How we act sustainably.

Sustainability report 2024

Content

In order to contribute to sustainable development, SW defined four overarching fields of activity in 2023. SW continued to work intensively on the goals and measures within these fields of activity in 2024.

01 Corporate

The first field of activity is dedicated to sustainable corporate management and a sustainable corporate culture. The key topics here are compliance and risk management.

02 Environment

Ecological sustainability is a key field of sustainable action for SW. If deals comprehensively with climate protection, greenhouse gas emissions and their reduction. We also focus on issues of resources, energy and water as we strive to act sustainably.

04 People

This field of activity is dedicated to social sustainability and thus to the people who work at and with SW. The focus is on fair and attractive working conditions in the company and in the value chain. Safety and health have the highest priority. In addition, this field of activity deals with issues of equal opportunity and diversity.

03 Technology

The third field of activity has to do with technology. It deals with the question of how SW can contribute to sustainable development today and in the future through its products, services and business models. Last but not least, this field of activity also includes active collaboration with suppliers to develop resilient supply chains.

We love machining!

Foreword

We are passionate about shaping the production of tomorrow with our manufacturing systems.

Dear readers,

Challenging economic times presented us with new tasks in 2024. We nevertheless continued to stand by our responsibility for a sustainable future. For us, sustainability is not a short-term project but a central pillar of our business activities.

In 2023 we created a framework for our sustainability strategy with the four fields of activity Corporate, Environment, Technology and People. We retained this focus in 2024 and filled the topic areas with life. We courageously and responsibly implemented numerous measures and initiatives with which we plan to shape production for the world of tomorrow.

In *Corporate* we further extended our global reach. The expansion in Korea, Turkey and Mexico improves the proximity to our customers, while the newly introduced management systems at the Suzhou site further raise our standards. Despite a challenging market environment, we have succeeded in increasing our share of the market in the non-automotive sector. At the same time, we have strengthened our corporate culture through inter-departmental and inter-site events and initiatives.

In *Environment* we continued to work intensively on the implementation of our climate strategy. Whether through the new photovoltaic system and heat pump or the transformation of international subsidiaries to green electricity – SW is committed to decarbonization. For 2024 we calculated product carbon footprints for our machines for the first time.

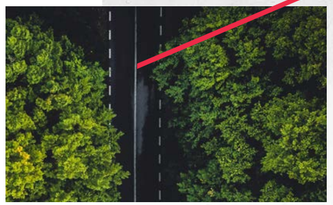
In *Technology* we pushed ahead with the expansion of minimum quantity cooling lubrication and the development of the flexible Sfix clamping system. In addition we continued to drive forward our approaches to the circular economy.

The focus was also on *People* in 2024: the health and further development of our team are important to us. We set an example here with the introduction of Hansefit and Fitbase. At the same time, our creative and future-oriented apprenticeship concept was recognized with the nomination for the "Ausbildungs-Ass 2024" award. These are just a few of the highlights of 2024 that we report on in detail in our second voluntary sustainability report.
We hope you enjoy reading it.

Kai Pieronczyk

Dr. Daniel Rieser

Stefan Weber



Stefan Weber

Kai Pieronczyk

Corporate management

As a leading provider of smart manufacturing solutions, Schwäbische Werkzeugmaschinen GmbH (SW) has demonstrated continuous innovation and striving for peak performance in the development and sales of high-quality machining centers and automation solutions ever since its founding.

Schwäbische Werkzeugmaschinen GmbH was founded in 1995 and has its headquarters in Waldmössingen in Germany's Black Forest. The company has developed strongly over the last three decades, and today has 11 subsidiaries in 10 countries. A further branch office for the market in India is currently being established. Our headquarters still represent the largest site, essentially controlling production, development and sales, while the subsidiaries function primarily as service and sales organizations. The larger subsidiaries, in the USA, China and Mexico are exceptions here as they have an extended function. Three managing directors are responsible for managing the company, with fields of responsibility split according to their areas of competence.

In addition, the Corporate Steering Committee (CSC) functions as a central strategic body at SW. It was set up in 2018 to assume responsibility for the central strategic control of the entire SW group of companies. The CSC consists of the managing directors from the headquarters, as well as selected managing directors of the largest SW subsidiaries, supplemented by a number of other managers from the central site. It defines general international conditions for all SW companies and prepares central strategic topics. This structure makes it possible for SW to respond to global influencing factors as a uniform group of affiliated companies and to grow together, with integration of the subsidiaries into strategic considerations in the foreground.

The management culture at SW combines visionary shaping of the future with a deep emotional connectedness to the company and outstanding competence in each manager's area of specialization.

Stefan Weber, with the company since 1996, stands for the values that have grown and matured historically and for the continuous striving for perfection. He started at SW as a young machine engineer and today heads the Production and Technology department, which includes the development, design and implementation of customer projects and forms the basis of success for SW as a world market leader.

Dr. Daniel Rieser

With his passion and far-sightedness he has contributed to making SW a global market leader. The challenges and successes of SW reflect Mr. Weber's commitment and dedication.

Dr. Daniel Rieser, on board since October 2023, heads the Sales and Marketing department. His most pressing objective is to promote international expansion and digitally driven business models to further enlarge SW's global presence.

Kai Pieronczyk, with the team since April 2023, concentrates on finances, controlling, IT, strategic purchasing, HR, organizational development and logistics as Commercial Managing Director. His vast know-how and experience in international business, particularly in Asia, will strengthen SW's competitiveness and sustainability efforts.

Together they form a management team that cultivates the values of SW while simultaneously striking out on innovative paths to a sustainable and digitized future. Their common objective is to establish SW as a leader in smart manufacturing solutions with digital, networked and flexible solutions while placing employee well-being and customer satisfaction at center stage.

Corporate culture

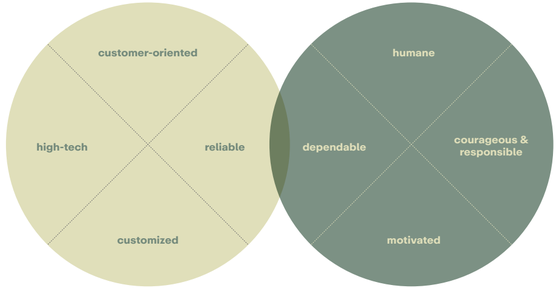
SW sets standards in the development of smart manufacturing solutions while focusing on creating added value for the customers through high-quality, efficient and flexible solutions. These solutions establish SW as a reliable, customer-oriented partner in metal cutting manufacturing. The corporate culture is characterized by the brand and cultural values.

The cultural values of SW – to be humane, courageous & responsible, motivated and dependable – form the foundation for the actions of Technology People. Because of this, they are often referred to as People values. They promote a work environment in which innovation, dedication and team spirit can thrive. For Technology People this means working in a culture that values individual capabilities, promotes personal development and encourages everyone to take courageous steps. The goal is to develop sustainable and efficient solutions that strengthen SW's leading position in the field of smart manufacturing solutions.

Various activities by SW brand ambassadors bring the People values to life. The brand ambassadors exemplify the SW culture and are particularly committed to the implementation of the People values, acting as multipliers within the company. For example, inter-departmental barbecue events are held at the various locations to promote personal dialog and help people to get to know each other better. In addition, the managing directors offer a weekly consultation where ideas or improvements can be put forward.

Chocolates with a “Thank you” message and appreciation campaigns in the form of nominations of co-workers who particularly exemplify the corporate values promote cooperation and characterize the “We are SW” culture.

The company profile is rounded off by the commitment to sustainability and responsible action as reflected in the purpose of the company: to shape production for the world of tomorrow. This brings us face-to-face with the future and the question of what the world of tomorrow will look like. The cultural value "courageous & responsible" underscores the commitment to sustainable development, which not only ensures the livelihood of the SW Group, but also takes the needs of future generations into consideration. Acting responsibly today means for SW acting so that production in the world of tomorrow will still be possible.



Technology values

People values

At a glance

Internationalization is a lived reality for SW. The ability to act globally, locally and close to the customers will be crucial in the markets of the future. The numerous SW sites enrich the corporate culture and open up new possibilities for creating added value. The adage of being active locally has proven its worth both in service and sales. Customers, employees and the environment benefit from short paths and rapid response times.

Technology People on site worldwide

	2022	2023	2024
SW Waldmössingen	867	992	946
SW Asia	317	389	419
SW North America	89	102	95
SW Automation (Tettnang)	69	72	68
SW Chongqing	29	54	58
SW Mexico	22	31	41
SW Italia	20	30	32
SW Polska	18	23	22
SW France	10	11	11
SW Hungary	5	10	17
SW Korea	0	0	6
SW Türkiye	0	0	4
Employees worldwide	**1,446**	**1,714**	**1,719**

SW subsidiaries
SW Waldmössingen (headquarters), SW Automation, SW Asia, SW Chongqing, SW Korea, SW North America, SW Mexico, SW Polska, SW Italia, SW France, SW Hungary, SW Türkiye

SW subsidiaries now being formed
SW India

SW service centers and sales partners

~ 6,000
machines delivered

432 mil.
euros in sales

1,719
employees worldwide

11
branch offices in 10 countries worldwide

> 20
years of Industrial Data Services

~ 220
service employees worldwide

Integrity as the foundation

Humane, motivated, courageous & responsible, dependable – these are the cultural values of SW that make the company sustainably successful. On this basis, SW stands for respectful interaction with one another with clear rules and in transparent structures in the national, international and inter-cultural context.

Compliance is understood to be not simply observing laws and industry standards, but as a commitment to the integrity of community in the company and in society at large. Measuring up to this standard is the task of the company management, managers, employees and business partners.

In line with these requirements, SW has set itself the goal of establishing an effective compliance management system for the SW Group. This system defines the general conditions for the business activities of all Group organizations and promotes, supports and ensures compliance with values, both nationally and internationally. In a challenging and highly dynamic environment, SW wants to recognize risks as early as possible, take suitable measures to minimize them as effectively as it can, prevent violations and in the event of a violation to eliminate it without delay, and learn to prevent violations in the future. Only partners who learn and accept responsibility from violations are dependable and trustworthy partners for SW as contractors, clients, employers and cooperative partners.

Since the company was founded, SW has put various measures and controls in place that can develop their effectiveness as part of a compliance organization. A structure that can be referred to as a Compliance Management System will also be established in the future. This system will bring together processes, adapt them to current developments and further develop them for the requirements of the SW Group. Compliance is seen as a never-ending process that is lived continuously and must be filled with life.

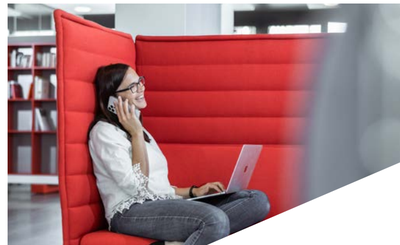
Compliance begins at SW on the managerial level, which assumes the function of providing a model and promotes a culture of integrity and responsibility throughout the entire company. The Mission Statement and Code of Conduct define the ethical basis that guides the conduct of all Technology People, especially for dealing with conflicts of interest, competitive practices, corruption and money laundering.

SW ensures the integration of diversity and continuous improvement in the compliance organization through close collaboration with suppliers and business partners, so that the company will be perceived in all its business relationships as a reliable and trustworthy partner.

SW has also introduced a whistleblower system to strengthen compliance and integrity in its operational processes. This system makes it possible to report violations against compliance guidelines or unethical conduct anonymously, promotes a culture of openness and strengthens trust in corporate management through early detection and prevention of risks.

SW places great emphasis on diversity and the involvement of all cultures and languages within the SW Group. For this reason, in collaboration with SW Academy, all essential training courses will be offered today and in the future in multiple languages so they are accessible for everyone. They will be checked to ensure they are up to date and compliant – regardless of whether the content is provided through face-to-face training or online through the Learning Management System.

SW addresses suppliers, service providers and other business partners with its standards through its Supplier Relationship Management, actively incorporating them into its requirements for business ethics, environmental protection, energy goals, working conditions and compliance. In this context, the Mission Statement is freely accessible on the website of the SW Group. Requirements are never created rigidly and with no possibility of changes. Instead they are understood among stakeholders as a living basis for business that must be maintained and further developed through interaction of those responsible on both sides.



Smart manufacturing solutions for dynamic markets

The competencies and strengths of Schwäbische Werkzeugmaschinen GmbH are plain to see: custom-made manufacturing solutions with which SW intends to position itself as the long term leader in smart manufacturing solutions. The company will achieve this goal through the development, production and marketing of multi-spindle machining centers and highly dynamic manufacturing systems. SW operates in a global network and offers excellent service.

The company's expertise is manifested in the key attributes productivity, modularity, flexibility and connectivity. SW offers its customers end-to-end, custom-made solutions from a single source. The global alignment of the company with production, service and sales locations exactly where the customers are, underscores the ability of SW to efficiently meet its customers' needs worldwide.

Productivity:
SW concentrates on solutions that maximize production capacity while at the same time minimizing operating costs. The objective of the technologies is to boost output without compromising on quality.

Modularity:
The modular structure of SW machines enables flexible adaptation to specific customer needs and production requirements. This contributes to long-term scalability and adaptability.

Flexibility:
The manufacturing solutions from SW are designed to support a wide range of manufacturing processes and to be able to respond quickly to changes in the customer's production processes.

Connectivity:
Integration into digital production environments takes center stage, with SW offering solutions that enable seamless communication between machines, systems and processes.

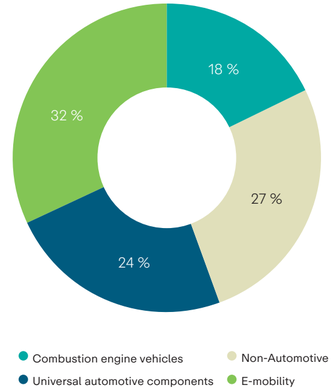
The shortest cycle times, maximum precision and reproducible quality are decisive factors in metal-cutting manufacturing. Technology People are familiar with the small but decisive differences of pivotal importance in various industrial sectors. This is why SW offers custom-made solutions for different applications and industries.
The markets of the future and their dynamics are analyzed continuously to adapt and expand the product portfolio accordingly. The SW development and design department is characterized by the unique ability to respond to changes innovatively, courageously, and responsibly and to quickly produce high-performance machines adapted to customer requirements.

SW has demonstrated its ability to keep up with the times in many ways, including the continuous expansion of its alignment. SW began to expand increasingly out of the traditional automotive sector and into future-oriented electromobility at an early stage. With this strategic realignment, SW affirms its commitment to sustainability and addresses the challenges and opportunities of new markets. By expanding its know-how and technological competence in the field of electromobility, SW is making an active contribution to promoting environmentally friendly mobility solutions.

In addition to electromobility, SW is also expanding its activities in other future-oriented non-automotive sectors including medical technology, aviation, and agricultural and construction machinery. The company is setting standards in these fields as well for maximum precision, custom-made solutions and the ability to adapt quickly to meet the specific requirements of the respective industries. In this way, SW is continuously working on diversifying its competencies and tapping new sectors in order to further refine its range of products and services, and to meet the changing requirements of the global market.

This development underscores the role of SW as an innovative and conscientious member of the manufacturing industry, addressing global challenges and offering future-oriented smart manufacturing solutions.

Order intake of the SW Group 2024



Sustainability management

Aline Breithaupt
Global Sustainability Manager

"Our sustainable business conduct ensures that SW will continue to develop ecologically, socially and economically for generations to come. In this way, we are furthering a livable world for tomorrow."

SW's understanding of sustainability

Responsibility of company management
The SW Group views sustainability as a duty of management. Company management actively supports this understanding of sustainability and stands resolutely behind it. The responsibility for sustainability is divided up within company management according to the key areas of the classic three-pillar model. Stefan Weber has the primary responsibility for ecological aspects. The social and economical aspects fall primarily under the responsibility of Kai Pieronczyk. Risk management in the context of sustainability is covered by Andreas Tanneberger in his role as Head of Legal & Compliance.

Together, all the Managing Directors determine the goals of sustainability management and ensure that reaching these goals has priority throughout the entire corporate group and in all departments. Company management also ensures that sustainability is incorporated into the corporate strategy. This is intended not only to ensure that the SW Group will be fit for the future, but will simultaneously be making a positive contribution to an equitable society.

Sustainability as a cross-divisional function
Global Sustainability Management that was established in the SW Group in 2023 is responsible for the development, introduction and implementation of a comprehensive sustainability strategy, its continuous further development and the realization of the sustainability projects derived from it. In the year under review, Global Sustainability Management focused on the establishment of voluntary sustainability reporting and preparations for the statutory obligations for non-financial reporting, based in particular on the Corporate Sustainability Reporting Directive (CSRD). The implementation of the SW climate strategy and the improvement of the ESG rating results were also key activities. In addition to continuing to calculate the corporate carbon footprint, product carbon footprints for SW machines were drawn up for the first time in 2024, and sustainability software for CO_2 accounting and CSRD reporting was implemented.

SW considers sustainability as a cross-divisional function. This means that ecological, economical and social aspects must be integrated into the processes that are in place across all departments so they can be taken into account in day-to-day business.

SW is convinced: Sustainability can only succeed with the involvement of all departments and especially of all subsidiaries within the SW Group. Sustainability is therefore managed centrally and implemented decentrally.

The foundation of sustainability management
SW's commitment to the environment is not new: SW has had an environmental management system certified in accordance with ISO 14001 at its headquarters in Waldmössingen ever since 2008. Even at that time, SW had the goal of conserving natural resources and identifying environmental impacts in order to be able to ultimately minimize them. In addition to compliance with regulatory requirements, this led to an improved reputation and the gaining of competitive advantages. Since a quality management system certified in accordance with ISO 9001 had already been in place for many years at the time of initial certification, the two systems were combined to form an integrated management system. Certification of the subsidiary in Tettnang to ISO 14001 followed in 2014. These certifications demonstrate SW's commitment to sustainable and environmentally friendly business practices stretching back many years. The management systems also ensure continuous improvement in all areas of the company. The two German SW companies are also certified to the VDA 6.4 standard. This demonstrates that they meet the requirements of the automotive industry.

To establish uniform standards within the SW Group, the certified management systems were rolled out throughout the Group. Since 2021, the SW North America and SW Asia subsidiaries have been certified to ISO 9001. In 2024, SW Asia introduced two further management systems. An occupational health and safety management system in accordance with ISO 45001 and an environmental management system in accordance with ISO 14001 were established at the site in Suzhou. Since 1 January 2025, the Chinese site can thus boast two further certifications, underlining the company's systematic environmental and occupational safety efforts.

There are also departments and committees throughout the company that have been looking at certain aspects of sustainability for many years and have originated sustainability initiatives. Some of these are SW Academy, Product and Occupational Safety, Legal & Compliance, Occupational Health Management SWbewegt (SW in motion), the CIP Team and Idea Management. The activities of all these initiatives have long been contributing towards optimizing the ecological, economical and social sustainability of SW step by step.

Through these numerous activities and the integrated management system, sustainability management at SW is being built up on a broad foundation.

Sustainability strategy and materiality matrix

A key component and starting point of the SW sustainability strategy is the company's climate goals and climate strategy. SW aims to have production at all sites worldwide climate-neutral to Scope 1 and Scope 2 of the Greenhouse Gas Protocol by 2025. The goal of climate-neutral production by 2023 was set and has already been successfully achieved at the two German sites.

Since sustainability includes significantly more topic areas than climate protection, SW carried out a materiality analysis to identify significant sustainability topics from the perspective of the stakeholders. The analysis was oriented to the topics of the Corporate Sustainability Reporting Directive (CSRD) and took double materiality into consideration. All topics were considered from two perspectives:

- Inside-out perspective: What effects does the SW Group have on the environment, society and the economy?
- Outside-in perspective: What effects do developments in the environment, society and the economy have on the SW Group?

As part of an intensive stakeholder dialog, some 100 internal and external stakeholders were asked for their assessment in an online survey. These included customers, suppliers, shareholders, representatives of banks, associations, universities and media as well as SW employees from different departments and subsidiaries. SW is convinced that the stakeholders engagement is a key success factor for sustainable development. Because of this, the online survey was supplemented by personal interviews. The materiality matrix below shows the result of the double materiality analysis conducted in 2023, and forms the basis for continuous further development of the SW sustainability strategy.

It also served as the basis for deriving the four overarching fields of activity for sustainable conduct at SW. This first sustainability report of the SW Group is also divided up according to these fields of activity.

In preparation for the future reporting obligations under the CSRD, SW has comprehensively revised and refined the 2025 materiality analysis. The impacts, risks and opportunities of all sustainability aspects in accordance with the ESRS (European Sustainability Reporting Standards) for SW were identified and analyzed in internal workshops. As the materiality analysis process had not yet been fully completed at the time of preparation of this sustainability report, it is based on the analysis from the previous year.

Sustainable Development Goals

The Agenda 2030 for sustainable development, which was adopted by the member states of the United Nations in 2015, consists of 17 SDGs, short for Sustainable Development Goals. These goals for sustainable development are comprehensive and are interlinked. They form the framework for peace and well-being for the earth and its people. The SDGs offer a shared orientation for all companies so they can align their goals and activities towards sustainable development.

SUSTAINABLE DEVELOPMENT GOALS

The SW Group has tested the relevance of all the SDGs for itself and determined that it can make an active contribution to nine of these goals. These nine SDGs form the cornerstones of the sustainability strategy. SW would like to ensure through its sustainable business conduct that the company will continue to develop ecologically, socially and economically for generations to come. This will shape a livable world of tomorrow.

The sustainability strategy of the SW Group is oriented to the following sustainability goals of the United Nations:

SDG 3: Good Health and well-being

SW places great emphasis on the health and safety of its own workforce and employees in the supply chain. This includes machine safety to ensure the physical integrity of employees downstream in the value chain as well as measures within the company as part of occupational safety and occupational health management (OHM).

SDG 4: Quality education

Through the SW Academy, SW is making an active contribution to the training of young professionals while promoting the global exchange of information within the corporate group. SW employees receive intensive advanced training and comprehensive customer training is offered.

SDG 7: Affordable and clean energy

SW concentrates on the energy efficiency of its products and the use of green electricity in its own business processes. The goal is to cover 90 % of the worldwide electrical power consumption within the SW Group with green electricity by 2025.

SDG 8: Decent work and economic growth

SW stands for fair working conditions, both internally and in the supply chain. With its high-quality manufacturing systems, the company contributes to efficient production processes and the creation of high-value jobs for its customers. Economic growth in the region is also promoted.

SDG 9: Industry, Innovation and Infrastructure

Innovation is a core value of SW. The company is continuously developing new machining centers and manufacturing systems and is striving for a leading position in smart manufacturing systems, which are highly automated, flexible and efficient.

SDG 10: Reduced inequalities

SW works actively for equal opportunity and creates opportunities for all people regardless of social and personal characteristics such as gender, nationality and ethnic origin. Inclusive and fair collaboration with all SW companies and their partners is viewed as essential for the sustainable development of the company.

SDG 12: Responsible consumption and production

The smart manufacturing solutions of SW enable sustainable production in customers' factories. Resource conservation and resource efficiency are at the forefront of both the in-house processes and the product development.

SDG 13: Climate action

The climate strategy of the SW Group is aiming for climate-neutral production according to Scopes 1 and 2 of the Greenhouse Gas Protocol by 2025 and achieving decarbonization of the upstream and downstream value chain. Furthermore, the UN's 1.5° target is supported by the signing of a commitment to the Science Based Targets initiative (SBTi).

SDG 17: Partnerships for the goals

SW emphasizes the significance of collaboration along the value chain and with relevant stakeholders for achieving sustainability goals. This includes partnership-based collaboration for climate protection measures, but also for additional issues such as human rights, corruption, bribery and equal opportunity.

SCIENCE BASED TARGETS

Science Based Targets initiative

With the Commitment to Science Based Targets initiative (SBTi), SW has sent an important signal for climate protection. The SBTi is a cooperation between the Carbon Disclosure Project (CDP), the Global Compact of the United Nations (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) with the goal of motivating companies worldwide to halve their emissions by 2030 and to achieve net zero emissions by 2050.

Public commitment to climate protection
SW has set itself science-based emissions reduction targets that are in line with the 1.5° goal of the Paris Climate Agreement. This emphasizes the dedication of SW for transparency and accountability in the area of climate protection. The decision for science-based climate goals reflects the company's conviction that this is indispensable in the fight against climate change. Achieving this goal has great importance for securing the long-term competitive base of the company.

There are numerous motivations for SW to participate in the SBTi:

- Competitive advantages and customer awareness: The SBTi goals of SW provide a decisive market advantage for the company in a time when the environmental awareness of customers is growing. They strengthen brand trust through a visible commitment to climate protection.
- Risk management: Pursuing the SBTi goals makes it possible for SW to respond proactively to changes brought about by general regulatory conditions and to minimize risks related to environmental requirements and rising energy costs.
- Promotion of innovation: The goals of the SBTi serve as catalysts for the development of sustainable solutions and technologies that promote the company's interests.
- Strengthening the employer brand: SW positions itself as an attractive employer for professionals and managers who are interested in the company and who are actively engaged with their effect on the environment and how to minimize it.

The current SBTi process at SW
SW's journey began at the end of 2022 with its public commitment to develop scientifically-based climate goals. After the creation of comprehensive climate assessments for Scopes 1, 2 and 3 based on the Greenhouse Gas Protocol, ambitious science-based goals were defined on this basis. The climate goals were submitted to the SBTi for verification in October 2023 and confirmed by it in spring 2024.

SW and the Carbon Disclosure Project (CDP)
To make progress in achieving the climate goals transparent, SW has been participating in the Carbon Disclosure Project since 2023. SW discloses its climate data in the yearly rating as part of the questionnaire on climate change and presents the status quo on measures that have been implemented together with the resulting emission values. SW achieved a B rating here in 2024. This means that the company demonstrates a good awareness of environmental issues, implements specific strategies and is already achieving success. SW is aiming for an A rating in the longer term.

SBTi goals at SW

Scope 1 + 2
SW commits to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions **75 % by 2033**, from a 2021 base year.

Scope 3
SW commits to reduce absolute Scope 3 greenhouse gas emissions **32.5 % by 2033** from a 2022 base year.

Renewable electricity
SW commits to increase annual sourcing of renewable electricity **from 0% in 2021 to 90 % by 2025.**

CDP Discloser 2024

Scope 1 and 2

In order to describe the path to achieving climate-neutrality in Scopes 1 and 2 based on the Greenhouse Gas Protocol, SW has adopted a climate strategy. An important milestone of this strategy was achieved in 2023: Climate neutrality in the German SW companies. The first SW climate goal has thus been implemented successfully.

The path to the climate strategy

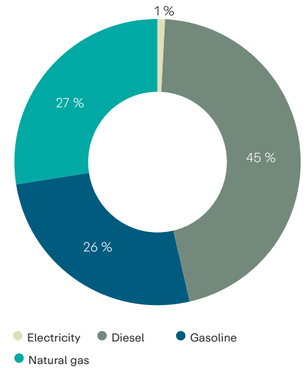
Development of the climate strategy began when a climate assessment was created for Scopes 1 and 2 for the first time. For this purpose, the data for energy sources used in the base year 2021 was collected in all SW subsidiaries worldwide and subjected to a plausibility check. Next the emissions were calculated and the essential CO_2 drivers were identified. When this report refers to CO_2, it is always the CO_2-equivalent that is meant. The notation CO_2e was not used for reasons of improved readability. By conducting expert interviews of key stakeholders of the CO_2-intensive SW subsidiaries and comparing key figures, it was possible to reveal potentials for reduction of CO_2. These potentials were incorporated into the SW climate strategy. It shows how SW can achieve the climate targets it has set itself and also gradually increase its contribution to ecological sustainability by 2030.

Emissions in metric tons of CO_2	Base year 2021	2023	2024
Scope 1	1,812	2,286	2,220
Scope 2 market based	3,424	2,820	34
Scope 2 location based	3,120	4,739	4,298

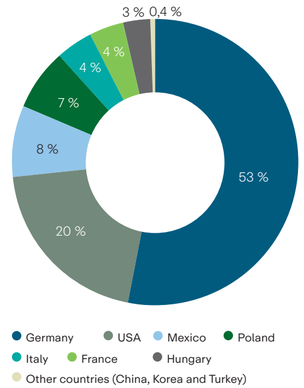
Emissions by energy source

Emissions in metric tons of CO_2	Base year 2021	2023	2024
Natural gas	554	605	609
Diesel	908	1,037	1,019
Gasoline	264	644	592
Heating oil	86	0	0
Electricity	3,411	2,800	31
District heat	13	20	3

Breakdown of emissions by energy source 2024



Breakdown of emissions by country 2024



The climate strategy in detail

The climate strategy uses five levers to effectively reduce the CO_2 emissions of SW. Based on the reference year 2021, it is a static roadmap that deliberately does not show any growth.

Energy efficiency
SW has continuously invested in the energy efficiency of its buildings in recent years, for example, through renovation of facades, roofs and windows or the use of LED lighting. Thanks to these measures, a high level of maturity in energy efficiency had already been achieved in the base year 2021. The remaining leverage for further savings is limited to approx. 2%. In new buildings, such as the new Suzhou II production plant, particular emphasis is placed on modern and energy-efficient building technology. For example, timer-controlled air conditioning systems and LED lighting controlled by brightness sensors are used there. A new heat pump was installed at the headquarters in Waldmössingen in 2024 to further reduce the use of fossil fuels for heating.

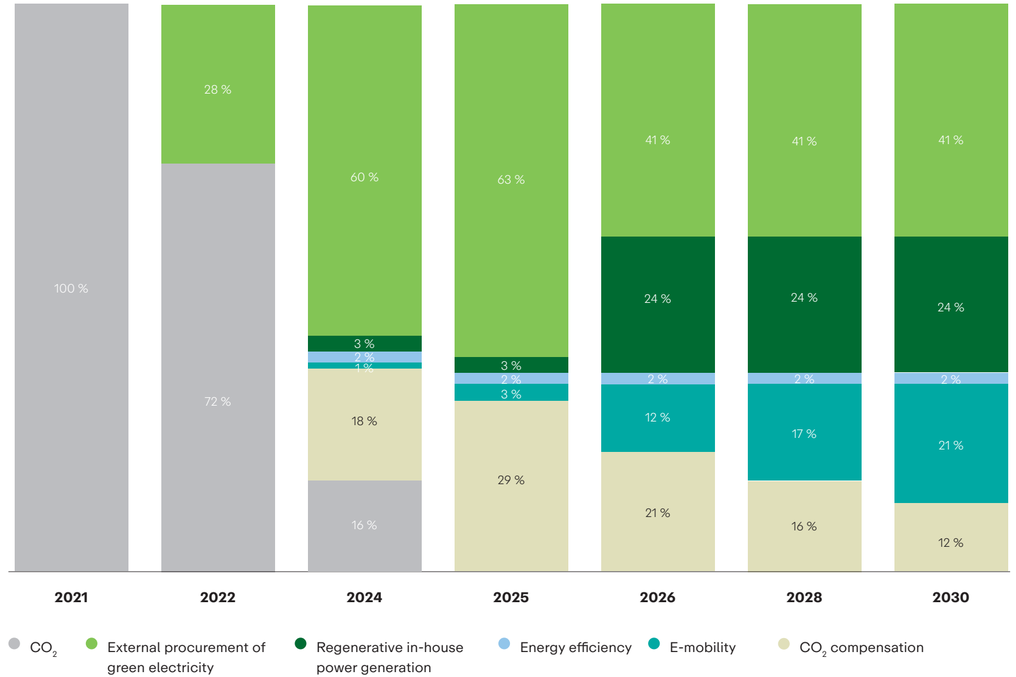
Regenerative in-house power generation
SW has been using photovoltaic (PV) systems at the headquarters in Waldmössingen to generate renewable energy since 2016. After a PV system with an impressive output of 2.2 MWp and a total area of around 10,300 m² was installed in 2023, another system with a total output of 433 kWp was added in 2024. A PV system has been in operation at SW Automation since 2019. An expansion is being planned. At the same time, the possibilities for in-house generation of renewable electricity are being investigated at the Chinese site in Suzhou. In total, SW produced around 1,924 MWh of green energy across the Group in 2024. As the green electricity generated is currently still fed into the public electricity grid, only the self-utilized portions of the electricity are shown in the climate strategy as renewable in-house electricity production. This is slated to change beginning in 2026 because the in-house generated green electricity will then be used entirely internally.

Green electricity
The German SW companies have already been using green electricity for several years. The transformation of the subsidiaries in China, North America and Italy to 100% green electricity was of particular note in 2024. Group-wide, the proportion of green electricity from external sources was 99.8% in the year under review. This means that the green electricity target of 90% by 2025 set in the SBTi was achieved a year early.

E-mobility
SW is planning to make increased use of e-mobility in its own fleet to reduce the consumption of diesel and gasoline successively in the coming years. This lever can be used to save up to 21% of Scope 1 and Scope 2 emissions in the future. The SW company fleet now includes a growing number of electric cars. Charging stations are available not only at the headquarters in Waldmössingen, but also at the sites in Tettnang, Italy and Suzhou.

Compensation
Compensation of CO_2 emissions is the last lever used by SW to reduce its effect on the climate. The company is careful to compensate only emissions that cannot be avoided. In addition, emphasis is placed on ensuring that the compensation certificates originate from certified climate protection projects that meet the requirements of the Gold Standard or the Verified Carbon Standard. SW compensated the unavoidable emissions of the German sites again in 2024. In collaboration with a trustworthy compensation provider, a project was supported that aims to promote the expansion of renewable energies in Turkey. SW intends to reduce compensation with CO_2 certificates in the long term, through the increased use of other levers of the climate strategy such as energy efficiency and renewable energies. In this way SW is making an active contribution to climate protection.

The roadmap to climate-neutrality in Scopes 1 and 2



Scope 3

SW takes its responsibility for climate protection seriously and also takes into consideration emissions that do not fall within the area of direct influence of the company. Scope 3 emissions are produced by the activities of the upstream and downstream value chain. In total they are over 180 times as high as the Scope 1 and Scope 2 emissions. SW has nevertheless set an ambitious emissions reduction goal here as well, and aims to cut these emissions by 32.5 % by 2033 in comparison to the base year 2022.

The path to the Scope 3 roadmap

Material Scope 3 categories
To determine the CO_2 footprint of its value chain, the company first conducted a materiality analysis on the basis of the 15 Scope 3 categories of the Greenhouse Gas Protocol. The goal was to identify the categories relevant for the SW Group. The data for all material categories was then collected and a Scope 3 assessment was carried out. Six categories were not taken into consideration in the assessment due to their non-materiality.

Scope 3 focus categories
The emissions in 2024 totaled 411,048 metric tons of CO_2. The following categories were responsible for the overwhelming majority of the Scope 3 emissions:

· 3.11 Product usage phase with 83 %
· 3.1 Purchased goods and services with 11 %
· 3.4/3.9 Logistics with 2.6 %

The approaches to CO_2 reduction that were developed therefore refer primarily to these focus categories. Ideas for reducing emissions in the categories identified here were generated and evaluated in interdisciplinary workshops to create a roadmap for reducing Scope 3 emissions.

Emissions in metric tons of CO_2	Base year 2022	2023	2024
3.1 Purchased goods and services	47,415	55,375	46,829
3.2 Capital goods	6,899	9,280	5,177
3.3 Fuel and energy-related emissions	1,700	1,883	1,435
3.4 Transport and distribution (upstream)	14,826	13,638	9,824
3.5 Waste	284	197	48
3.6 Business travel	926	1,173	1,437
3.7 Employee commuting	2,266	2,134	2,729
3.9 Transport and distribution (downstream)	1,007	1,115	774
3.11 Usage phase of sold products	480,128	529,688	342,795
Scope 3 emissions	**555,451**	**614,483**	**411,048**

SW has been balancing the emissions of the upstream and downstream value chain since 2022. A software solution specially developed for industrial companies that allows automated calculation of the CO_2 was used for the first time in 2024. In some cases, this software uses different emission factors than in the past; this results in changes in some categories compared to the previous year so that direct conclusions cannot be drawn about the underlying activities. One example of this is category 3.5 Waste, where it was possible to switch from a conservative to a more realistic calculation approach due to new findings on recycling rates and a changed selection of emission factors. At the same time, the calculation methodology was partially refined and more primary data was used.

The distribution of Scope 3 emissions over the nine relevant categories remained constant. The decrease in emissions compared with the previous year is due to the economic performance that decreased as a result of the challenging economic conditions.

Emissions reduction in the Scope 3 focus categories

SW is pursuing various approaches to achieve the ambitious SBTi goal in Scope 3:

Category 3.11 – Product usage phase of SW machines

Emissions generated by SW machines over the course of their lifecycle in customer production plants are an essential driver of Scope 3. The level of these emissions is affected by numerous different factors, including the mix of electricity used to operate the machines, as well as the connected load. Based on the World Energy Outlook of the International Energy Agency, SW is expecting an improvement in the global mix of electricity and increased changeover of customer production plants to green electricity. Lower emissions can therefore be expected. However, SW does not want to rely on this alone and is also actively taking its own measures:

- **Further increase in energy efficiency:** Changing further machine types over to the energy-efficient A5 level will significantly reduce emissions in the usage phase. The A5 level offers savings of about 10 % of energy consumption through the reduction of the pneumatic operating pressure, frequency control of the high-pressure cooling lubricant pump and shortening of non-productive times. In 2024, SW achieved some small successes by exploiting energy savings potentials on the software side and converting one machine type to a smaller air cleaning system with a lower connected load.
- **Increased use of minimum quantity cooling lubrication (MQCL):** Due to their lower energy consumption in comparison to conventional cooling lubricant systems, MQCL systems contribute to CO_2 reduction and furthermore offer numerous other advantages related to ecological sustainability (see section *Low-emissions manufacturing*). SW again proactively promoted the use of MQCL in 2024 through an awareness-raising program.

Category 3.1 – Purchased goods and services

- **Collaboration with suppliers:** SW actively involves its suppliers in the process of reducing emissions and organized a series of webinars on this topic in the year under review. The suppliers are being encouraged to follow the same CO_2 reduction paths as SW. This begins with creating transparency by assessing Product Carbon Footprints (PCFs) with the ultimate goal of reducing the CO_2 burden of purchased goods and services in the long term.

Circular economy: SW pursues various approaches to promoting a circular economy (see section *Circular responsibility*). Extending the service life of machines and machine components will conserve resources and prevent emissions.

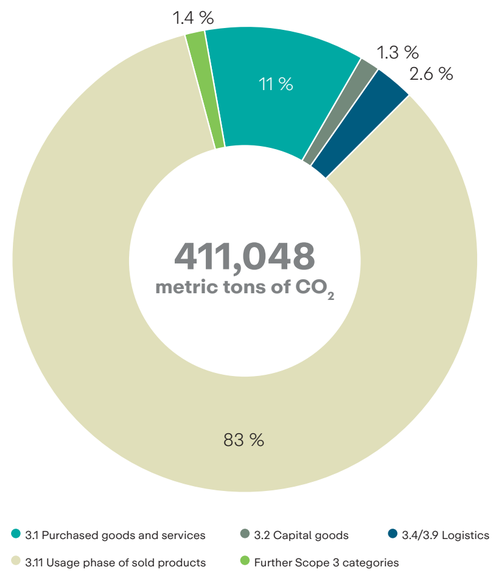
Categories 3.4/3.9 – Logistics

- **Reduction of air freight:** With forward-looking planning, more transport will be shifted to ships in the future to avoid CO_2-intensive flights and reduce emissions.
- **Localization of procurement:** SW relies on local procurement of purchased goods to the extent this is technologically and economically feasible. This shortens transport routes and strengthens regional supply chains.
- **Centralization of warehouses:** Centralizing various external warehouses will achieve an optimization of the logistics processes and a reduction in transport emissions at the same time. The implementation of the central warehouse in Waldmössingen made great strides in 2024.

Other measures for emissions reduction in Scope 3

- **Sustainable Aviation Fuel (SAF):** Since 2020, SW has been participating annually in the Air France and KLM Corporate SAF Program. By using SAF, which is derived from renewable sources such as used cooking oil, straw and wood residues, flight emissions can be reduced by about 75 %. As a partner in this program, SW can reduce the emissions caused by its business flights. SW saved about 39 metric tons of CO_2 in this way in 2024.
- **PENDLA - Platform for ride sharing:** SW offers its employees at the Waldmössingen site the opportunity to register free of charge on the PENDLA ride sharing platform and commute to work together. In this way all employees can contribute to reducing emissions caused by their daily commuting. SW also offers the opportunity to work in a home office, which makes it possible to further reduce emissions.

Breakdown of Scope 3 emissions 2024



Sustainability highlights

SW again achieved significant successes in the area of sustainability in 2024. Of particular note is the first-ever calculation of the Product Carbon Footprints (PCF) for the machine portfolio. Thanks to the newly developed PCF calculator with its modular calculation approach, the company can now determine PCFs efficiently and scalably with just a few clicks.

SW machines influence our customers' CO_2 footprint in two ways: first, through their energy efficiency during the operating phase, and second through the "CO_2 rucksack" that is already generated during production and is included in the customers' CO_2 footprint when they purchase the machines. As more and more customers are recording their CO_2 footprints in detail, SW is increasingly being faced with the demand to provide accurate PCF values for its machines.

In order to proactively meet these demands, SW launched a comprehensive project focusing intensively on the calculation of PCFs. Conventional methods for PCF calculation are often impractical for companies with a broad product portfolio, as they are very time-consuming, cost-intensive and require considerable expert knowledge. As a medium-sized company, SW's goal was to develop a scalable and resource-efficient solution that would enable precise yet cost-effective PCF calculation for its entire machine portfolio.

The PCF calculations are based on the product category rules "Machine tools and machines for additive manufacturing" (VDMA 34178) and the system boundary "cradle-to-gate". This means that all emissions generated – from the raw material extraction through transport and manufacturing right up until the goods leave the SW factory gate – are taken into account, but not the operating phase of the machines. As specific PCF data from suppliers is currently only available to a limited extent, the calculations were based on secondary data.

During the course of the project, one machine was first calculated in detail. The most important factors influencing the PCF of SW machines were then identified and scaled using the parametric PCF approach. All the calculations carried out were incorporated into the newly developed PCF calculator. This is a configurator that automatically calculates the PCF value of the desired SW machine when the key machine parameters are entered.

This modular calculation approach offers several advantages for SW and its customers: The company can respond to customer inquiries about PCFs efficiently and knowledgeably, is prepared for regulatory requirements in good time, can minimize risks and can create transparency. In addition, the PCF calculations enable the identification of CO_2 hotspots in the products and thus targeted measures to be derived for reducing emissions.

In the future, SW plans to further optimize the PCF calculations, for example by integrating even more options into the PCF calculator or increasing the proportion of primary data, in particular by integrating real PCFs from suppliers.

In addition, there were numerous initiatives at the headquarters in Waldmössingen in 2024 to raise employee awareness of sustainability. For example, the topic was specifically integrated into the onboarding program. As part of the environmental management module, new employees now gain comprehensive insights into the climate targets and climate strategy.

In addition, the main CO_2 drivers of the Group are identified, and possible measures for avoiding emissions are communicated. Furthermore, information events were offered to all employees. These highlighted various aspects of sustainability at SW.

A special idea was developed by the SW brand ambassadors: Planting of a tree for every machine and manufacturing system sold in 2024 – a total of 422 trees. This initiative was successfully launched with the active support of committed employees and their families in a joint tree-planting campaign, during which the first part of these trees were planted. Under the direction of the local forest ranger, drought-tolerant tree species such as Lebanese cedar and Atlas cedar were planted in two wooded areas near Waldmössingen. This made a small contribution to the climate-resilient restructuring of the forest while at the same time strengthening the feeling of togetherness of the Technology People.

In terms of building infrastructure at the Waldmössingen site, the new heat pump and the new PV system deserve special mention. The heat pump was installed as part of the new building with the aim of further reducing the use of fossil fuels for heating. It went into operation in July. The newly installed PV system with a capacity of 433 kWp complements the existing systems. Following commissioning in July, the system generated 189,130 kWh of green electricity up to the end of the year, most of which was used in-house.

Sustainability activities at the subsidiaries

There were some special highlights related to sustainability also at the SW subsidiaries.

SW Asia successfully switched to 100% green electricity in 2024. The Chinese subsidiaries that were previously responsible for just under 50% of the SW Group's Scope 1 and Scope 2 emissions, now use only green electricity via I-RECs. This completely eliminates emissions from the use of electricity, while the Chinese sites now contribute only marginally to the SW Group's Scope 1 and Scope 2 footprint.

The subsidiaries in the USA and Italy also switched to using 100% renewable electricity in 2024. SW North America uses the "MIGreenPower" program for this, which not only reduces Scope 2 emissions but also strengthens the local economy at its site in Michigan. At the site in Italy, green electricity from the company's own charging station also helps to make business travel more sustainable.
SW North America dedicated itself to the issue of waste in the reporting year. On April 22 – Earth Day– trash was collected on an extended walk around the company site as part of a joint clean-up campaign. The goal of this measure was to reduce environmental pollution and raise the environmental awareness of the employees. SW provided the necessary equipment and rewarded the many employees who came to help with lunch at the end of the event. SW North America is also a partner in the "Adopt A Highway" program. The initiative helps keep the sides of streets and federal highways clean and attractive. Since 1990 it has collected over one million bags of garbage. SW North America has adopted a two-mile stretch of the freeway close to Kensington Park in Michigan. This section of the freeway is now free of trash all year round. This is another measure that helps to reduce environmental pollution.

Resource and waste management

Dealing with resources

SW attaches great importance to the careful and efficient use of resources such as energy, water and raw materials. The employees and the certified environmental management system in accordance with ISO 14001 make a significant contribution to this. Care is taken to minimize waste wherever possible. As part of environmental management, operational processes are evaluated in terms of their environmental impact, and environmental compatibility is continuously optimized. The use of resources is monitored through the detailed recording and evaluation of environmentally relevant key figures. These key figures are used to derive and pursue specific measures that contribute to increasing resource conservation and efficiency, such as the use of energy-efficient technologies or the selection of sustainable energy and raw material sources. In 2023, the implementation of structural measures in the warehouse halved the thermal energy per square meter compared to the previous year.

Waste management

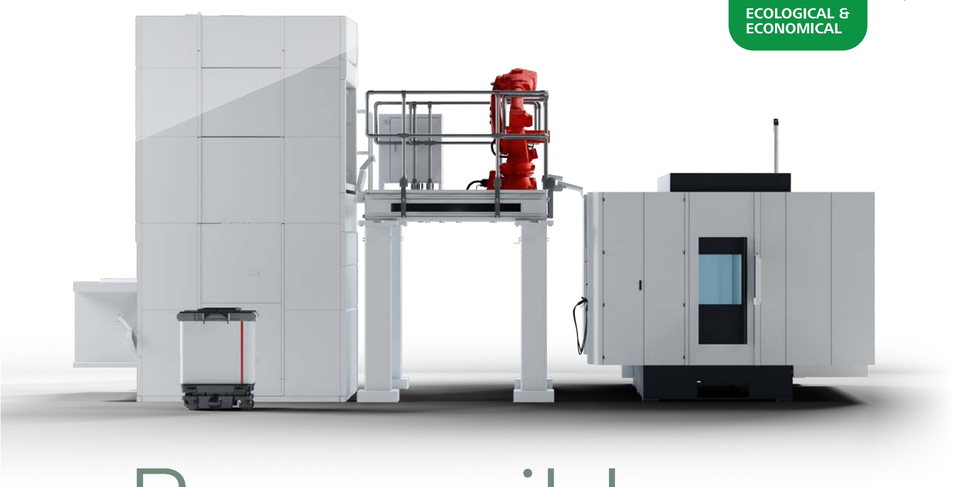
As part of the environmental management system, SW has developed special initiatives to reduce the consumption of resources and minimize the amount of waste. These include reducing the amount of materials used in production and stepping up recycling activities. After a significant reduction in the amount of waste was achieved in the previous year (approx. -8%), this was stabilized at a low level of 431 tons in 2024. To reduce the workload on employees and make the process more efficient, the company has waste recycled directly by qualified disposal companies. This measure ensures that the materials are recycled professionally and efficiently, and contributes to achieving a recycling rate of more than 85%. A good example of effective waste management is the internal recycling programme, which minimizes plastic and metal waste in production.

Stakeholder involvement

Cooperation with stakeholders is essential for the continuous improvement of resource and waste management processes at SW. An open dialog is maintained with employees, suppliers and customers in particular. SW employees receive regular training in order to raise awareness and maintain competence in dealing with resources and waste. New employees are introduced to these important topics as part of the onboarding process, creating a solid basis for sustainable action throughout the company. One concrete example of effective cooperation with external stakeholders to conserve resources is wooden reusable packaging, for example for motor spindles. These are used several times, significantly reducing the consumption of packaging material.

Water withdrawal and water discharge in 2024 in m³

	2024
SW Waldmössingen	4,442
SW Asia	10,107
SW North America	3,550
SW Automation (Tettnang)	481
SW Chongqing	1,417
SW Mexico	146
SW Italia	1,005
SW Polska	25
SW France	104
SW Hungary	62
SW Korea	68
SW Türkiye	12
SW Group	**21,419**



Responsible machines

The efficiency of machines is always in focus at SW

Motivated by the consideration of ecological and economical aspects in sustainable manufacturing, SW developed the ECO² label for its machines.

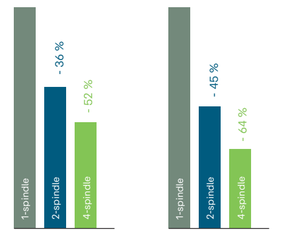
SW attaches great importance to promoting sustainable production in customers' plants and minimizing the CO_2 footprint when developing new machines. The key starting point is the high productivity of the machines, resulting from simultaneous machining of multiple workpieces, strong machine dynamics and innovations in process technology.

The power consumption of machine tools is divided between generating work movements with the feed axes and main spindles on the one hand, and operating the machine peripheral devices on the other. The purpose of the machine peripheral devices is to cover the necessary auxiliary functions, including for example the supply and cleaning of cooling lubricant (CL), the cooling systems, fume extraction in the working area and the hydraulic system. These systems depend only to a limited extent on the number of working spindles used, but they must be present in a machine due to the design and must be active during machining. With simultaneous machining of multiple workpieces, the power consumption of these consumers can be distributed over the workpieces that are being manufactured simultaneously, so that the energy consumption, energy costs and CO_2 emissions per workpiece on a four-spindle machine are around 52 % lower than on a standard machine with only one working spindle. The SW philosophy of multi-spindle machining shows that economical manufacturing and energy efficiency can be combined effectively.

Efficient generation of the machining movement is also achieved with the SW products. Especially in the area of non-ferrous metals, SW relies on linear direct drive technology. This technology makes it possible to achieve high acceleration rates and speeds in all travel axes, so that feed movements can take place in the shortest possible time and the non-productive time of machining processes can be successfully minimized. This technology also shows that economical manufacturing and energy efficiency can be combined effectively in the context of sustainable production: SW drive technology makes it possible to reduce cycle times for machining workpieces in metal-cutting processes, thereby significantly reducing manufacturing costs. At the same time, machine peripheral devices have considerably shorter runtimes per workpiece, which has a positive effect on the energy balance.

Production includes not only the machines that are used; the buildings in use are also relevant for the energy assessment. With multi-spindle SW machines, workpiece output per square meter can be greatly increased. Less building space is required for the same amount of production. That means the dimensions of the building can be smaller, which saves the customer energy and costs. SW products thus contribute to sustainable manufacturing in yet another way.

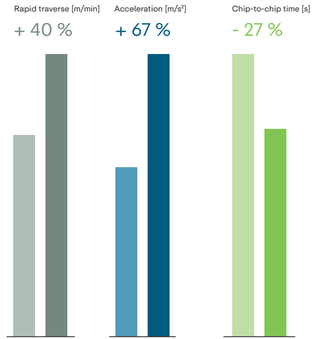
Taken as a whole, these advantages of SW machines illustrate the dedication of SW to setting standards in performance, cost-effectiveness and energy efficiency. SW multi-spindle machining centers stand not only for technological innovation, but also for the striving for responsible machining and sustainability.

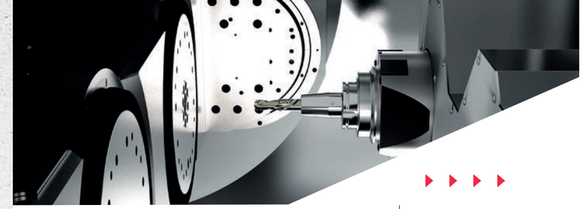


Energy consumption, energy costs and CO_2 emissions

Cycle time per workpiece

Ball screw drive vs. linear motor





Low-emissions manufacturing

An essential portion of the power consumption of peripheral devices in manufacturing systems can be attributed to providing and preparing cooling lubricants (CL). The use of minimum quantity cooling lubrication (MQCL) offers significant advantages in terms of sustainability and environmental compatibility by comparison with conventional wet machining with its large quantities of cooling lubricant.

SW is relying increasingly on MQCL technology and is successfully implementing sustainable, high-quality and economical MQCL processes in production plants for many different industries. Innovative machining programs that perform with significantly less throughput of cooling lubricants can be introduced in many applications, such as with large structural parts of battery electric vehicles, thus making the peripheral devices more energy-efficient.

SW machines are available with MQCL technology. This means that they can be operated with minimum quantities of cooling lubricant, which leads to significant advantages for SW in terms of Scope 3 emissions. Furthermore, this makes it possible for SW customers to reduce their Scope 2 emissions.

Minimum quantity cooling lubrication is characterized by a significantly lower consumption of cooling lubricants, often less than 50 ml/h compared with the higher requirement of conventional cooling lubricant systems of > 2 l/h. This leads to a reduction in operating costs while minimizing the ecological impact through:

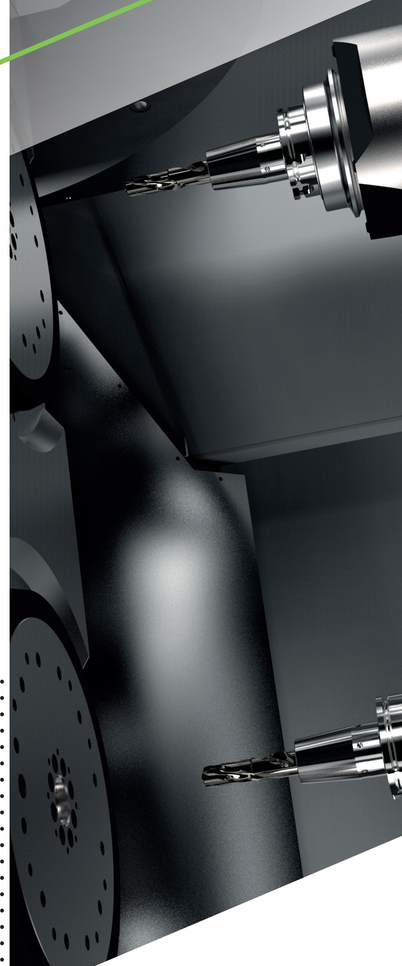
- readily biodegradable lubricants based on esters and fatty alcohols
- lower emissions of vapors in the working area
- reduced disposal requirements
- greater energy efficiency
- CO_2 emissions reduced by 63 %. Extensive measurements conducted by SW customers have demonstrated CO_2 savings due to MQCL. As clearly illustrated by the example of a battery case, cooling with cooling lubricants generated 4.99 kg of CO_2 per hour, while on the other hand, cooling with minimum quantity cooling lubrication resulted in only 1.82 kg of CO_2 per hour.

Further advantages of minimum quantity cooling lubrication:

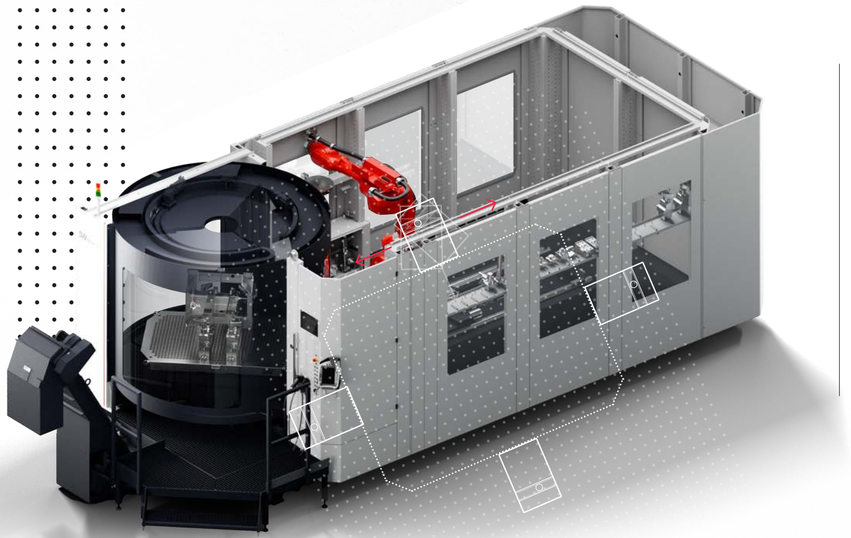
- No additives needed: Biocides to prevent water contamination are not necessary, which reduces costs and ecological impact.
- Less soiling and reduced cleaning work: Less coolant and lubricant is carried along into production in comparison to cooling lubricant systems. This leads to reduced cleaning work for workpieces and the production environment.

Cooling lubricant cleaning systems are relatively easy to use and their ability to enable high machining parameters has always resulted in important advantages.

However, SW considers minimum quantity cooling lubrication to be a future-oriented technology for sustainable manufacturing. Increased use of MQCL technology is promoted whenever it is practical from a technological perspective. In this way SW is making a contribution to reducing Scope 3 emissions. The Sales department and customers are trained in detail to make them aware of the topic so they can recognize and make use of the advantages of this technology.



Responsible manufacturing systems



SW also supports the sustainable production of its customers even beyond its machines. Thanks to smart manufacturing solutions, the company is following a sustainable approach in automation.

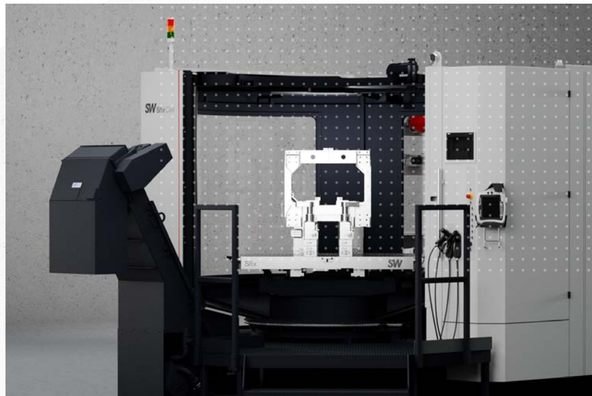
One example of this is the Sfix system – an innovative, flexible clamping solution that has been specially developed for markets with low production volumes. This system offers an efficient alternative to conventional manual clamping methods and is ideal for a wide range of production requirements. The modular structure enables flexible adaptation to different workpieces with a limited number of clamping elements, thereby conserving resources and reducing production costs. A special feature of the Sfix system is the independent programming of the robot cell that builds the required clamping devices without intensive manual intervention. Conventional manual clamping devices have a number of weaknesses. They are tailored to specific workpieces, making them expensive, inflexible and resource-intensive. This leads to high material and production costs. Another major disadvantage is the complex manual programming, which requires both time and expertise.

With the Sfix system, SW offers a sustainable and flexible solution that optimizes the manufacturing process and reduces costs. The modular system can replace up to 150 conventional clamping fixtures with a single, universally applicable clamping solution. Instead of purchasing a new clamping fixture for each workpiece, the Sfix Cell allows automatic adaptation to different components. With this new development, SW has succeeded in creating an intelligent algorithm that calculates the positioning of the individual Sfix elements from a CAD model of the workpiece, and autonomously creates the robot program that assembles the clamping fixture. Once the clamping fixture has been set up and the workpiece clamped, the robot determines the offset values for the machine or levels the individual positions. This not only saves time, but also reduces machining scrap, thus conserving resources for the end user.

Sfix contributes to sustainability in a number of ways:

- **Conservation of resources:** A single clamping fixture replaces several conventional clamping systems, drastically reducing material consumption. One Sfix solution is sufficient instead of 150 individual clamping fixtures.
- **Reduced CO_2 footprint:** The reusability of the Sfix modules minimizes the need for new production and thus reduces CO_2 emissions along the entire supply chain.
- **Longer service life:** Conventional clamping fixtures must be disposed of or recycled at great expense after use. Sfix, on the other hand, can be continuously adapted to new requirements thanks to its modular design.

The Sfix system was developed by an international team of SW employees from China, Poland, Hungary, North America and Germany. It was first presented for the first time at the CIMT 2025 in Beijing and will be launched on the German market at the EMO in Hanover in September 2025. By combining modular mechanics and autonomous robot programming, Sfix is setting new standards for sustainable manufacturing systems. SW's goal is to establish Sfix as the standard solution for customers with low production volumes, and thus make a positive contribution to resource-efficient manufacturing in the longer term.



Service and life data supplement each other sustainably

Industry 4.0 is more than just a catchword for SW. For more than 20 years, SW has been offering additional services related to machines and automation. The Industrial Data Services (IDS) and Service business divisions strove to achieve sustainable development together, taking ecological, economical and social aspects equally into consideration.

Thanks to a distributed service network and service locations around the world with over 200 service engineers ready for deployment and the subsidiaries, customers can expect fast response times and efficient solutions to their problems. This approach not only reduces downtimes, but also saves on travel times and costs while cutting CO_2 emissions. A close relationship with the customer makes it easier to adapt to local conditions and cultures, optimizes the use of resources and boosts the efficiency of technicians, who are familiar with the machines and requirements on site.

One example of the ecological sustainability of services is the use of remote services. Thanks to remote maintenance, problems can be solved quickly and efficiently without the technician having to be present in person. This not only minimizes downtimes and machine stoppages, but also reduces travel expenses and the ecological footprint. In comparison to sending a technician out on site, which leads to additional travel time and expenses, remote service offers a cost-effective and environmentally friendly solution.

Industrial Data Services also contribute to economical and ecological sustainability by implementing software solutions such as the SW ScadaPlatform and Causal Discovery. These platforms enable efficient control and monitoring of production lines, optimization of processes, reduced waste and lower energy consumption. For example, connecting a complete manufacturing system to the SW ScadaPlatform offers seamless traceability and documentation of all data relevant to production, resulting in more efficient handling of complaints, and consequently in some cases less waste. Online process analysis using Causal Discovery identifies variable parameters and suggests adaptations that will reduce rework, and can thus indirectly reduce the energy costs per workpiece. In addition, workpiece quality can be ensured through inline process control and the use of artificial intelligence to identify cause-and-effect relationships in the production process. This also ensures economic sustainability. These two approaches lead to fewer scrapped workpieces and enable continuous process optimization.

Energy monitoring and predictive maintenance, two further pillars in the sustainability strategy, are also included in the SW CloudPlatform (SWCP). The energy consumption of machines can be minimized with active efficiency management and energy monitoring. Predictive maintenance makes it possible to detect component wear at an early stage, thereby avoiding the need for ad hoc deliveries of spare parts and enabling proactive planning of the spare parts, as well as energy-optimized transport.

In summary, it is clear that Industrial Data Services and the SW range of services play an important role in promoting sustainability. The use of advanced technologies and the implementation of efficient processes contribute to conserving resources and reducing ecological impact while boosting productivity and quality in production.

Circular responsibility

SW is involved in circular economy concepts at various levels and integrates circular approaches into its range of services in a targeted manner.

SW FLEX²

SW Flex² – sustainable machine use through "equipment as a service"

With SW Flex², SW offers an innovative equipment-as-a-service model for the manufacturing industry. This concept allows customers to use SW machines on the basis of a usage fee that includes service, spare parts, transport and installation. A key aspect is the use of refurbished machines, thus extending their life cycle and conserving resources. The program offers flexible rental periods from 12 to 36 months and enables customers to dynamically adapt their production capacities.

SW spindle loop – efficient use of motor spindles

Another innovative concept is the Spindle Loop that aims to promote the circular use of motor spindles. These are subject to high loads during the machining process and are typical wear parts in machine tools. SW's spindle replacement program ensures that customers immediately receive an exchange spindle if a motor spindle has to be replaced, and that the resources of the defective motor spindle continue to be used efficiently. SW has established two versions of the program:

- **Immediate replacement:** The customer exchanges the defective spindle for a refurbished spindle of the same type or a new spindle – immediate availability is guaranteed.
- **Customized repair:** If an immediate replacement is not required, the customer can send the spindle in for repair and receives the refurbished spindle back with the same serial number.

SW carries out the repairs in its own production facilities or in cooperation with the spindle manufacturer and provides a warranty on the entire spindle. The Spindle Loop has been established with leading customers worldwide for over 10 years, and contributes to cost reduction and resource conservation. In addition, the company also offers repairs for components such as clamping bridges, rotary tables and swivel drives, as well as overhauls of complete machines.

SW x Resourcly – efficient use of stocks through smart technology

SW has been cooperating with Resourcly since 2024. The Mannheim-based start-up aims to establish the world's leading shared inventory for industrial manufacturers. The platform helps companies to identify surplus materials, optimize their stocks and use resources more efficiently.

The basis for the cooperation has been successfully established. Within the QESAR network, SW was able to profitably reuse surplus stocks in the first year. By using Resourcly's innovative data harmonization and analysis technology, SW can further optimize its stock management. This further increases transparency regarding stocks, enabling duplicates in the article master data to be identified. This helps to avoid redundant stocks in the future and enables even more efficient use of storage space, a reduction in storage costs, and the avoidance of unnecessary new orders and unused residual stocks. This ultimately leads to a reduction in waste and supports the closing of the material cycle.

The use of Resourcly's shared inventory platform increases transparency and efficiency in SW's materials management. In the longer term, the aim is to achieve cost savings and reduce SW's ecological footprint. The cooperation between the two companies thus makes an important contribution to strengthening the circular economy.

Future-proof supply chains

As part of its dedication to sustainability, SW has developed specific measures and goals to organize its supply chain responsibly and with an eye to the future. These include active compliance with the Supply Chain Act, the NIS2 Directive, a commitment to information security, quality and environmental management among suppliers, and the reduction of CO_2 emissions.

To meet the high requirements of the Supply Chain Act, a modern software solution was implemented. This software supports the company in exact monitoring and control of compliance with legal requirements and promotes comprehensive transparency in the supply chain. Various queries relating to the Supply Chain Act are automatically carried out and evaluated when creating agreements with suppliers and service providers. These form the basis that furthers the business relationship.

An essential aspect of this strategy is integrating suppliers into SW's information security, quality and environmental management system. The company expects its partners to become certified to the same high standards that SW itself has applied. These certifications serve as proof that basic standards and continuous improvement in the respective management system are in place.

SW has set itself an ambitious goal: The goal is to create a supply chain that is efficient, resilient and capable of being adapted, to improve sustainability in all aspects of the supply chain, and to exert a positive influence on the environment, society and the economy. A further element of this strategy is the integration of CO_2 reduction into the supplier assessment that underlines SW's commitment to climate protection and aims to help reduce Scope 3 emissions from the upstream supply chain.

The practical implementation of this strategy can be seen in various areas. For example, SW uses a Ford Transit as an electric vehicle to pick up supplier parts from local suppliers quickly, flexibly and with low emissions. This demonstrates the company's efforts to make logistics more efficient and environmentally friendly. The electric vehicle is used specifically for suppliers of clamping devices, who provide SW with highly flexible and local deliveries.

One example of the social commitment of SW is its active support for a fundraising golf tournament of supplier Metalltechnik Vils GmbH, with the proceeds going to a children's hospice. This initiative shows that sustainability at SW includes not only ecological but also social aspects, and that the company is striving to make a positive contribution to society.

In summary we can say that SW promotes a sustainable and future-oriented supply chain by setting ambitious goals and implementing specific measures. These efforts are an expression of SW's striving to embed sustainability firmly in its business dealings.

Fundraising golf tournament (at the Auf der Gsteig golf course in Lechbruck)

Responsible partnerships

SW's supply chain strategies take aspects of sustainability into consideration. At the center of this approach is the conviction that a responsible and sustainable supply chain must take into consideration not only financial, but also ecological and social aspects. SW is committed to continuous improvement in these areas and applies strict criteria when selecting its suppliers.

Ecological sustainability plays a key role in the supply chain strategy of SW. The company prefers to work together with suppliers who have a well developed environmental consciousness and are committed to reducing their ecological footprint. This has also been reflected in the supplier assessment process since 2024. At the beginning of the year, SW added a new criterion to its assessment system: "Ambition to reduce CO_2". This criterion measures suppliers' commitment to reducing greenhouse gas emissions and takes into account, among other things, their performance in recognized sustainability ratings such as CDP or SBTi. The newly introduced criterion ensures that suppliers take action on climate protection and pursue the same long-term goals as SW. It takes into account the fact that around 10 per cent of Scope 3 emissions are attributable to the purchase of goods and services. SW held a series of webinars in February 2024 to inform suppliers about the background to the new assessment scheme. The new assessment methodology will be applied for the first time in the supplier assessment to be carried out at the beginning of 2025.

Social responsibility towards the suppliers' employees is another important pillar of SW's supply chain strategy. The company expects its suppliers to invest in the abilities of their employees and create a safe and supportive work environment.

Integrity in corporate management is also very important for SW. SW ensures through regular supplier assessments that transparency and integrity continue to be maintained and that the high standards of the company are observed. These assessments are crucial for the continuous improvement in the quality of SW products and services.

SW also maintains a balanced mixture of global and local supply chains to ensure a robust and flexible supply for its customers. Local suppliers play an active role in the growth process of SW. At the same time, many local suppliers benefit from the company growth of SW. The partnership aspects of relationships are always in focus.

This is exemplified by the close cooperation between Metalltechnik Vils GmbH and SW. Starting from a classic customer-supplier relationship, the two companies entered into a close and trusting development partnership in 2024 that offers both technological and economic benefits for both sides. As part of this cooperation, SW provided Metalltechnik Vils GmbH with a newly developed BA 711 space. The machine remains the property of SW, but is used by Metalltechnik Vils for the production of slide components for SW. An innovative pay-per-use model enables Metalltechnik Vils to also use the machine for the production of other components for other customers.

Through this collaboration, Metalltechnik Vils benefits from state-of-the-art machine technology, while SW gains valuable insights into the practical operation of the BA 711 space under real job shop conditions. For SW, the focus is on testing the machine in a single-part production environment and optimizing the economic efficiency of component production. At the same time, Metalltechnik Vils has the opportunity to participate in the further development of the machine and, if successful, to further expand its production potential.

A central aspect of the partnership is the jointly developed, transparent calculation method, which ensures a fair distribution of profits and thus enables economically sustainable cooperation. The partnership-based approach is further strengthened by the family-oriented management of the company by Mr. Rainer Keller, Managing Director of Metalltechnik Vils GmbH, and contributes significantly to the success of this cooperation model.

"As a Tyrolean family-owned company, we have always attached great importance to long-term partnerships with our customers, suppliers and employees. Profit doesn't always mean a result in monetary form, although as a company we must of course work in a profit-oriented manner in order to provide successful jobs for our young people."

Rainer Keller
Managing Director Metalltechnik Vils GmbH

Employer commitment and employee development

SW pursues the goal of not only being the technology leader, but also of demonstrating an impressively strong commitment to its employees. The company organizes various events and get-togethers at its sites worldwide to promote team building and create a sense of community. This lived team spirit strengthens mutual appreciation within the entire SW Group and has a positive effect on the employer brand and corporate culture.

SW Germany

Summer party (after-work get-together): A cozy gathering of colleagues in a relaxed atmosphere

A special kind of grill event: Departments that otherwise have few points of contact with one another get to know each other after the end of the workday, exchange experience and discover synergies

Christmas party: An annual highlight for celebrating the end of the year together

Sporting activities: Regular meetings of sports groups promote shared hobbies, team building and shared identity

Farewell and anniversary celebrations: Long-standing employees are honored and their achievements are celebrated in a shared framework

SW Asia

Grill parties and Christmas party: Regular events strengthen cohesion and provide an opportunity for informal exchange

Sporting and leisure activities: A fully equipped sports room with a diverse range of supplies for table tennis and yoga promote fitness and team spirit

SW North America

SW Spirit Week: Strengthening brand values and a sense of community during a week of joint activities, such as the “Charity Awareness Day”

Super Bowl chili competition: A fun event with cooking together and celebrating the NFL season highlight

Family Day and grill parties: These events strengthen the feeling of togetherness through shared activities with family members and colleagues

Oktoberfest: Bavarian tradition in the USA: White sausage and other specialties promote exchange between departments

Farewell and anniversary celebrations, Christmas parties: Collective celebrations for honoring employee achievements

Work-life balance
SW emphasizes flexible working hour models and home office to improve the compatibility of professional and private life for its employees. Part-time models also make it possible to adapt working hours to personal requirements.

Flexibility and personal responsibility are key components both for ensuring employee satisfaction and for meeting the requirements of a dynamic work market.

Commitment of SW Academy and training. SW makes every effort to promote its employees and make the next generation of professionals fit for the challenges of production tomorrow though SW Academy and a comprehensive training program.

SW Academy
Comprehensive training and seminar program: SW Academy offers a wide range of training courses and seminars for employees and customers, including professional qualifications, soft skill training and company-specific awareness programs as well as detailed information on topics related to health and safety in connection with SW machines.

Onboarding of new employees: A key element of work at SW Academy is the onboarding of new employees to introduce the daily routine of work at SW with no hitches. In addition to the general introduction, mandatory training is an integral part of the onboarding process. It familiarizes new employees with important safety and company guidelines, such as fire safety or occupational safety.

Individual personnel development: SW Academy supports the individual development of employees and offers programs for the development of managers.

Key figures for SW Academy 2024

Training in life academy (external)

74 %
Implementation rate

55 trainings
participants: 241

Training in SW academy (internal)

87 %
Implementation rate

540 courses
Participants: 2,332

SW Waldmössingen	2023	2024	Change
Rate of trained employees	82 %	97 %	+ 18 %
Average training time per employee in hours	28.4	10.2	- 64 %
Courses offered by SW Academy	247	290	+ 17 %

Professional development: In addition to internet training, SW Academy also supports external professional development, including qualifying to become a certified technician, foreman or business administrator, or earning a Masters degree.

Language courses: Employees and trainees are given access to language courses in German and English from the very beginning to improve their language skills and make them better prepared for assignments in the international business environment of SW.

Apprenticeships at SW: Wide range of apprenticeship options: In 2024, 84 young people at SW completed their apprenticeship in professions including industrial mechanic, metal cutting mechanic, machine and plant operator, mechatronic specialist, electronic specialist for automation technology and many more. 12 students also worked at SW, completing their studies in cooperation with the DHBW (Cooperative State University of Baden-Württemberg). Courses of study are offered in mechanical engineering, electrical engineering and information science. 28 young people successfully completed their professional training at SW in 2024.

Dual training system: The dual training systems at SW in Germany, SW Asia and SW North America are based on a dual system that offers a combination of practical work in the company and theoretical learning. SW has intensively promoted the establishment of a dual training system based on the German model at sites in China and the USA. There is also an active exchange between the trainers of the individual subsidiaries.

International exchange programs: SW conducts an exchange program in which German trainees are sent to the SW subsidiary in North America for four weeks to gain international experience and become familiar with their specialist areas on site. American trainees also have the opportunity to be sent to the main site for a period of 4 weeks.

Energy scouts in training: To raise their awareness of environmental issues, SW trains two apprentices each training year to become energy scouts so they can track, document and make use of energy savings potentials in the company.

Cooperation with schools: SW supports schools by presenting career opportunities, offering application and interview training, and mentoring technical instruction and in-company training to make students enthusiastic for technical professions.

	2022	2023	2024
Training rate	9 %	8 %	8 %
Quota of women	18 %	18 %	18 %
Employees	1,446	1,714	1,719

Future-oriented training concept impresses

As part of the “Ausbildungs-Ass 2024” competition, SW was nominated as an outstanding training company in the industry, trade and services category. This award recognizes the best training concepts in Germany. The award ceremony took place on 25 November 2024 at the Federal Ministry for Economic Affairs and Climate Action in Berlin. This nomination commends SW as one of the ten best training companies in the industry. SW impressed the expert jury with its creative and future-oriented training concept. The “Ausbildungs-Ass” award is presented under the patronage of the Federal Ministry for Economic Affairs and Climate Action, and supported by the German Junior Business Chamber and other partners.

New W-Ki children’s daycare center opens

SW actively supports the new W-Ki children’s daycare center, which opened on 1 September 2024 in the immediate vicinity of its headquarters in Waldmössingen. W-Ki is a joint project of six companies from the region and the municipality of Dunningen. With five places reserved for the children of SW employees, W-Ki offers a flexible and family-friendly childcare solution. The kindergarten makes it easier to balance work and family life and demonstrates SW's commitment to social responsibility and supporting its employees.

In the digitized world of today, information security is a key resource and an important factor for sustainable business success. Companies that protect sensitive data and information not only bolster their ability to resist cybercrime, they are also meeting regulatory requirements and contributing to sustainability.

Information security as a central factor

The continuously increasing damage caused by cybercrime highlights the importance of information security. The German Federal Office for Information Security estimates that the damage to the German economy due to cybercrime in 2023 was 205.9 billion euros. In comparison to 2016 (55 billion euros), damage has increased almost four times – an alarming trend that affects all companies large and small. SW has recognized the importance of information security and has established sustainable conduct as part of its social responsibility. The company clearly affirms the protection objectives of information security:

Confidentiality: Make sure that only authorized persons have access to data and information of any kind

Integrity: Maintain the correctness and completeness of data and information

Availability: Make sure that data and information are available at all times

SW has taken various technical and organizational measures to achieve these protection objectives:

Technical measures: Maintain and further develop technical information measures (such as firewalls, virus protection software) and physical measures (including access concept with different security zones)

Organizational measures: Raise employee awareness, introduce guidelines and directives related to information security and process and risk analysis throughout the entire company

These efforts are based on the unconditional commitment of management and early involvement of stakeholders. Employee awareness is continuously raised, and employees are involved in the process right from their onboarding in order to be able to detect risks at an early stage and to respond accordingly. Requirements are evaluated and solutions developed in regular dialog with customer and suppliers.

To ensure maximum efficiency and the sparing use of resources, a software solution in the ISMS (information security management system) and an emergency management system will be implemented. This is a customizable, scalable and multi-client capable “integrated management tool” that supports and automates tasks, evaluations and processes. In the future, it will be rolled out to other management systems and SW companies in order to leverage synergies between the existing management systems.

The strict implementation of information security makes an important contribution to the sustainable business success of the company. This makes SW an attractive business partner for companies that attach great value to security and compliance. Specific examples of the implementation of information security at SW include:

- An assessment at short notice of the TISAX label from the automotive sector in 2023
- Redesign of Business Continuity Management with increased resilience in 2023 to ensure on-time delivery to customers even in times of crises
- The development of processes for the integration of artificial intelligence in strict observance of information security and data privacy

"Information and information security play a key role for the successful operation of SW."
Kai Pieronczyk, CFO

SW views secure handling of data and information as a competitive advantage. With the information security measures it has implemented, the company is actively assuming its responsibility towards employees, customers and suppliers. This is of fundamental importance for the development of sustainable business relationships.

By measuring itself continuously against its own standards and not resting on successes of the past, SW will ensure its market position in the long term and strengthen customers' trust.

Safety for the value chain

SW follows the highest safety standards in its value chain. Strict compliance with the safety and health protection requirements according to the Machinery Directive, and implementation of additional safety measures derived from the risk assessment contribute to continuous improvement in product quality and reliability. This ensures the safety of machine users and promotes responsible working with technology in the industry.

The qualification of machine operators plays a key role at SW. With SW Academy, the company offers extensive measures for qualification and support for the operation and maintenance of its products. The goal of these measures is to teach customers the necessary skills and capabilities to operate the machines safely and efficiently. Another aspect in the SW safety concept is the quality of supplier parts. With strict quality control and partnership-based collaboration with the suppliers, SW ensures that every part used in the machines meets the high quality requirements of the company.

The know-how of SW employees is also crucial for the quality and safety of products. SW attaches great importance to the continuous advanced training of its employees, especially the designers and technicians, to keep their knowledge at the latest state of the art. Regular training programs expand and deepen the professional knowledge of the teams, which contributes to a high level of safety and reliability of products.

These end-to-end measures and strategies underscore the commitment of SW to safety along the entire value chain with special focus on compliance, user training and quality assurance.

Workplace health promotion

The health and well-being of its employees are important for SW. With its comprehensive Occupational Health Management (OHM) program called "SWbewegt" (SW in motion), the company offers various measures and activities to support the physical and emotional health of the Technology People.

SWBEWEGT
Gesundheit erhalten und fördern.

The SWbewegt occupational health management team plays a central role in planning and implementing measures. It is supported by the B-A-D occupational medical care service as required at its monthly meetings. Through this collaboration and the active participation of health insurance funds, as well as the employees themselves, many initiatives have been offered and implemented.

The SWbewegt team concentrates on several core areas in its occupational health promotion:

Movement: Initiatives to promote movement, such as climbing get-togethers, tennis tournaments, running groups, two cycling groups, regular participation in various company/city runs and other activities help to improve the well-being and physical health of the workforce.

Nutrition: The company also focuses on initiatives for promoting healthy nutritional habits to strengthen general health awareness.

Stress management: Programs for reducing stress and developing resilience help employees deal better with workloads.

Addiction prevention: Activities for addiction prevention raise awareness of risks. Employees are offered support if necessary.

Preventive medicine: The purpose of preventive measures and health checks is to detect and treat illnesses at an early stage.

New company fitness program at SW: Hansefit & Fitbase

SW has been cooperating with the company fitness providers Hansefit and Fitbase since 1 February 2024. Thanks to these partnerships, all SW employees and apprentices at the headquarters in Waldmössingen benefit from flexible, customizable health offerings – both on site and digitally.

Fitbase provides all employees with free, certified online prevention courses on exercise, nutrition and relaxation. From back training to Pilates and autogenic training to stress management, the wide range of courses helps to keep body and mind in balance. The content is interactive and new course units are available every week.

In addition to the digital offerings, SW provides its employees with particularly flexible training options through the Hansefit company fitness program. For a small monthly contribution, they get access to over 9,000 sports and health facilities throughout Germany, including gyms, swimming pools, physiotherapy centers and specialized course providers. SW subsidizes Hansefit memberships through the employer's contribution. This allows all interested employees to do something for their health individually and regardless of their location.

Health promotion in the SW subsidiaries

The SW subsidiaries also build on a wide range of health initiatives to promote the well-being of their employees. For example, employees of SW North America benefit from attractive discounts on fitness club memberships through the "Blue365" program that encourages better fitness and a healthy lifestyle. To strengthen team spirit, employees take part in running events together, such as the "Miles 4 Manufacturing" run in Chicago. SW pays the entry fees for the runners. The proceeds often go to social projects.
At the SW Asia site in Suzhou, employees have access to a company-owned gym equipped with table tennis tables and bicycles for sporting activities. The SW yoga club offers weekly classes that strength-

en both body and mind, while the SW badminton club organizes free badminton courts and exciting tournaments. SW Asia also regularly participates in the Suzhou Sports Day for foreign companies to promote team spirit and physical activity.

In Germany, the Wellpass program was launched at the SW site in Tettnang in 2023, which gives the Technology People discounted access to gyms, swimming pools and other sporting activities to promote their physical health in the longer term.

From prevention to intervention – first response measures

SW has a comprehensive emergency preparedness concept. A team of trained first responders is available for emergency cases. Regular training and exercises ensure that the first responders are able to act quickly and competently in the event of an emergency.

The number of first responders rose in comparison to the previous year from 150 to 179, also showing a broader coverage and diversification in regard to gender distribution. Furthermore, 26 employees gained further qualifications as emergency first aiders through additional training. This additional qualification is characterized by its high practical relevance: case studies were carried out under realistic conditions and with the first aid materials available at SW. It is encouraging that ten apprentices completed first aid training during the year under review. This offer is open to all apprentices and students at SW. The high level of participation demonstrates the commitment of the Technology People to the safety of their colleagues.

Number and proportion of first responders

	2022		2023		2024	
First responders (male)	116	91 %	132	88 %	160	89 %
First responders (female)	12	9 %	18	12 %	19	11 %

SW has also continuously improved its concept for emergency preparedness, including for example the following measures:

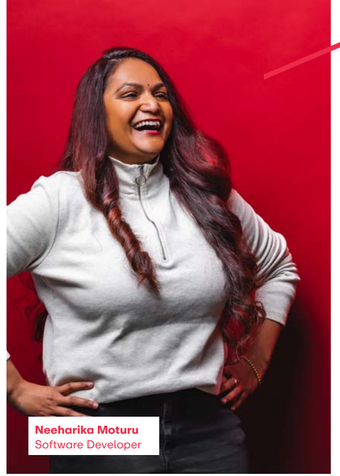
- A new, spacious doctor's office, prevention room and first-aid room
- The integration of first aid into the company's crisis management system
- The continuous expansion of the Nova Alert emergency call system
- Regular checks and replenishing of first aid materials and installation of first aid panels with defibrillators
- Provision of first aid vests and integration of a first aid block into the onboarding provided for new employees

Equal opportunity and diversity

The SW Group attaches great importance to equal opportunity and diversity. In a globalized world, collaboration with people from different cultures is indispensable. SW is convinced that a diverse workforce drawn from different backgrounds, experiences and perspectives decisively contributes to performing successfully on international markets. The combination of different abilities and personalities makes it possible for SW to address challenges in a multifaceted manner.

Barbara Elbers
Travel Management

Jaime Rodriguez
Project Engineer



Neeharika Moturu
Software Developer

Karen Vazquez
Project Engineer

Helge Mann
Option Assembly Master

Herry Lau
System Test Engineer

Equal opportunity
At SW, equal opportunity, meaning the same access to opportunities in life, applies to all people – regardless of characteristics such as gender, age, religion or social origin. For example, wage equality for women and men is firmly anchored in SW. At company headquarters in Waldmössingen, employees are categorized in pay grades independently of gender, based entirely on the activities performed. Personal work performance is determined individually as part of an annual performance review and has a direct effect on compensation in the form of extra pay. The regulations for this policy have been agreed with the employee representative.

People with disabilities
SW explicitly welcomes applications from people with disabilities and works actively to integrate them into the workforce. At some sites SW is supported by a representative for people with disabilities chosen by the workforce.

Open corporate culture with deep roots
People of different nationalities, cultures and languages work together successfully at SW. The company cultivates an open and tolerant corporate culture in which everyone feels appreciated and welcome. This reflects above all the company value of being "humane": Technology People treat others as they would like to be treated themselves – fairly, openly and with trust. Hence they work together across departmental, geographical and national boundaries and support each other mutually.

Worldwide collaboration
SW makes it possible for its employees to work in the worldwide subsidiaries and participate in projects involving multiple sites to gain international experience. This promotes intercultural exchange and global collaboration.

Diversity in the workforce
At the SW headquarters in Waldmössingen alone, people from 81 different countries make up the diverse workforce. This diversity of people with different cultural backgrounds brings with it a wealth of viewpoints, perspectives and ways of thinking, as well as personal experience and abilities. This enriches the company and contributes greatly to its success.

Diversity initiative: Promotion of youth sport by SW Italia
SW Italia supports the “Nottoli Nuoto 74” swimming team that enables around 60 young people aged between 10 and 18 to take part in competitive sport, regardless of social or financial barriers. The team has achieved great success in Italian championships and international competitions. Through its sponsorship, SW promotes equal opportunities, team spirit and social integration through sport.

Goals for the future
The SW Group takes the issue of equal opportunity and diversity seriously and is working continuously on improving the corporate culture in this area. In the coming years, the company intends to further intensify its engagement in this area. This includes the introduction of a comprehensive diversity strategy as well as other measures to improve the balance of profession and family. Promoting cultural diversity is not only ethically right, it is also an investment in the future of SW.

"I appreciate that working in a diverse company like SW allows me to learn from my colleagues with different perspectives. It exposes me to new ideas and helps me to understand different cultures."

Neeharika Moturu, Software Developer

GRI index

This voluntary sustainability report of the SW Group was prepared with reference to the Standards 2021 of the Global Reporting Initiative (GRI). It covers the period from 01/01/2024 until 12/31/2024. An annual update of the report is planned. The information reported here, including the material topics, has been verified and approved by company management.

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Note on gender
For readability reasons, either the masculine forms he, him and his or the feminine forms she and her are used alone only where the actual gender is known. The terms used should be taken to imply equal treatment for all genders. The shortened linguistic form is for editorial purposes only and does not imply any valuation.

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