer 2023**.

To enrich the habitat, we installed insect and bird houses, providing shelter for the local fauna. **The benefits of the flower bed** are manifold: it protects biodiversity, offers greater resistance to drought, reduces moisture loss, and progressively improves soil quality — all with low energy and water consumption.

This year, the project has continued to flourish, confirming our concrete commitment to the environment.

> “The project shows that even minor initiatives can make a difference to nature”

PROJECTS UNDERWAY

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 panel also explains why the bees were not placed directly in our garden, but in the safer and more suitable environment of the Park, where they find an ideal habitat in which to thrive.

The GroApe Project

The GroApe project is a **environmental biomonitoring** initiative that uses bees as bio-indicators to assess ecosystem health. Launched in Parco delle Groane, it makes use of **3Bee** technology, which uses sensors installed in the hives to monitor environmental conditions in real time. These devices collect data on various parameters, providing valuable information on the health of the bees and, consequently, of their environment.

The aim of GroApe is to raise awareness of the importance of bees and beekeeping in biodiversity conservation and environmental protection. The project engages the local community through dissemination events and educational activities, promoting greater awareness of environmental challenges and the value of ecological monitoring.

> “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

+ Sustainable procurement system
+ Supplier management
+ Scope 3 value chain emissions

→ Value chain


→ Governance
→ People
THE GREEN SIDE OF
→ Products/Services
→ Environment

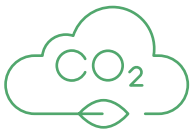
Strategic and sustainable management of supplier relations

Suppliers are a key element of our **production and organisational process**. Consequently, it is crucial to ensure they are aligned with our long-term strategic goals.
Our goal is to build **clear, solid relationships**, capable of generating value in both the short and the long term. **Strong partnerships** foster the achievement of mutual goals, creating a **beneficial and sustainable** collaboration for both parties.

We distinguish between **direct** and **indirect** purchases; the former concern goods and services strictly related to production, while the latter support other aspects of business management. In order to ensure consistent quality standards, our business model requires that production materials be supplied directly by the parent company, which is the main source of our supplies.

ESG material topics

The importance of this commitment also emerges from the topics determined by the materiality analysis conducted in 2024:



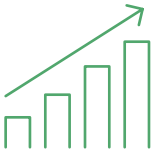
Fighting climate change

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.

Increased circularity

Increasing circularity reduces environmental impact and enhances the 9R approach to resources, contributing to a more sustainable industrial model.



Economic performance/ Market presence

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

2024 procurement structure

In 2024, 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. This category also includes services, including 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	
	€/year	No. suppliers	€/year	No. suppliers
A Purchases from SEW Group	123,383,346	5	107,398,455	4
B Purchases from Italy	10,202,716	506	13,403,268	459
C Purchases from other foreign suppliers	1,068,435	47	901,971	47
Total	**134,654,496**	**558**	**121,703,694**	**510**

* Amounts include VAT where applicable

Supply Chain Optimisation
Purchasing trends and rationalisation strategies

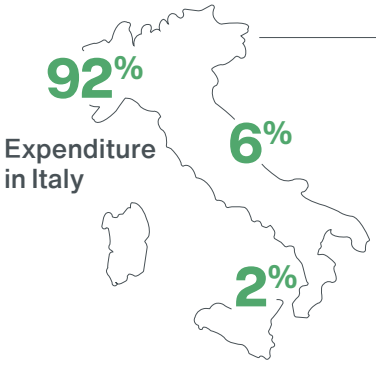
The table compares purchases in 2023 and 2024 by origin, analysing both their economic value and the number of suppliers involved.

Purchases from the SEW Group, the most economically significant item, **fell** from €123.4 million in 2023 to **€107.4 million in 2024**.

Purchases from Italian suppliers, instead, **grew by 31.6%**, from €10.2 million in 2023 to **€13.4 million in 2024**.

However, the number of suppliers fell from 506 to **459**, signalling a greater concentration on select, reliable partners, in line with a national supply chain optimisation strategy.

Overall, the **total value of purchases fell by 19.6%** (from €134.7 million to **€108.3 million**), accompanied by a reduction in the number of suppliers from 558 to **510**. This trend reflects a general decline in business and production, as well as an optimisation and rationalisation of the supply chain.



SEW-EURODRIVE Italia increased its local purchases, which went from 8% to 11% of its total expenditure (€13,403,267 vs. €10,202,716)

SUPPLIER	No.	€
Europe	506	121,655,524
America	4	48,170
Asia	0	0
Africa	0	0
Total	**510**	**121,703,694**

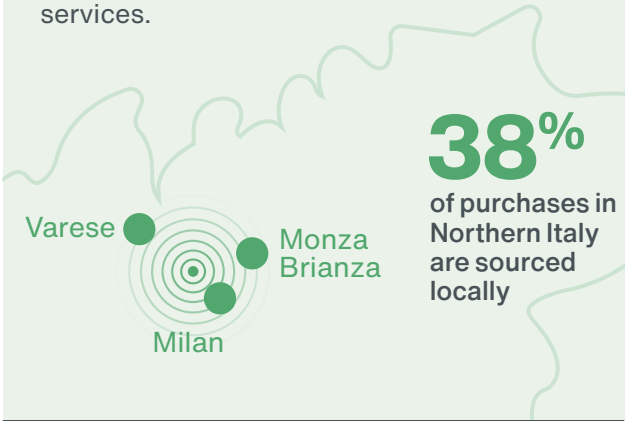
TOTAL EXPENDITURE IN ITALY	2022		2023		2024	
	€/year		€/year		€/year	
North	7,571,130	75%	8,378,342	82%	12,249,717	92%
Centre	613,073	6%	503,673	5%	827,036	6%
South	1,936,988	19%	1,320,700	13%	326,514	2%
Total	**10,121,192**	**100%**	**10,202,716**	**100%**	**13,403,267**	**100%**

Purchases are mainly concentrated in Northern Italy, which accounts for **92%** of the total, in line with the presence of the headquarters in Solaro (MI).The increase in expenditure in this area is also linked to the commencement of works on the new **Driver Center in Bologna**, an **8,000 sqm** facility that will house:

- Maintenance, assembly and logistics
- Specialised engineering, research and development
- Drive Academy for advanced technical training
- Co-engineering area with around 70 partner stations

This project represents a strategic step for the consolidation of activities and innovation in the sector.

In the figure relating to purchases in Northern Italy, **38% of the total value (€5 million)** comes from suppliers located in the provinces surrounding the headquarters (Varese, Monza Brianza and Milan), with a particular concentration in the supply of services.



Sustainable procurement system

Towards Net Zero 2030: a concrete commitment

On our path to Net Zero by 2030, we have made a clear commitment to progressively reducing emissions and promoting an increasingly sustainable business model. This goal is not only a strategic choice, but also a **responsibility towards the environment, society and future generations**.

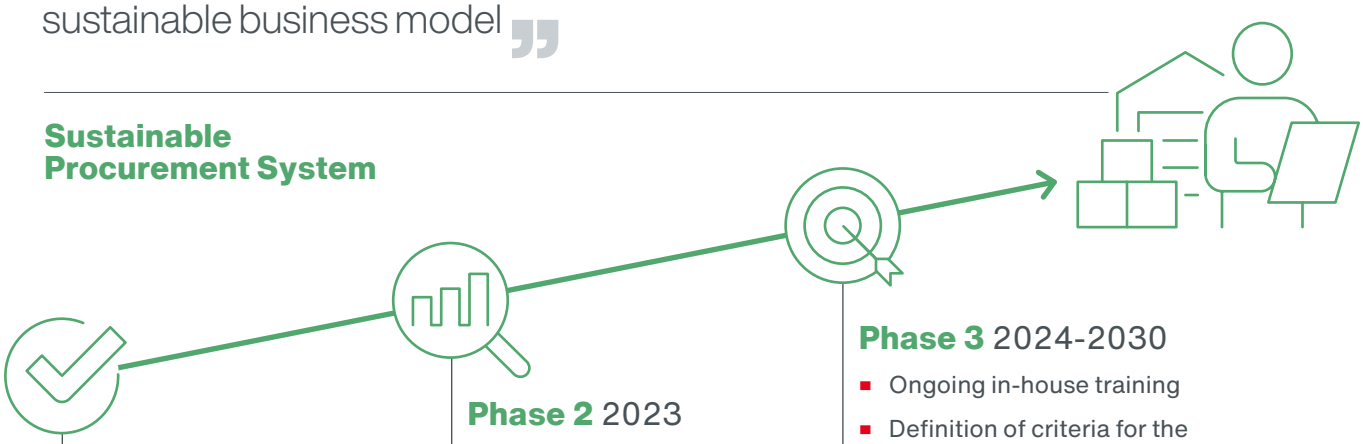
> "We have made a clear commitment to progressively reducing emissions and promoting an increasingly sustainable business model"

A journey begun in 2022: Sustainable Procurement

In 2022, we started a process of supplier awareness, knowing that their involvement is essential for the achievement of our sustainability goals. This initiative, which has been consolidated over the years, has made it possible to build a **partnership based on transparency and data sharing**.

Through this collaborative approach, this year we have been able to fully calculate Scope 3 emissions *(see page 114)*, a significant milestone that reinforces our commitment to monitoring and reducing emissions along the entire value 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

An integrated and responsible procurement model

At SEW-EURODRIVE Italia, the procurement process involves several corporate stakeholders, with the support and supervision of the procurement department. However, we believe that sustainability is not a responsibility confined to a single department, but **a common goal that requires the contribution of all**.

Every procurement decision follows three basic principles:

- **Quality**
  Ensuring high standards for goods and services
- **Affordability**
  Optimising resources while maintaining the best value for money
- **Sustainability**
  Prioritising suppliers and solutions with a lower environmental and social impact

To reinforce this approach, **we organise annual in-house training and awareness-raising sessions** to provide practical tools and specific skills. These meetings help to understand the challenges of sustainable procurement and to develop a mindset geared towards the conscious choice of suppliers.

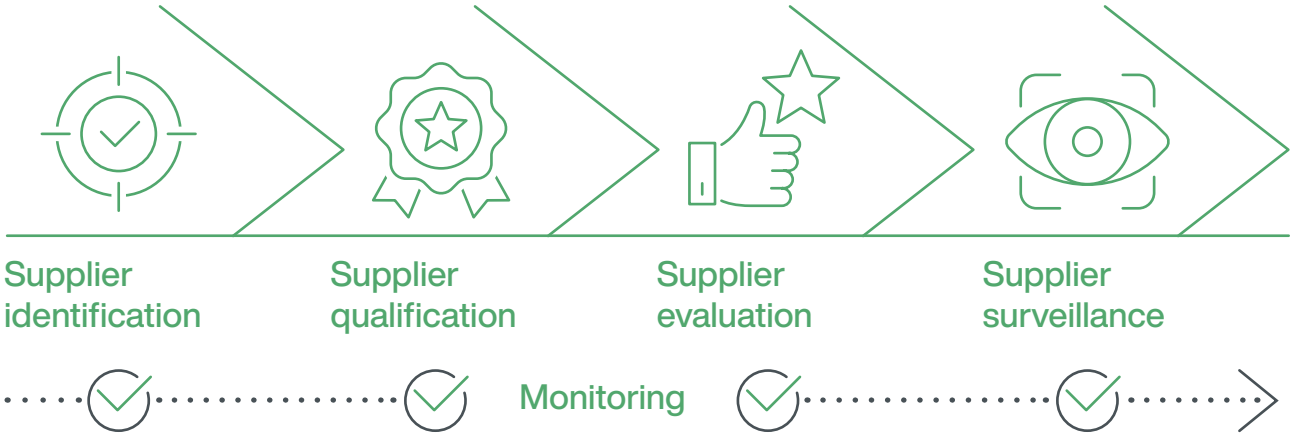
We have also introduced specific governance and sustainability clauses into contracts, binding suppliers to **comply with precise ethical and environmental standards**. In the evaluation of tenders, in addition to economic and technical criteria, we have also included an assessment of the sustainability of tendering companies, thus promoting virtuous behaviour throughout the supply chain.

> “Sustainability is not a responsibility confined to a single department, but a common goal that requires the contribution of all”

Supplier management

> The supplier management process consists of key steps that ensure that the company's standards in terms of quality, sustainability and regulatory compliance are met

The management flow can be summarised in the diagram below.



Structured supplier management: qualification, monitoring and improvement

Supplier management follows a structured process that starts with **identification of the most suitable partners for our business needs**. This phase involves an in-depth analysis to assess the quality, sustainability and reliability of potential suppliers.

Once identified, suppliers move on to the qualification phase, during which they are **verified through documentation requests and compliance with corporate standards**, including sustainability and governance. However, not all suppliers are subject to this process.
Excluded suppliers are:

- Suppliers with international agreements with our parent company
- Neighbourhood suppliers
- Utilities and other ineligible purchases

After qualification, the supplier enters the list of **qualified suppliers**. The procurement department then selects key suppliers and **monitors them closely** based on specific criteria, such as:

- Purchase volume
- Criticality of the product or service
- Impact on business operations

Key suppliers undergo a detailed evaluation, which may include on-site audits, to verify compliance with agreed requirements and foster continuous improvement.

Continuous monitoring

The relationship with suppliers is subject to constant monitoring, using performance indicators and regular reviews. This ensures that the company's standards are met and, in the event of any critical issues arising, enables shared improvement plans to be activated.

> "Constant monitoring of suppliers ensures compliance with company standards"

In 2024, out of a total of **510 suppliers, 68% (348 suppliers) were ineligible** due to factors such as foreign purchases, parent company agreements or insignificant amounts.

The remaining **32% (162 suppliers) were eligible**:

- **51% (82 suppliers)** were already qualified
- **48% (78 suppliers)** were still in the qualification phase

Compared to 2023, the qualification process has improved significantly. Last year, only 39% of eligible suppliers were qualified, while **in 2024 the share rose to 51%**, reflecting growing attention and increased effectiveness in the process.

In 2024, five audits were conducted on the most strategic suppliers to verify compliance with requirements and strengthen control over the supply chain.

SUPPLIER STATUS	Quantity	% of total
To be qualified	78	15%
Qualified	82	16%
Qualified with reserve	2	0%
Ineligible	348	68%
Total	**510**	**100%**
Eligible	162	32%
Audited suppliers	5	1%

Scope 3, value chain emissions

The total volume of SEW-EURODRIVE Italia purchases amounted to €121.7 million, of which **€120 million (99%) were for the purchase of external services or materials**, thereby **falling under indirect Scope 3 emissions**.

This underlines the strategic role of procurement in understanding the environmental impact of the supply chain and implementing initiatives to reduce it.

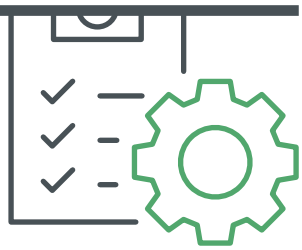
> "Procurement has the task of driving sustainable choices and promoting practices that generate a positive impact along the entire value chain"

Actions to reduce the impact of Scope 3 emissions:

- **Improving the calculation methodology**, moving from a spend-based to an activity-based approach, to obtain more accurate data
- **Selecting more sustainable suppliers**, favouring companies with a clear emission reduction strategy
- **Fostering suppliers who report their emissions**, to increase transparency and traceability of our environmental impact
- **Driving the company in reducing waste**, identifying key optimisation areas and promoting low environmental impact solutions

Investing in **sustainable procurement** means not only reducing the company's carbon footprint, but also strengthening supply chain resilience, improving operational efficiency, and meeting growing market and regulatory demands for sustainability.

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. However, it regards as imperative the need to report on its commitments and responsibilities in terms of sustainability, and does so with this document, drawn up in accordance with the 2021 Sustainability Reporting Standards of the GRI (Global Reporting Initiative), based on the "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

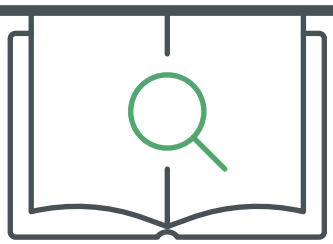
- **Stakeholder inclusiveness**
  The application of this principle has led SEW-EURODRIVE Italia to implement and report on engagement activities, described in the chapter "*Materiality analysis and priorities*"
- **Context of sustainability**
  In the chapter "*Industry 5.0: a sustainable, human-centric future*", a clear definition is given of how the company interprets sustainability related 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. The material topics were mapped to the European Sustainability Reporting Standards (ESRS), in alignment with the data collection process launched by our Parent Company across its subsidiaries, in accordance with the European Corporate Sustainability Reporting Directive (CSRD). 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 2022-2023-2024, 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 2024. 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. In the 2024 Sustainability Report, the figures for the number of executives and employees in the year 2023 were corrected due to a clerical error. In the 2023 Report, it was not possible to include the complete figure relating to photovoltaic energy production for the month of December, due to a technical fault that temporarily prevented the recording of values from the PV plant installed at the Solaro site. Subsequently, when the correct operation of the monitoring system was restored, it was possible to acquire the actual production figure for the month of December 2023, which was 717 kWh. This update resulted in an adjustment of the total annual value of energy produced by the photovoltaic system from 32,007 kWh (value reported in the 2023 Annual Report) to 32,723 kWh. In the 2023 Sustainability Report, owned and leased company cars were included in Scope 1. In the 2024 Report, only owned cars were considered.
- **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 2024 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 10 June. 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 2024 - 31 December 2024
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 *version 2021*	**2-1**	Organisational details	pages 14, 15, 42 - 45, 146
	2-2	Entities included in the organisation's sustainability reporting	pages 42, 43
	2-3	Reporting period, frequency and contact person	pages 140, 150
	2-4	Review of information	The figures for the number of executives and employees in the year 2023 were corrected due to a clerical error In the 2023 Report, it was not possible to include the complete figure relating to photovoltaic energy production for the month of December, due to a technical fault that temporarily prevented the recording of values from the PV plant installed at the Solaro site. Subsequently, when the correct operation of the monitoring system was restored, it was possible to acquire the actual production figure as indicated in the Methodological Note. In the 2023 Sustainability Report, owned and leased company cars were included in Scope 1. In the 2024 Report, only owned cars were considered.
	2-5	External assurance	page 146
	2-6	Activities, value chain and other business relations	pages 7, 8, 14, 15, 82, 83, 85 - 89, 93, 94, 133-139
	2-7	Employees	pages 58, 59
	2-8	Non-employees	page 58
	2-9	Governance structure and composition	pages 42 - 47
	2-10	Appointment and selection of the highest governing body	pages 42 - 47
	2-11	President of the highest governing body	pages 42 - 47
	2-12	Role of the highest governing body in supervising impact management	pages 42 - 47
	2-13	Delegation of responsibilities for impact management	pages 42 - 47

GRI STANDARD/ OTHER SOURCE	INFORMATION		LOCATION
GRI 2 General information *version 2021*	**2-14**	Role of the highest governing body in sustainability reporting	pages 42 - 47
	2-15	Conflicts of interest	page 42
	2-16	Communication of critical issues	pages 42, 43
	2-17	Collective knowledge of the highest governing body	pages 42, 43
	2-18	Performance evaluation of the highest governing body	pages 42, 43
	2-19	Remuneration policies	pages 42, 43
	2-20	Process for determining pay	pages 41, 42
	2-21	Rate of annual total remuneration	page 66
	2-22	Sustainable development strategy statement	pages 16 - 27
	2-23	Policy commitment	pages 16 - 27
	2-24	Integration of policy commitments	pages 16 - 27
	2-25	Processes to remedy negative impacts	pages 32 - 35
	2-26	Mechanisms for requesting clarifications and raising concerns	pages 44, 45
	2-27	Compliance with laws and regulations	pages 46 - 50
	2-28	Membership in associations	pages 74 - 77
	2-29	Approach to stakeholder engagement	pages 28 - 31
	2-30	Collective agreements	Metalworkers' collective agreement
MATERIAL TOPICS			
GRI 3 Material topics *version 2021*	**3-1**	Process of determining material topics	pages 26 - 37
	3-2	List of material topics	pages 36, 37, 51, 55, 81, 99
FIGHTING CLIMATE CHANGE: REDUCING CONSUMPTION AND EMISSIONS			
GRI 3 Material topics *version 2021*	**3-1**	Process of determining material topics	pages 26 - 37
	3-2	List of material topics	pages 36, 37, 51, 55, 81, 99
GRI 302 Energy *2016*	**302-1**	Energy consumed within the organisation	pages 107 - 110
	302-2	Energy consumed outside the organisation	pages 107 - 110
	302-3	Energy intensity	pages 108, 109
	302-4	Reducing energy consumption	pages 84 - 86, 107 - 110
	302-5	Reducing the energy needs of products and services	pages 107 - 110
GRI 302 Emissions *2016*	**305-1**	Direct GHG emissions (Scope 1)	pages 111, 112
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	pages 111, 112
	305-3	Other indirect GHG emissions (Scope 3)	pages 112 - 117, 139
	305-4	Intensity of GHG emissions	pages 111, 112
	305-5	Reducing GHG emissions	pages 112 - 117, 139

GRI STANDARD/ OTHER SOURCE	INFORMATION		LOCATION
GRI 302 Waste *2020*	306-1	Waste generation and significant waste-related impacts	pages 104 - 106
	306-2	Management of significant waste-related impacts	pages 104 - 106
	306-3	Waste produced	pages 104 - 106
	306-4	Waste diverted from disposal	pages 104 - 106
	306-5	Waste for disposal	pages 104 - 106
ABILITY TO ADAPT TO CLIMATE CHANGE			
GRI 3 Material topics *version 2021*	3-3	Management of material topics	pages 100 - 129
Energy		Self-production of energy from photovoltaic systems	page 110
Construction		Sustainable construction	pages 118 - 121
Mobility		Car policy, sustainable mobility, fleet CFP and PSLC	pages 122 - 126
Biodiversity		Necromass, flower bed, beehives	pages 127 - 129
INCREASED CIRCULARITY			
GRI 3 Material Topics *version 2021*	3-3	Management of material topics	pages 87, 100 - 103
Waste		Waste circularity	pages 104 - 106
Service		Service and circularity	pages 92 - 94
Lean smart factory		Lean smart factory	pages 90, 91
HEALTH AND SAFETY AT WORK			
GRI 3 Material Topics *version 2021*	3-3	Management of material topics	pages 87, 100 - 103
GRI 403: Health and safety at work *2018*	403-1	Occupational health and safety management system	pages 68 - 71
	403-2	Hazard identification, risk assessment and accident investigation	pages 68 - 71
	403-3	Occupational health services	page 71
	403-4	Worker participation and consultation and communication on health and safety at work	pages 68, 69
	403-5	Worker training on health and safety at work	pages 61, 62, 68, 69
	403-6	Promoting workers' health	pages 63 - 66, 67 - 71
	403-7	Prevention and mitigation of occupational health and safety impacts directly connected with business relationships	pages 69, 70
	403-8	Workers covered by an occupational health and safety management system	pages 67, 68
	403-9	Accidents at work	page 67
	403-10	Work-related illnesses	page 67

GRI STANDARD/ OTHER SOURCE	INFORMATION		LOCATION
SKILLS ENHANCEMENT AND WELLBEING			
GRI 3 Material Topics *version 2021*	**3-3**	Management of material topics	pages 56, 57
GRI 404 Training and education *2016*	**404-1**	Average number of training hours per year per employee	pages 55, 61, 62
GRI 404 Training and education *2016*	**404-2**	Employee skills upgrading and transition assistance programmes	pages 61, 62
GRI 404 Training and education *2017*	**404-3**	Percentage of employees receiving regular performance and professional development appraisals	page 60
GRI 405 Diversity and equal opportunities *2016*	**405-2**	Ratio of basic salary and pay of women to men	pages 65, 66
GRI 401 Employment *2016*	**401-2**	Benefits provided for full-time employees, but not for part-time or fixed-term employees	pages 63, 64
GRI 401 Employment *2016*	**401-3**	Parental leave	pages 65, 66
ECONOMIC PERFORMANCE/MARKET PRESENCE			
GRI 3 Material Topics *version 2021*	**3-3**	Management of material topics	pages 7 - 9, 14, 15, 81 - 94
GRI 201: Economic performance *2016*	**401-3**	401-3 Parental leave	page 51
GRI 206: Anti-competitive practices *2016*	**401-3**	401-3 Parental leave	No pending legal action
GRI 202 Market presence *2016*	**401-3**	401-3 Parental leave	100% of the employees are paid a salary above subsistence level
SERVITIZATION			
GRI 3 Material Topics *version 2021*	**3-3**	Management of material topics	pages 88, 89
Servitization Manager		Appointment of the Servitization Manager	page 88
Servitization		Digital services and business models	pages 88, 89

Auditors' report

PKF

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

INDEPENDENT AUDITORS' REPORT
ON THE 2024 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 commissioned to carry out a limited review ("limited assurance engagement") of the attached Sustainability Report of SEW Eurodrive S.a.s. di SEW S.r.l. & Co (the "Company") for the financial year ending 31 December 2024.

General Partner's responsibility for the Sustainability Report

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

The General Partner is also responsible for that part of the internal control deemed necessary to enable the preparation of a sustainability report that is free from material misstatement due to fraud and unintentional conduct or events.

The General Partner is also responsible for defining the Company's objectives in relation to sustainability performance, as well as for identifying stakeholders and significant aspects to be reported.

Independence of the auditing firm and quality control

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

During the year of this engagement, the auditing firm applied the International Standard on Quality Control 1 (ISQC Italy 1) and accordingly maintained a quality control system that includes documented guidelines and procedures on compliance with ethical principles, professional principles and applicable laws and regulations.

Responsibility of the auditing company

It is our responsibility to express, based on the procedures performed, a conclusion about the Sustainability Report's compliance with the requirements of the GRI Standards. Our work has been carried out according to the criteria set out in the "International Standard on Assurance Engagement 3000 (revised)" – "Assurance engagement 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 that limited procedures be planned and carried out in order to gain a limited level of assurance that the Sustainability Report does not contain any material errors.

Therefore, our examination has resulted in less work than required to conduct a full examination under the ISAE 3000 Revised ("reasonable assurance engagement") and, consequently, it does not allow us to be certain that we have knowledge of all significant facts and circumstances that could be identified in the course of such examination.

The procedures carried out on the Sustainability Report were based on our professional judgement and included interviews, mainly with the company personnel responsible for preparing the information presented in the Sustainability Report, as well as document reviews, recalculations and other procedures aimed at obtaining evidence deemed useful.

In particular, we have carried out the following procedures:

- analysis of the process of defining the material issues reported in the Sustainability Report, with reference to the methods of analysis and understanding of the context, identification, assessment and prioritisation of actual and potential impacts, and internal validation of the results of the process;

- comparison of the economic and financial data and information reported in the section "Economic value created and distributed" of the Sustainability Report with the data and information included in the Company's annual financial statements;

- understanding of the processes underlying the generation, collection and management of the significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have conducted interviews and discussions with personnel from the Company's Management and carried out limited document checks, in order to gather information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for preparing the Sustainability Report.

Furthermore, for significant information, taking into account the activities and characteristics of the Company:

- with regard to the qualitative information contained in the Sustainability Report, we have conducted interviews and acquired supporting documentation to verify its consistency with the available evidence;

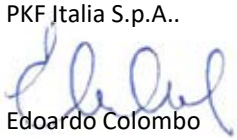
- with regard to quantitative information, we have carried out both analytical procedures and limited verifications to ascertain the correct aggregation of data on a sample basis.

Conclusions

Based on the work performed, nothing has come to our attention that would lead us to believe that the Company's Sustainability Report as of 31 December 2024 has not been prepared, in all significant aspects, in accordance with the requirements of the GRI Standards, as described in the "Methodological Note" section of the Sustainability Report.

Milan (Italy), 13/06/2025

PKF Italia S.p.A..



Edoardo Colombo
(Shareholder)

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:
Mix Communication - Milan

SEW-EURODRIVE Italia has printed this report on paper made from **FSC®**-certified and other controlled material. Vegetable-based solvent inks were used for printing

Printed in **July 2025**

On the cover
A beautiful spring landscape in Tuscany, veiled in morning mist and marked by the region's iconic cypress trees


SEW

The 2024 Sustainability Report is also available online.
Scan the QR code:

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