

# THE GREEN SIDE

# OF DRIVE







## A Message from our Family

To us, sustainability is not just a buzzword, it's the right way to do business.

As business owners, we must pay attention to every facet of resource allocation, whether the resource is a raw material or an employee, so as to remain profitable and relevant in the market.

We waste very little in our own processes, but recognize we should evaluate and see the big picture of our environmental impact – and it is for this reason that we are committing to a written sustainability plan.

Having a plan in place will keep us on a clear path when it comes to recognizing, changing, reducing, and even eliminating processes or practices that do not align with improving our sustainability performance.

Sincerely,  
Rainer Blicke



Rainer Blicke  
Vice President

# About our company

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

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

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

## About SEW-EURODRIVE USA

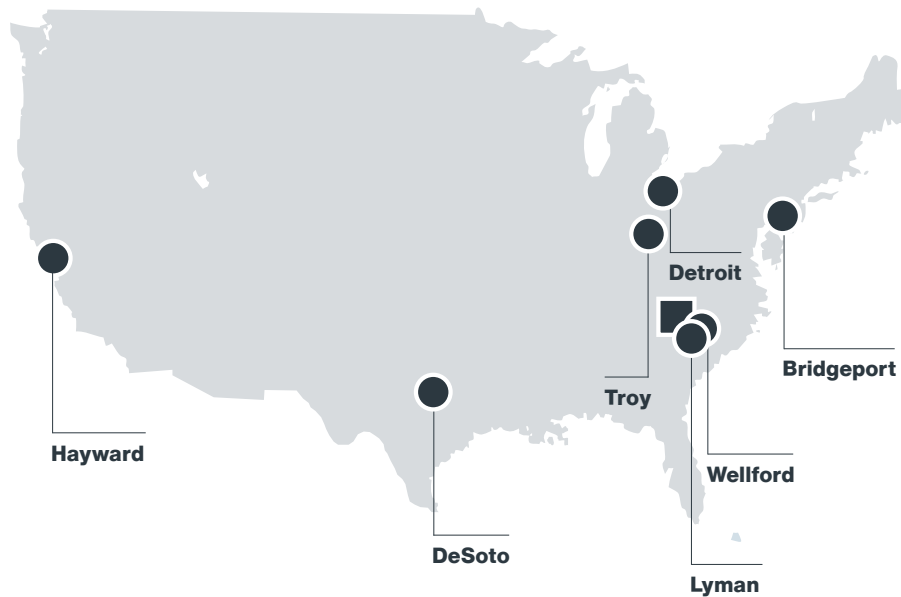
Our U.S. operations are based in Lyman, SC. This facility houses manufacturing of our K-series products along with large industrial gearbox assembly, motion controls assembly, standard assembly and engineering/service support for the southeastern region.

There are four other assembly centers in the U.S., including:

Troy, Ohio  
DeSoto, Texas  
Bridgeport, NJ  
Hayward, CA



## Our locations in the US



### Lyman, SC:

Lyman Mfg.: 638,214 sq. ft.

Lyman Fitness/Training Center: 10,053 sq. ft.

### Wellford, SC:

Wellford Assembly: 280,500 sq. ft.

Wellford Office: 41,944 sq. ft.

IG Assembly: 160,000 sq. ft.

Maxolution: 24,500 sq. ft.

Troy, OH: 117,854 sq. ft.

Bridgeport, NJ: 93,000 sq. ft.

DeSoto (new), TX: 142,506 sq. ft.

Hayward, CA: 51,161 sq. ft.

Detroit, MI: 3,464 sq. ft.

# 2021

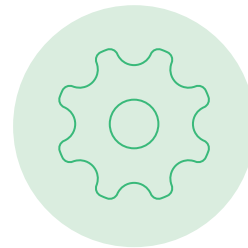
We will use 2021 as a baseline year for our social and environmental performance impact, and it is our aim to report annually to all of our stakeholders on our progress.

### Our Approach to Sustainability

2021 was the first year in which we began measuring the social and environmental impact of our U.S. operations. We started by hiring the sustainable business consulting firm Emerger Strategies, who conducted a Sustainability Assessment of our business, measured our Scope 1 and Scope 2 greenhouse gas emissions, and developed our Strategic Sustainability Plan.

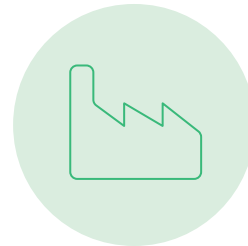
We will use 2021 as a baseline year for our social and environmental performance impact, and it is our aim to report annually to all of our stakeholders on our progress. We are certainly not perfect, but we believe in continuously innovating and improving our business while taking care of our people and being good stewards of the planet. We have locations across the U.S., but our corporate and manufacturing offices are located in Lyman, South Carolina.

As a business based in South Carolina, we are proud to support the work of Sustain SC, a nonprofit that is “connecting the sustainability goals of business in South Carolina with local solutions for the benefit of our economy, environment, and people.” By supporting the work of Sustain SC, we are connecting with other responsible business leaders to ensure a sustainable future for all.



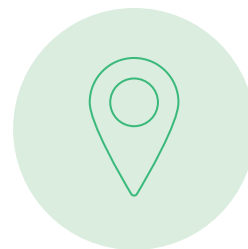
## 1975

Founded



## Headquarters

Lyman, South Carolina



## Locations

# 1

Production Plant (Lyman/SC)

# 1

Industrial Gears Facility  
(Welford/SC)

# 5

Drive Technology Centers  
incl. gearmotor assembly



# 17 global Sustainability targets

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

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





# The basis of our business activities





# People make the difference

In taking this as our mission statement, we are emphasizing just how important each and every member of SEW-EURODRIVE is. It is people who "drive" our company and are the secret to our sustained success.

Our culture is steeped in mutual trust, respect, and appreciation. Our programs promote equal opportunities, lifelong learning, and cross-unit collaboration. A trusting and inclusive approach ensures the shared success of the company and nurtures a high level of job satisfaction among the workforce.

This is why we also take care to ensure our staff can enjoy a good work-life balance. By putting in place countless measures relating to occupational health management and both basic and further training, we keep levels of motivation high and make sure our employees identify strongly with our company.



## Employee Wages

We are proud to say that 100% of our employees are paid a living wage, which means that they can afford a decent standard of living for their families.



## Employee Health & Safety

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



## Employment Terms

We provide fair employment terms that are aligned with human rights. We will work to continuously improve these metrics.



# Products & Services

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

The modular concept behind our products is one of the most important reasons for their success and also contributes significantly to sustainability. So, what is it that makes this concept especially sustainable? Although the following points apply to lots of our product series, the new PxG<sup>®</sup> planetary servo gear unit is a particularly good example to use in answering this question. The sustainability of our state-of-the-art gear unit is principally based on the general idea of creating as many variants as possible from as few individual parts as possible. A good example of this is using the same gear set for multiple purposes. For instance, we use the same gear wheel as the last gear unit stage in one gear unit size and then again as the preliminary stage in the next size.

This means we can scale up the production of this particular gear wheel, thereby making production more resource-efficient. Another way that our modular system benefits sustainability is that we manufacture as few different parts as possible. For instance, many components can be used across a range of different product series. At the same time, simply having one component in dual variants, such as a drive bearing, means we can offer twice as many variants of each product. Since all components are compatible, the end result is greater variation. This in turn enables us to build solutions that are tailored as closely as possible to specific customer requirements.

**The sustainability of our state-of-the-art gear unit is principally based on the general idea of creating as many variants as possible from as few individual parts as possible.**

# Production and Business processes

How much CO<sub>2</sub> does a drive solution from SEW-EURODRIVE generate? Given the modular nature of our product portfolio, that question is impossible to answer on a generic basis, since every solution is tailored to a customer's specific needs. We have only limited access to figures, as we are dependent on the companies in question telling us about the conditions in which their solutions are being used. Although it is challenging to determine the carbon footprint of our solutions that are actually in use, we are making good progress when it comes to calculating the annual carbon footprint associated with the energy and electricity consumption of our own production operations.

## Energy

We measured our 2021 energy consumption at each US location. We consumed 104,975.28 therms of natural gas, drove 2,048,148 passenger car miles and purchased 30,594,816 kWh of electricity.

## Water

We measured our 2021 water consumption at each US location. We consumed 1,439,839 gallons of water.

## Non-GHG Emissions

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

## Waste

We estimated our 2021 waste by using the EPA Volume-to-Weight Conversion Factors. We have four main waste streams mixed solid waste, mixed recycling, cardboard recycling and pallet recycling. We sent 673,507 pounds to the landfill and recycled 719,168 pounds. Our waste diverted percentage is 51.64%.



## Encroachment

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

## Greenhouse Gas Emissions

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

## Organizational Boundary

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

## Operational Boundary

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

Scope	Emission Type	Definition	GHG Emissions	Footprint Percentage
<b>Scope 1 Stationary Combustion</b>	Direct Emissions	We accounted for all the natural gas burned for 2021 from every US SEW-EURODRIVE facility, which totaled 34 903.91 therms.	185.39 mtCO <sub>2</sub> e	1.55%
<b>Scope 1 Mobile Combustion</b>	Direct Emissions	We accounted for the total miles from company-owned and controlled vehicles, which totaled 2 048 148 miles from gasoline passenger cars.	802.18 mtCO <sub>2</sub> e	6.72%
<b>Scope 2 Purchased Electricity</b>	Indirect Emissions	We accounted for 30 594 816 kWh of purchased electricity from SEW-EURODRIVE locations.	10,944.75 mtCO <sub>2</sub> e	91.73%
<b>SEW-EURODRIVE 2021 Carbon Footprint</b>			11,932.32 mtCO <sub>2</sub> e*	

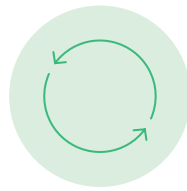


## Supply and raw material chains

“Act global – think and buy local.” For many companies, a combination of globalization and localization – sometimes known as “glocalization” – has become the best possible approach when it comes to shrinking their carbon footprint. Given the many problems currently impacting supply chains, a large number of businesses are making concerted efforts to achieve as much flexibility as possible moving forward. They are looking to avoid overdependence on individual countries and regions. The same applies to the supply and raw material chains of SEW-EURODRIVE. To achieve our aims of minimizing our carbon footprint and maintaining a healthy supply chain, we aim to use our global network to ensure both the procurement of raw materials and our products and solutions themselves are located as close as possible to our sites and our customers. By keeping transportation routes short in this way, we will reduce our CO<sub>2</sub> emissions and minimize the amount of packaging involved.

### Procurement

We are working to create a sustainable procurement policy to help further improve our environmental & social impact across our value chain.



**719 168**

pounds of waste recycled.

## Ethics and governance: The highest standards for maximum integrity

### Our most fundamental corporate principles

The high quality of our products and solutions is matched by a high benchmark in terms of ethical guidelines and standards. We believe that ethics and governance are about more than just abiding by applicable laws and global human rights. For us, ethics and governance are about actively managing sustainability and pursuing our company's core values of freedom, reliability, and humanity. As one of the world's leading manufacturers of drive technology, these standards are very close to our heart, whether in terms of occupational health and safety, a corporate code of conduct, or functional safety.

### Governance

We are working to embed sustainability considerations into our governance and management systems.

### Ethical practices

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







## Where We are Headed

We have just begun truly documenting our sustainability journey. What we know is that our company has a social and environmental impact. We looked back at 2021 to create a baseline for our environmental, social and governance (ESG) performance, and now that we understand our sustainability baseline, we can take the next steps on our path to meaningful sustainability.

We acknowledge that SEW-EURODRIVE has social and environmental dependencies, and that there are global problems, such as poverty and climate change, that we can help solve, but we first needed to assess our own business. SEW-EURODRIVE is proud to have created a solid sustainability foundation, and over the next year, we will evaluate what specific sustainability goals are measurable and attainable before we set any timelines. We look forward to having you follow us on our sustainability journey!



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