



SWEP
Sustainability
report 2022

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A note from our President

Our approach to sustainability has changed markedly over my years at SWEP, but the underlying principles have remained the same. We still aim to create more from less and we continue to see innovation as a tool for challenging efficiency. We've never lost sight of our purpose: to reduce energy use in heat transfer.

As times have changed, we've responded. Throughout the world, more people recognize the urgency of the multiple sustainability crises we face. These developments have provoked changes in our own outlook and how we embrace our ESG work.

We introduced an ESG framework in 2021, and in 2022 we appointed a dedicated ESG team and board. It was important for us to recognize that the three aspects of environment, social and governance are closely connected and that, to be effective, we would need to address them simultaneously and immediately.

In 2022 we also revised our approach to the UN's Sustainable Development Goals. Previously we'd chosen to focus on the goals we felt were most relevant to us. Now we see them as 17 paths towards a single goal – that of a habitable, equitable planet. To that end, we have started to look at all of the SDGs, to understand how we currently contribute and how we can do more.

Nevertheless, much of our outlook remains the same. We still take pride in the excellence of our brazed plate heat exchangers and their contribution to a low-emission energy future. The challenge for us – with the increasing demand for low-GWP refrigerants and residential renewable energy – is to do what we have always done, but to do more and to do it better. The ongoing expansion of our factories is helping us do just that. It's a way for us to both increase our production capacity and improve resource efficiency.

Finally – and in recognition of the social aspect of ESG – I'd like to highlight the results of our 2022 employee engagement study. With an extraordinarily high response rate, the survey indicated that the majority of employees are happy in their roles and feel free to be themselves. I've long since known that SWEP is comprised of great people, and confirmation that they feel valued and recognized is extremely pleasing.



“ We still take pride in the excellence of our brazed plate heat exchangers and their contribution to a low-emission energy future.

Ulrika Nordqvist
Ulrika Nordqvist, President SWEP

This is SWEP

SWEP's dedication to sustainability

For 40 years, SWEP has been dedicated to resource efficiency and sustainable heat transfer solutions. It's something we continue to demonstrate in our products, our activities and our ambitions.

What started with three Swedish entrepreneurs in a garage in 1983 is now an international corporation with nearly 1200 employees, production in 5 countries and offices in 20 countries. Our founders were pioneers, developing the brazed plate heat exchanger technology to which they dedicated their passion, creativity, and personal commitment. A spirit that is still present, keeping us pushing the boundaries of what is possible. We know that our products are part of a sustainable future and play a vital part in systems

Our purpose:

We believe in creating more from less. That our future rests on giving more energy than we take – from our planet and our people. So we are here to lead the conversion to sustainable energy usage in heat transfer, constantly creating more from less energy, material and space.

Our vision:

To significantly lower energy usage In heat transfer solutions.

supporting electrification, minimizing carbon emissions, and becoming less dependent on fossil fuels. We challenge efficiency, and we challenge our partners to do the same.

Perhaps most significantly for 2021 and continuing in 2022, we have seen our efficient, clean technology make a transformative impact in residential settings. As fossil-fueled boilers become outmoded, our brazed plate heat exchangers have become key components in sustainable alternatives. It's a chance for us to be central in the transition to energy systems that protect the environment.

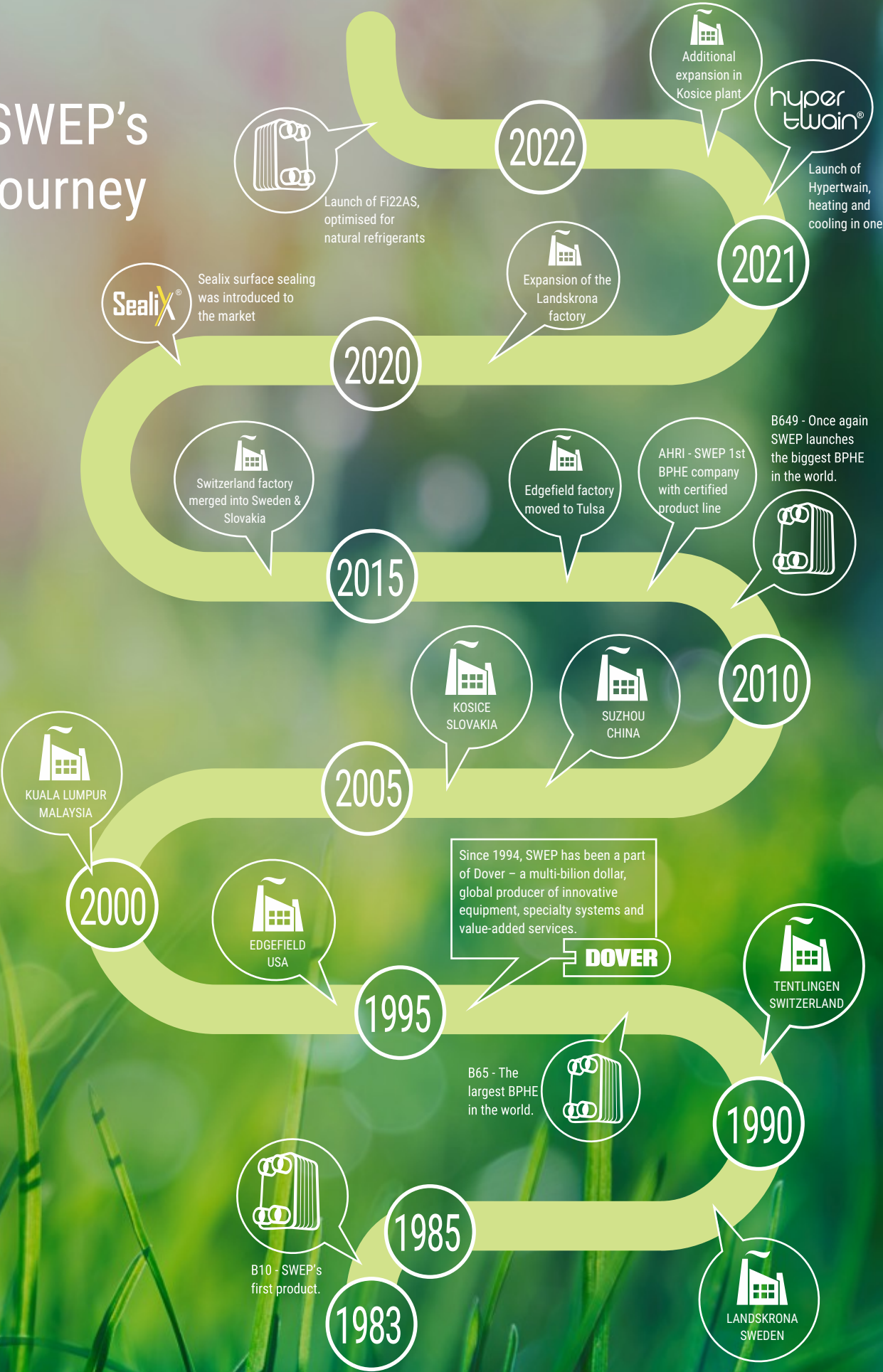
Building the future

We're proud of the environmental impact of our products, and we are committed to manufacturing them sustainably and ethically. With this in mind, we are both expanding and improving our facilities. The expansion of our Slovakian site continued in 2022, letting us respond to Europe's increasing demand for sustainable heat transfer solutions, while further reducing the energy and emissions associated with manufacturing our heat exchangers.

2022 also saw construction begin on our new Corporate Head Office and TechGarden - SWEP's new center for R&D and innovation. These investments are a key part of our greener and more innovative future, and will provide a sustainable, safe work environment for our colleagues.



SWEP's journey



SWEP's sustainability with Dover



Since 1994, SWEP has been part of the Dover Corporation, a diversified global manufacturer and solutions provider with annual revenue of over \$8 billion USD. Recognized for its entrepreneurial approach for over 65 years, Dover's 25,000 employees take an ownership mindset, collaborating with customers to redefine what's possible.

All Dover companies are committed to creating economic value for shareholders and customers through sustainable practices that protect the long term well-being of the environment. From greenhouse gas and waste reductions, to increased energy efficiency, Dover is striving to meet the global environmental needs of today and tomorrow.

Integrity Counts at Dover

IntegrityCounts is Dover's comprehensive compliance training program. Covering subjects as diverse as insider trading, modern slavery and data security, it's a way of both educating and protecting colleagues, as well as ensuring that the Dover Code of Conduct is upheld. Dover maintains a global hotline that can be used by any person – anonymously if they so choose – to report issues or concerns relating to our standards of business ethics and compliance. Dover also publishes a quarterly employee newsletter, IntegrityCounts, in seven languages. With discussions about policy updates, best practices and professional integrity, it keeps Dover employees informed and inspired, no matter their role or location.

Science-Based Targets

Dover has committed to the Science-Based Target initiative, and to reducing direct greenhouse gas emissions from operations (absolute Scope 1 and Scope 2 market-based emissions) 30% by 2030 (2019 is the baseline). The target for indirect emissions (Scope 3) is a reduction of 15% by 2030.

Dover Highlights



Recognized for our entrepreneurial approach for **65+ years**, our team of **~25,000 employees** takes an ownership mindset, collaborating with customers to **redefine what's possible**.



Dover's sustainability reporting

Dover has published indices using the Sustainable Accounting Standards Board (SASB) reporting framework and key Global Reporting Initiative (GRI) indicators, and a Task Force on Climate-Related Financial Disclosures (TCFD) Index. Dover Corporation also reports to CDP on all companies in the group, including SWEP. Dover is committed to focusing on and making progress against ESG metrics and targets that are material to its business.

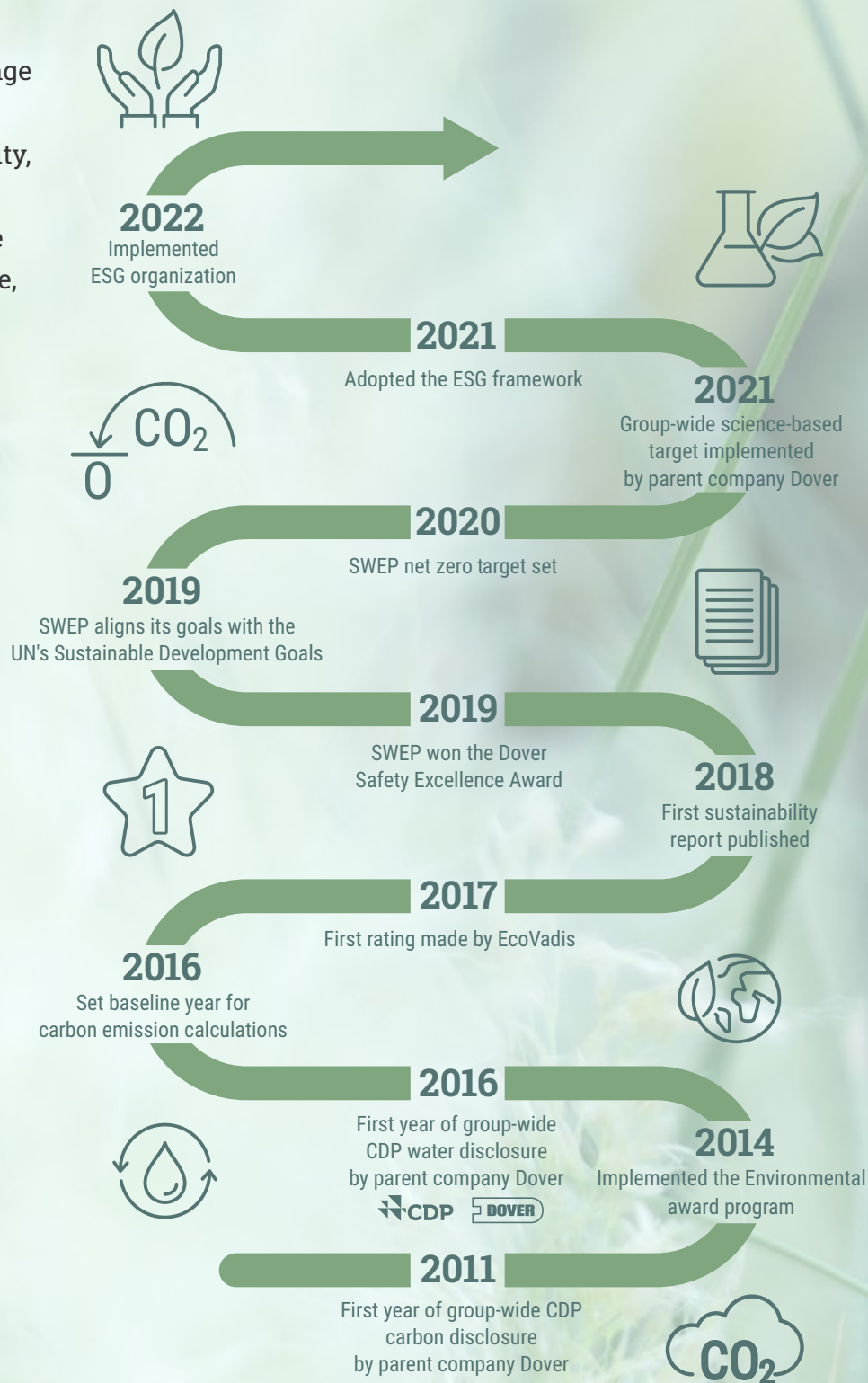


Dover Corporation reports to CDP for all of the companies in the corporation, including SWEP.

For 2022 the results were A- in Climate change and B in Water security, which is higher than the industry average.

Continuing our ESG journey

We strive to challenge our industry with courage and curiosity, by committing to shape a sustainable future for our people, environment, and community.



Every day, our products inspire and support the transition to a more sustainable way of life, from our innovations in low global warming potential (GWP) refrigerants to our heat exchangers that enable electrification in multiple industries.

Our products facilitate a more sustainable future, but it's also important to look at our overall impact on the world. By analyzing our own operations – as well as the sources of the material we consume and our products' eventual use – we can get a fuller picture of our sustainability. SWEP continues to grow and to succeed, but it is imperative that we do so in a way

that is ultimately beneficial to the environment, to our community, and to people around the world.

That's why we implemented an Environmental, Social and Governance (ESG) framework in 2021. We believe it is a logical, thorough and transparent way of measuring our global impact. As an internationally accepted structure, it allows external assessors to monitor our work and provide impartial analysis. It's a way for us to be receptive to external and internal appraisals of our work, and in the process demonstrate that our commitment to sustainability is genuine and comprehensive.

E Environmental	S Social	G Governance
Products <ul style="list-style-type: none">· Innovation for sustainable products· Climate change, risks and opportunities Operations <ul style="list-style-type: none">· Energy and emissions· Resource efficiency (water and waste)· Environmental regulatory compliance Supply chain <ul style="list-style-type: none">· Environmentally responsible sourcing	People <ul style="list-style-type: none">· Talent attraction and development· Employee health and safety· Fair remuneration practices and human rights· Diversity and inclusion· Labor relations Communities <ul style="list-style-type: none">· Community engagement· Product quality and safety· Supplier labor conditions and human rights	Culture <ul style="list-style-type: none">· Ethics and compliance· Data security and privacy· Anti-bribery and anti-corruption· Governance and accountability

1 NO POVERTY



By paying living wages, regularly adjusting remuneration, and offering insurance and other benefits, SWEP ensures a good quality of life for employees.



SWEP heat exchangers are used in cooling solutions around the world, in countless applications, extending food shelf-life and reducing waste.

2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



SWEP's comprehensive health and safety policies and zero harm program support the physical and mental well-being of our employees.

4 QUALITY EDUCATION



As well as providing training and development to promote lifelong learning, SWEP supports employees' education through, for example, tuition reimbursement programs.



SUSTAINABLE DEVELOPMENT GOALS

SWEP supports the UN's Sustainable Development Goals (SDGs). Our approach embraces them as 17 connected paths towards one single goal - that of a habitable, equitable planet.

Although we contribute to some more than others, and to some more indirectly than directly, we still consider them equally important and keep them all in mind when determining our strategy as an organization.

8 DECENT WORK AND ECONOMIC GROWTH



SWEP aims to provide nothing less than the best place to work. Leadership training, employee surveys, collaboration with labor unions and a focus on work-life balance support this goal.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



From its inception, SWEP has been an innovation leader. We constantly challenge efficiency, with new technologies and methods that optimize energy, material, and space in heating and cooling.

10 REDUCED INEQUALITIES



Human rights are fundamental to SWEP throughout the entire value chain. We have a zero-tolerance policy for human rights violations.

11 SUSTAINABLE CITIES AND COMMUNITIES



SWEP's district energy solutions provide efficient heating and cooling in cities and communities around the world, from large scale district heating networks to heat recovery in restaurant kitchens.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SWEP continues to reduce scrap and resource consumption in manufacturing. We develop our products with circularity in mind and strive to extend their lifespan and recyclability.

13 CLIMATE ACTION



Through energy efficiency and renewable energy we have significantly reduced our emissions intensity. We intend to become a carbon neutral organization in scope 1 and 2 by 2030, and to further reduce our scope 3 emissions.

14 LIFE BELOW WATER



SWEP produces BPHEs for marine applications, allowing many types of vessel to employ modern, sustainable systems and solutions that reduce ocean pollution.

5 GENDER EQUALITY



SWEP has zero tolerance for discrimination and gender inequality. We continuously evaluate the organizational gender balance and actively promote equality in recruitment and training initiatives.

6 CLEAN WATER AND SANITATION



SWEP produces brazed plate heat exchangers for tap water applications, improving access to safe, temperature-controlled water around the world. Reducing our own water use is a key part of our sustainability effort.

7 AFFORDABLE AND CLEAN ENERGY



Our BPHEs are used in the energy industry for efficient heat transfer in clean energy applications including wind power, energy storage and hydrogen fuel cells.

15 LIFE ON LAND



SWEP recognizes the importance of biodiversity. By reducing our climate impact and optimizing our water use, our actions help improve conditions for biodiversity.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Ethical business practices are central to SWEP's operations. Our anti-bribery and corruption provisions include a hotline for any employee to report ethical breaches, and a strict non-retaliation policy.

17 PARTNERSHIPS FOR THE GOALS

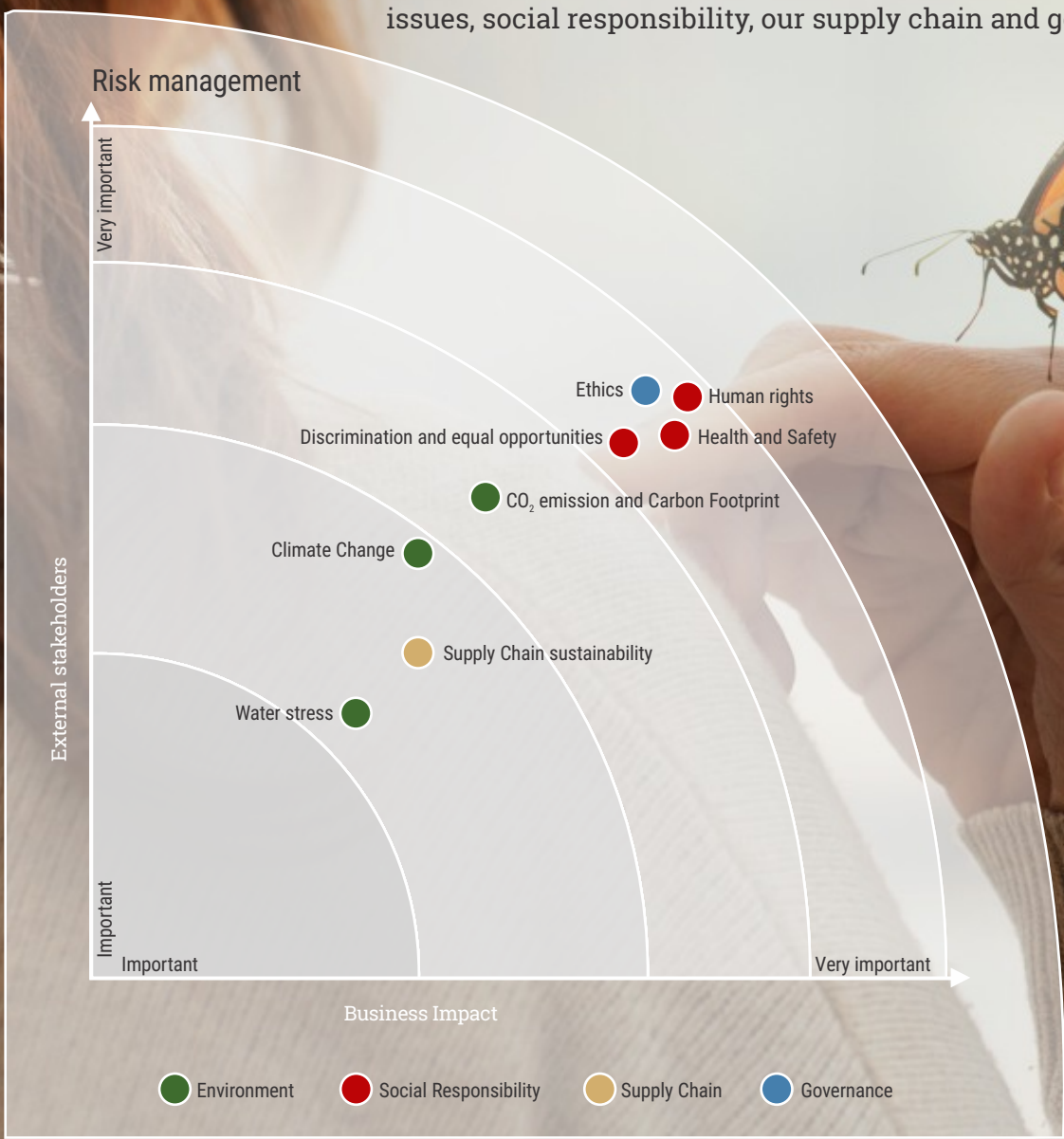


No organization can bring about a sustainable future on their own. Collaboration with customers, suppliers and stakeholders can help our communities succeed. We are all in this together.

Risk management and sustainability

Risk management at SWEP is about being aware and prepared for future threats and opportunities. Sustainability presents a set of profound challenges, and it is necessary for us to thoroughly assess and manage the associated risks.

The table is an extract from our risk management framework, outlining efforts to mitigate risks in relation to environmental issues, social responsibility, our supply chain and governance.



Major risks Description of risk	Risk mitigation Description of risk
Environment	
Climate change Climate change can cause unforeseen weather conditions, affecting SWEP global operations, leading to disrupted supply chain, increased insurance costs and loss of production.	All SWEP locations have developed a disaster recovery plan designed to keep our offices and facilities running without disruption. SWEP continuously works closely with our insurance company to identify and proactively mitigate operational risks.
CO₂ emissions and carbon footprint Development of new regulations setting precedence for decreasing emissions in value chain. Leading to increased demand for less carbon-intensive products which affects our entire value chain, increasing production cost.	SWEP actively monitors and prepares for new regulatory changes. SWEP has since 2018 tracked our carbon footprint which is being independently verified by Carbon Footprint Ltd. Life cycle analysis shows that the most material elements of SWEP's emissions total are raw materials, electricity consumption, freight activities and business flights. SWEP has implemented KPIs to support its carbon management journey which actively focus on these elements. We have a global goal of carbon neutrality (scope 1 & 2) by 2030.
Water stress Water stress happens when communities can't fulfill their water needs. Water is vital in our operations and to our employees' health and hygiene.	SWEP has analyzed current water stress as well as the prognosis until 2030 for all our manufacturing locations and implemented corresponding local risk mitigation plans and water intensity reduction KPI's. We have a global goal of reducing our water intensity in manufacturing by 50% by 2030.
Social Responsibility	
Health and safety in the workplace Risk of harm to employees physical and mental well-being.	Safety is a big commitment at SWEP and Dover and we continuously strive to provide the best possible working environment for our employees. The target is always to operate with zero accidents. Each SWEP location above 30 employees, has an EHS- responsible resource and works according to the local country's work environment legislation. Audits are made on a regular basis to identify and eliminate risks. All incidents and accidents are recorded, and corrective actions are implemented. Best practice and lessons learned are shared between the different manufacturing locations
Discrimination and Equal opportunities Discrimination due to gender expression, ability, nationality, age, beliefs or sexual orientation could greatly affect brand reputation, ability to retain talents and reduce productivity	SWEP and Dover have policies in place about equal opportunities and zero discrimination and harassment. SWEP complies with the equality obligations under the various anti-discrimination legislation in the countries in which we operate. All employees at SWEP are continuously trained on equal opportunity, biases and non-discrimination. Moreover, we have processes in place to ensure that decisions about recruitment, selection, promotion, training or any other benefit is made objectively and without unlawful discrimination.
Human rights Risk of human rights violations tied to our organization or supply chain, such as child labor, forced labor, human trafficking	SWEP and Dover have a code of conduct in place which states zero-tolerance for human rights violations. Additionally, SWEP has developed its Basic Beliefs program which all employees are trained on. During Management Team meetings at SWEP, the Basic Beliefs are regularly discussed and evaluated, all regions are represented in the top management team.
Governance	
Ethics and corruption Instances of ethical violations or corruption can incur financial penalties and damage brand reputation leading to loss of business.	"Our Company will not tolerate bribery of any form with any third party, public or private, whether done directly by our employees or indirectly through third parties, even if by upholding this ethical standard we lose business or encounter difficulties (for example, delays in obtaining permits or licenses) as a result." Extract from "Dover Code of Business Conduct and Ethics" All employees are regularly trained, and the information is available on SWEP Intranet site. This training, through on-line courses distributed by Dover (Integrity counts), are mandatory for all employees and participation is monitored on a quarterly basis. Dover has a well-established whistleblower procedure and a non-retaliation policy, available for all SWEP employees.
Supply Chain	
Supply Chain Sustainability Risk of limitations and disruption in the supply chain, impeding our operations.	All major direct material suppliers sign the Dover Supplier code of conduct before entering into any business relationship with SWEP. To ensure sustainable sourcing, our supplier audit program includes sustainability topics such as: product circularity, carbon management, energy management, water management, waste management, diversity & inclusion, working conditions, health & safety, human rights violations. We hold our suppliers to the same standards that we hold ourselves and require that all suppliers have risk mitigation plans in place. SWEP also controls its supplier base carefully in order not to purchase materials that contain any conflict minerals.



Energy from renewable sources:

69% in 2022

Reduced our water intensity in manufacturing:

20% compared to 2021

Carbon intensity:

Reduced carbon intensity for the

5th consecutive year

Travel policy:

Updated with **environmental guidelines**

Energy efficiency in manufacturing:

1,2% improvement compared to 2021

Own energy production:

Over **623 000 kWh**

Recycled manufacturing scrap:

100%

Scrap
recycling

Renewable
energy

Reduced
water
intensity

Improved
energy
efficiency

Carbon

Own energy
production

Updated
travel
policy

Innovation

The lifetime carbon footprint of our customers' overall systems is far greater than that of the heat exchanger components alone. Therefore, we want to do more than focus on the specific impact of our manufacturing. Our design decisions have an indirect impact throughout the value chain, which in turn have an impact on our environment.

SWEP's goal in sustainable product design is twofold:

- To reduce the environmental impact of our own products through energy efficient manufacturing, reduced material consumption and simplified recyclability
- To design products that support a reduction of lifetime emissions and improved energy efficiency for the systems in which they are installed

As demand for clean energy technologies and energy efficient products rises, we support sustainability across several industries by providing the most efficient heat transfer solutions on the market.



Highlights and awards

SWEP was shortlisted for the 2022 BESA Product Innovation of the Year award for our groundbreaking Sealix® Brazed plate heat exchangers. The Sealix® coating increases resistance to corrosion, scaling and leaching.



In 2022 we also launched our Hypertwain® technology, that optimizes both cooling and heating, as well as minimizing space, electricity and refrigerant requirements. With Hypertwain®, SWEP can offer the most efficient heat exchanger solution in the reversible heat pump market, offering end users significant reductions in energy use, carbon emissions and operational costs.



SWEP won the Dover 2022 Growth & Innovation Award for our contributions to the cooling system in an energy storage system. We're delighted to have become a partner in a breakthrough clean energy technology that could literally change the world.



SWEP developed an improved solution for heating and tap water production in multi-dwelling apartment buildings. The solution results in enhanced functional control on apartment level, individual energy consumption billing, improved efficiency, and reduced losses in hot water recirculation system. The development team won the SWEP Innovation Award 2022.

Product innovation with transformative impact

The move away from hydrofluorocarbons has accelerated in recent years, and SWEP has been at the forefront in devising solutions that work well with the market's favored low global warming potential (GWP) refrigerants. International agreements like the EU F-gas Regulation and the Kigali Amendment to the Montreal Protocol are increasing the use of alternative refrigerants, but it's not a straightforward process.

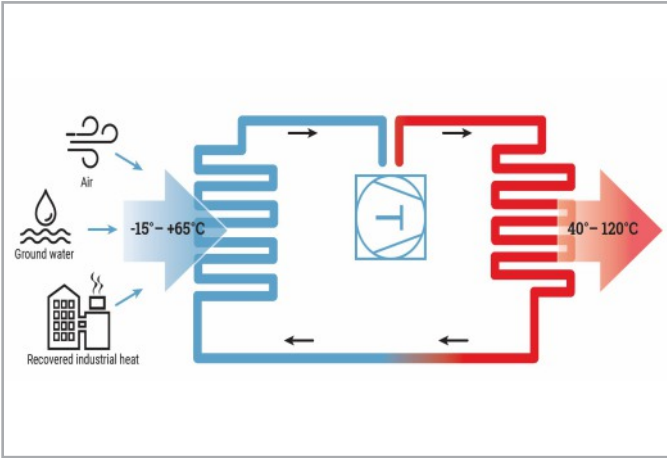
Few low-GWP fluids combine the right thermodynamic properties with the stability and low toxicity needed for refrigeration and air conditioning, and most of these are flammable. SWEP recognizes that environmentally sound solutions need to be innovative, adaptive and holistic.

SWEP in action

In December 2021, Frigadon installed a ground-sourced heat pump for a physical rehabilitation and

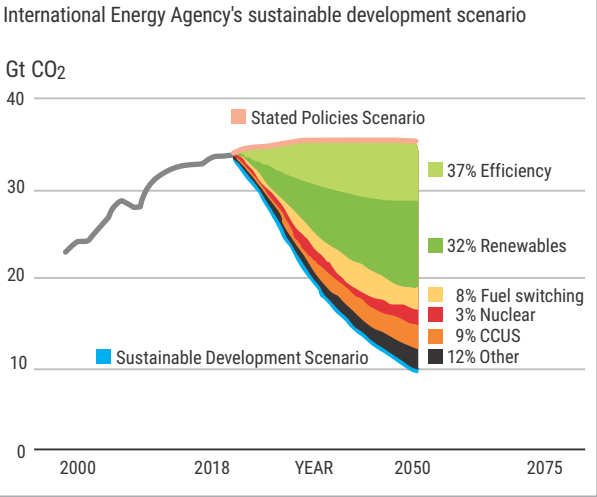
pool therapy center in Vikersund, Norway. Delivering 70°C water, the 3x100kW pump uses R290 (propane) and R600a (isobutane) as refrigerants. To give you an idea of the environmental benefit, hydrocarbons like these have an approximate GWP value of 3, whereas the more common synthetic refrigerant, R410a, has a GWP value of 2088*.

Hydrocarbon-based high-temperature heat pumps like this have a crucial role to play in the energy transformation, replacing natural gas or direct electric heating. Because hydrocarbons can be fully condensed at relatively high temperatures, they deliver better efficiency than most other natural refrigerants.



Our contribution

In addition to producing new innovative technology that supports the global refrigerant phase out, SWEP improves systems' efficiency. Graph 1 describes the energy-related emissions reductions needed to reach the goals of the Paris agreement. It illustrates that 37% of the necessary CO₂ reductions should come from improving technology's energy efficiency. Through continuous product improvement, reduced refrigerant charge requirements and fine-tuned, optimized solutions, SWEP supports the push towards a sustainable future.



Graph based on figures from the International Energy Agency, Global Commission for Urgent Action on Energy Efficiency 2020

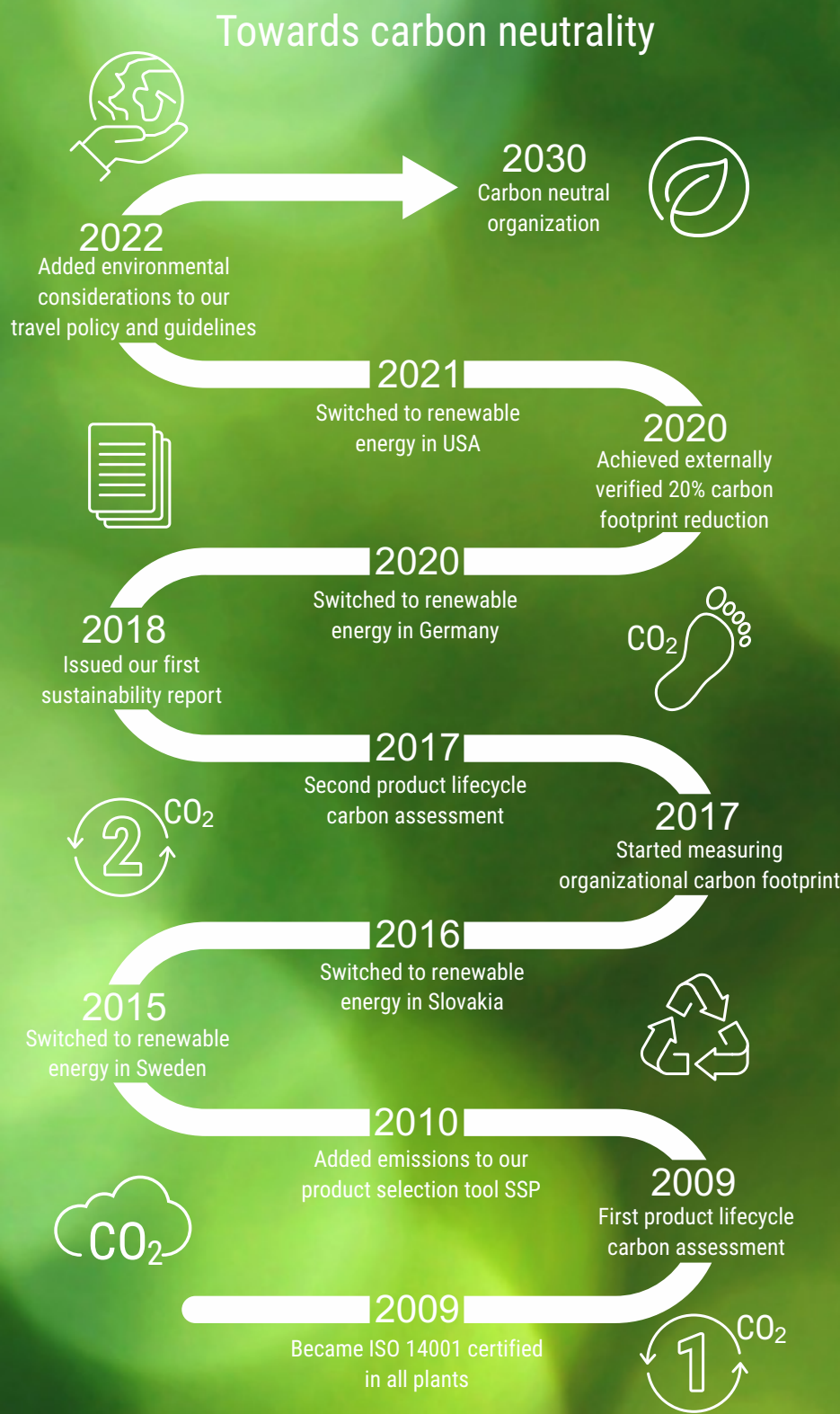
*GWP values from Svenska Kyl & Värmepumpföreningen

Energy and emissions

In 2020, we proudly achieved our goal of cutting our total carbon emissions by 20% (using 2016 as a baseline). It was time to alight on a new ambition, one informed by our purpose and vision. We decided that SWEP should operate as a carbon neutral company by, at the latest, the same target year as the UN SDGs: 2030.

Our carbon neutrality goal involves net zero emissions in Scope 1 and Scope 2 as defined by the Greenhouse Gas Protocol. In SWEP's case, the scopes encompass stationary and mobile combustion, refrigerants, electricity and heating.

Currently we partially measure Scope 3 and plan for reduced emission intensity for business travel, transportation of goods, water and waste. In 2024 the Scope 3 measurements will be expanded to include the emissions tied to direct materials used during production. Life cycle analyses indicate that these represent the majority of our Scope 3 emissions. Capturing data in this area will help us to better understand the nature of these emissions and form a basis for improved decisions on how to reduce emissions in our supply chain.



SWEP's carbon emissions and emission intensity, 2022

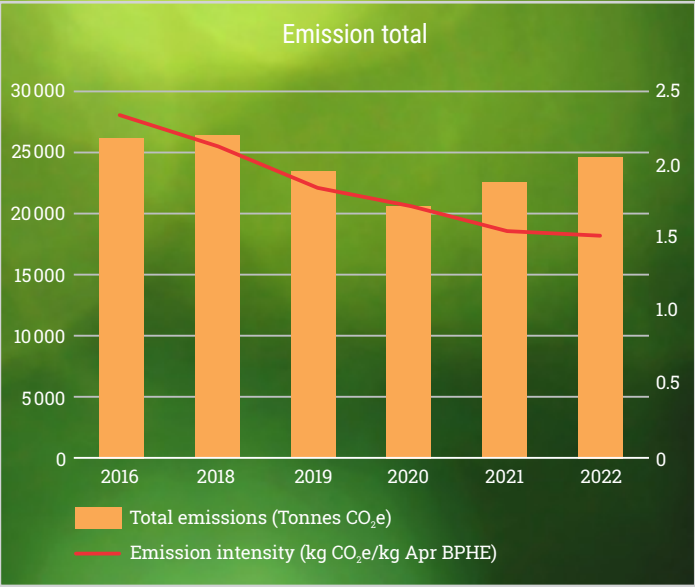
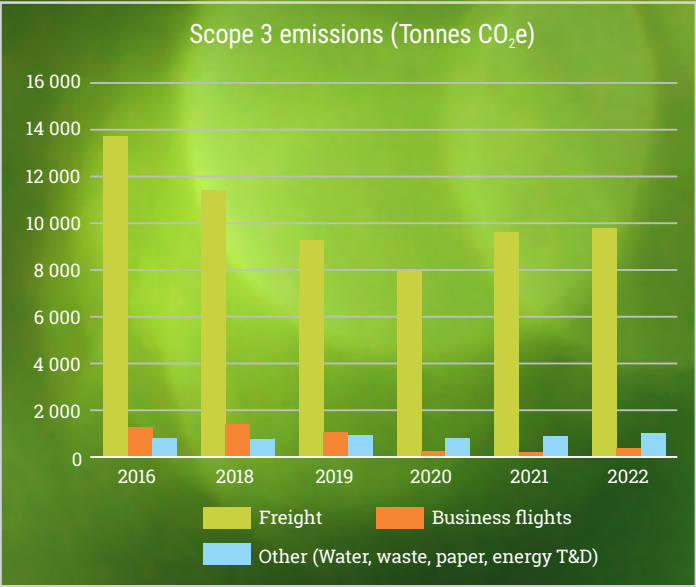
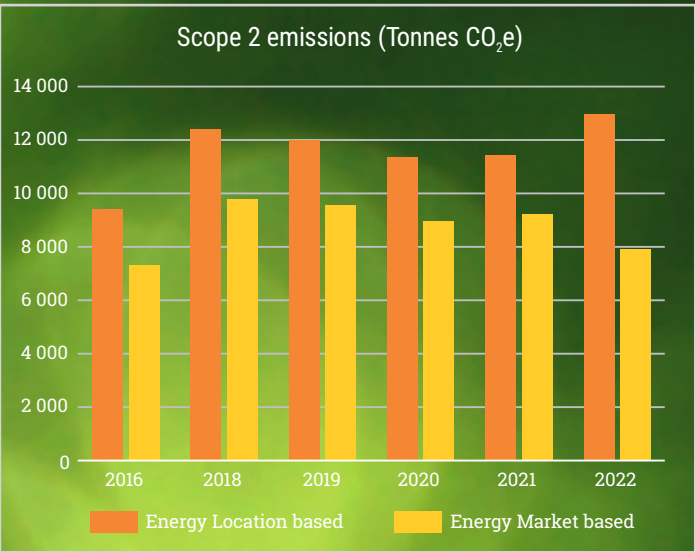
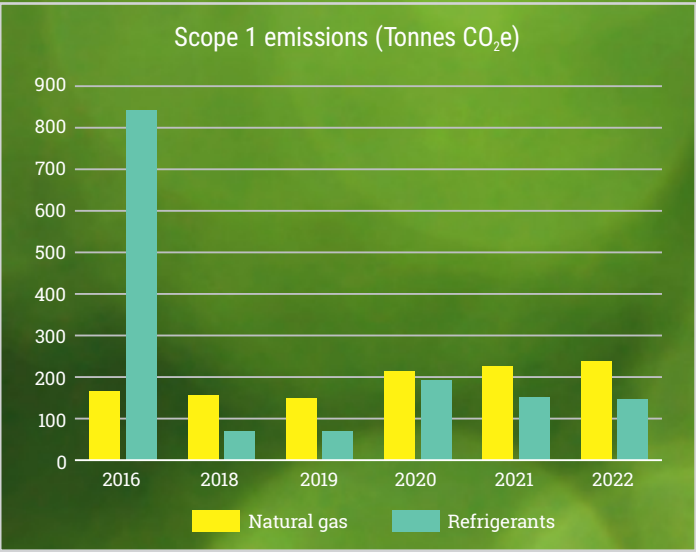
Expansion and emission intensity

The demand for renewable energy and energy saving solutions is growing, and so is SWEP. With the European energy crisis and the global energy transition, the demand for brazed plate heat exchangers is intensifying worldwide. Accordingly, all of our sites are increasing their production capacity between now and 2025. Our energy saving products support global progress towards carbon neutrality, and they promote a sustainable future.

We believe our products to be indisputably beneficial to the sustainably cause, but this increased demand nevertheless challenges our ability to reduce our own total emissions year-on-year. Therefore, we are building towards our carbon neutrality goal by investing in energy efficiency and reducing our reliance

on fossil fuels. With expansion in mind, emission intensity (calculated as kg CO₂e per kg of product) has been our key metric since 2020. With ongoing plans to expand further, we see emission intensity as a better indicator of the effectiveness of our endeavors over the next few years.

We are proud to say that our main metric of emission intensity continues to improve for the 5th year in a row. Although some emission categories (such as natural gas and electricity) have seen an increase in total emissions due to our site expansions we are still managing to reduce our emission intensity. We are especially proud to have reduced express freight emissions in 2022 and to see that our business travel emissions remain low compared to 2019.



Energy efficiency

For the third consecutive year, our energy efficiency measured as “kWh per kg heat exchanger produced” has improved. The total manufacturing output increased in 2022, which increased the overall energy consumption, and yet we can satisfactorily conclude that the energy efficiency measure continues to fall. The key contributors to this have been investments in new efficient manufacturing equipment, process optimization and regular maintenance.

Our share of renewable energy in 2022 was 69% which is in line with 2021. We intend to continue to convert our energy consumption to renewable sources, and plan to invest in renewable energy solutions around the world. We expect to increase our own production of renewable energy over the next few years. Several investments in solar panels have been made, and energy efficient heating systems are being investigated. By 2026, all our factories will have solar panels in operation.

In 2022, we increased our own energy production in the Landskrona factory. Manufacturing accounts for most of the energy consumption, and the brazing furnaces are the largest energy consumers in the whole process. The furnaces are heated to temperatures above 1000°C and rather than wasting the heat energy from our furnaces, we have found a way to utilize it. In Landskrona we installed the Ectogrid system which is a solution for recovering waste heat. 2022 was the first full year of operation and it generated 623 MWh which is enough energy to provide the premises with heating and hot water. This heat recovery is so efficient that the factory no longer uses district heating for heating the premises.

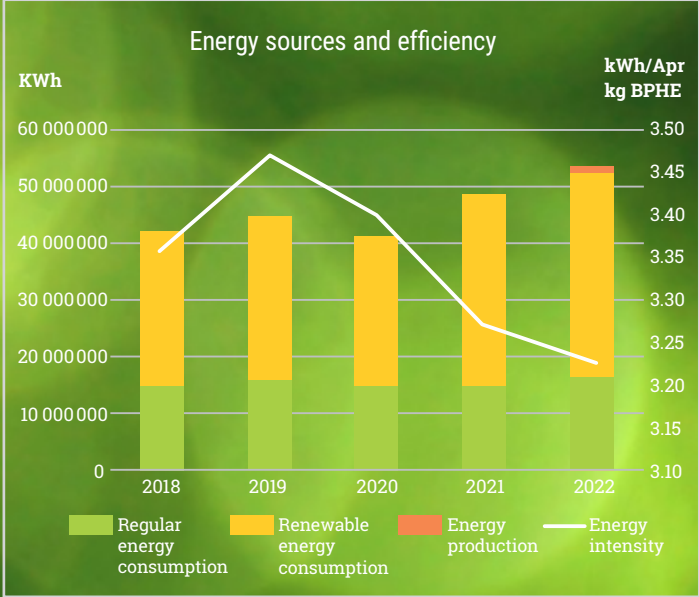
Low emissions and energy efficient initiatives

Expanding our production capacity creates opportunities to install next-generation press lines and more efficient furnaces, which allow us to reduce emissions per kg heat exchanger produced. For example, this year we installed new vacuum furnaces in our plant in Slovakia, that use convection heating and dry pumps, for improved energy efficiency.

Further energy efficiency improvements have come from switching to LED lighting in all plants, and upgrading ventilation, air compression technology and cooling systems.

We work with our customers and suppliers to reduce transport related emissions. Through planning and forecasting, we aim to reduce the amount of air and express freight and replace it with truck and sea shipments which are less emission-intense alternatives. We also work closely with our transportation partners on projects around green transport solutions and consolidated freight.

The new normal of post-COVID life has shown us the effectiveness of digital conference tools, and our total business travel is significantly less than in 2019. In 2022 we updated our travel policy with sustainability guidelines and recommendations for more environmentally friendly travel alternatives when travel is unavoidable.



Celebrating innovation and excellence

The SWEP Innovation Award Program recognizes individuals or teams who demonstrate creativity and innovation beyond the expectations of their roles. Birgitta Törnqvist has worked at SWEP since 1985 and contributed greatly in different positions during her time. As one of the award winners announced in 2022 she was responsible for a process improvement that recycles the stainless steel paste used in manufacturing. Reusing the paste in this way is a great example of how creative, open-minded approaches to our work can lead to greater efficiency and less waste.



Challenging water use and resource efficiency

According to World Resources Institute, two billion people live in countries facing high levels of water stress. By 2030, this will have likely increased in all countries where SWEP operates. Water security is a challenge we are committed to addressing.

At all our sites, clean water is needed for employee health and hygiene, for cooling, cleaning and much more. As we access municipal water supplies for

these tasks, we diligently monitor and manage the impact our water use has on our local communities. Across all of our sites, we have analyzed risk and established targets and KPIs. From there, we've begun the process of installing digital water meters, improving cooling systems and increasing rainwater collection.

Resource efficiency

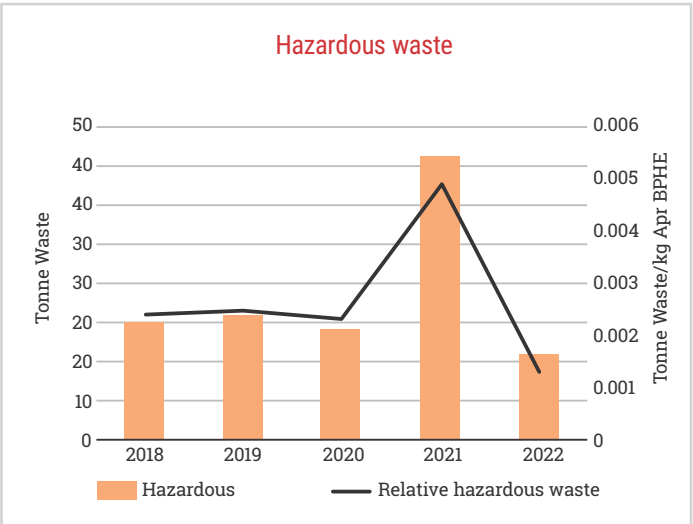
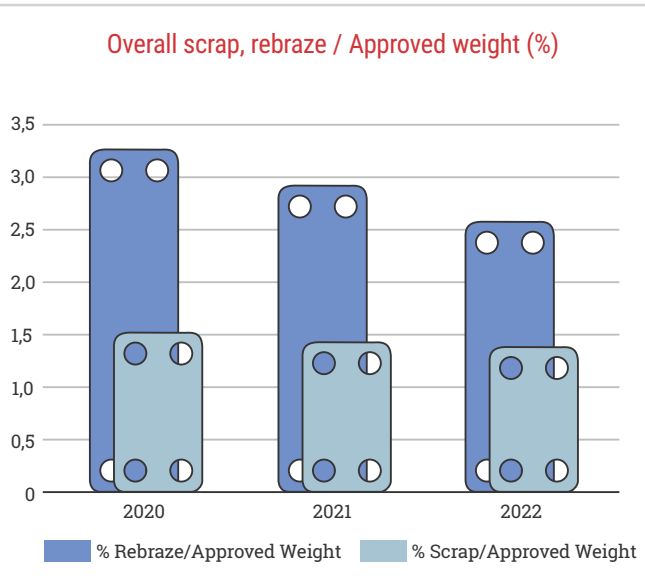
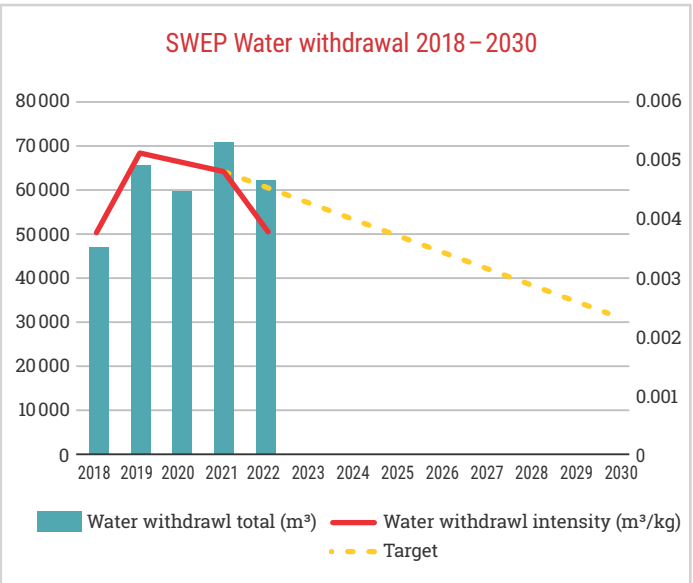
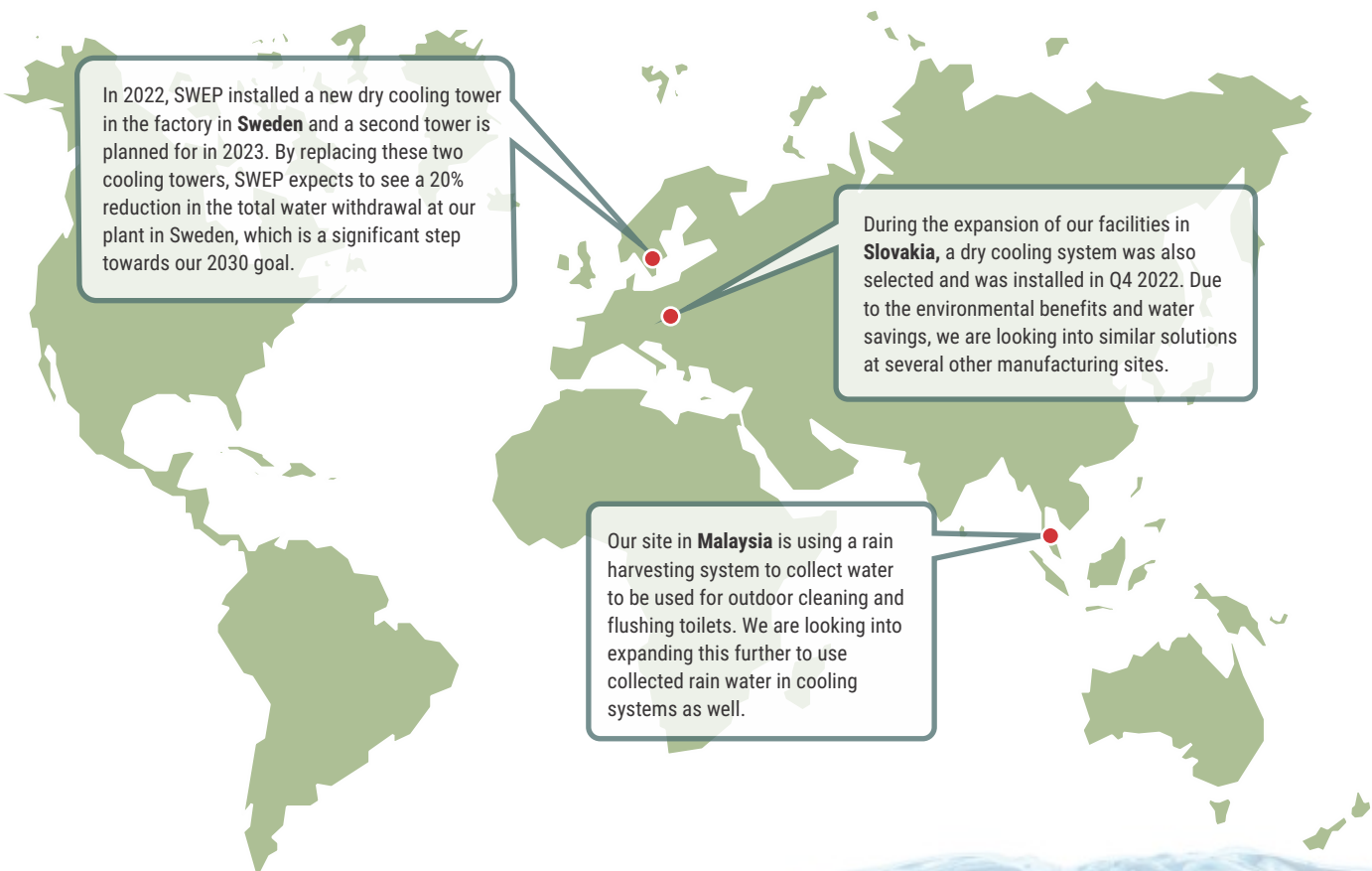
For several years, SWEP has been dedicated to creating more from less. 2022 has been no exception, and we've continued to demonstrate improvements in process optimization and efficiency.

Our key indicators are moving in the right direction. Our scrap rate was reduced by 2% globally, with our plants in Sweden and Slovakia recording reductions of 4%.

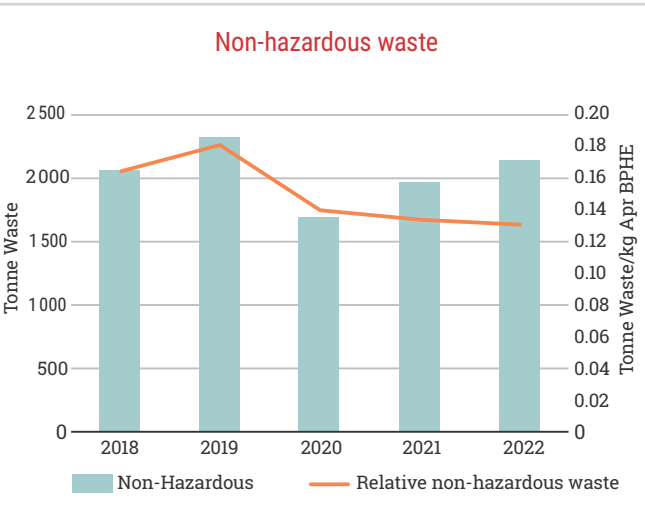
Our first pass yield, i.e. the proportion of heat exchangers manufactured without the need for rebracing, improved by 11%. Reducing the need for rebracing saves material and energy, as well as improving production capacity, flow and lead times.

The outstanding performances are led by strong efficiency improvements in Sweden and the Asia-Pacific region. These continual improvements are partly a result of improved data analysis, which is used for early problem identification. In close collaboration with shopfloor employees, the management and improvement teams can install best practices and standardization, and swiftly take corrective action when necessary.

100% of our production scrap is recycled by scrap handling vendors – even smaller pieces of punched-out metal from our press lines.



Note: 2021 due to construction in Sweden & Slovakia





Employee Engagement Survey 2022



Inclusion role model
Executive Management Team 2022:



Increased percentage of female leaders
in non-production:



Training in unconscious bias and
inclusive leadership between 2021 and 2022:



SWEP Leadership:



*managers with at least one direct report



Protecting our people

Our goal is to have zero accidents and to ensure our employees' safety when working for SWEP. We had 15 recordable incidents across SWEP in 2022 which is 15 too many. Nevertheless, our Total Recordable Incident Rate (TRIR) decreased slightly this year to 1.32, so we are pleased that positive progress has been made.

Every SWEP site has been active in making safety improvements in 2022. These include the installation of fences and signage to separate walking and forklift driving areas, the addition of more lifting devices, and ergonomic improvements to worktables, platforms and lighting.

Training, audits and awareness

Even the safest piece of machinery can be hazardous if used incorrectly, so SWEP ensures that all our employees are well-trained and knowledgeable when it comes to their roles and their working environments.

Training is mostly done on a local basis, to tailor it to specific surroundings and demands. For example, every new employee in SWEP China takes a three day safety induction course, with additional risk analysis and security mechanism training for team leaders. At SWEP Slovakia, 40 different safety courses were held in 2022. In our North American and Swedish sites, a number of task-specific safety courses were held, and the proper use of PPE was clarified and emphasized. Members of the Effective Safety and Health Committee at SWEP Malaysia took part in a number of education courses this year, to help them better promote safety in their site.

Audits are also vital to sustainable safety. Safety audits were done at all SWEP sites in 2022. In Sweden, for

example, over 30 safety inspections and 360 safety audits were performed this year.

Similarly, over 500 audits were done at SWEP Slovakia, 402 safety observations were addressed in

our American site, and 319 safety cards were handled in China. Every site is committed to ensuring employees are able to tackle safety in the manner that best suits their operation.

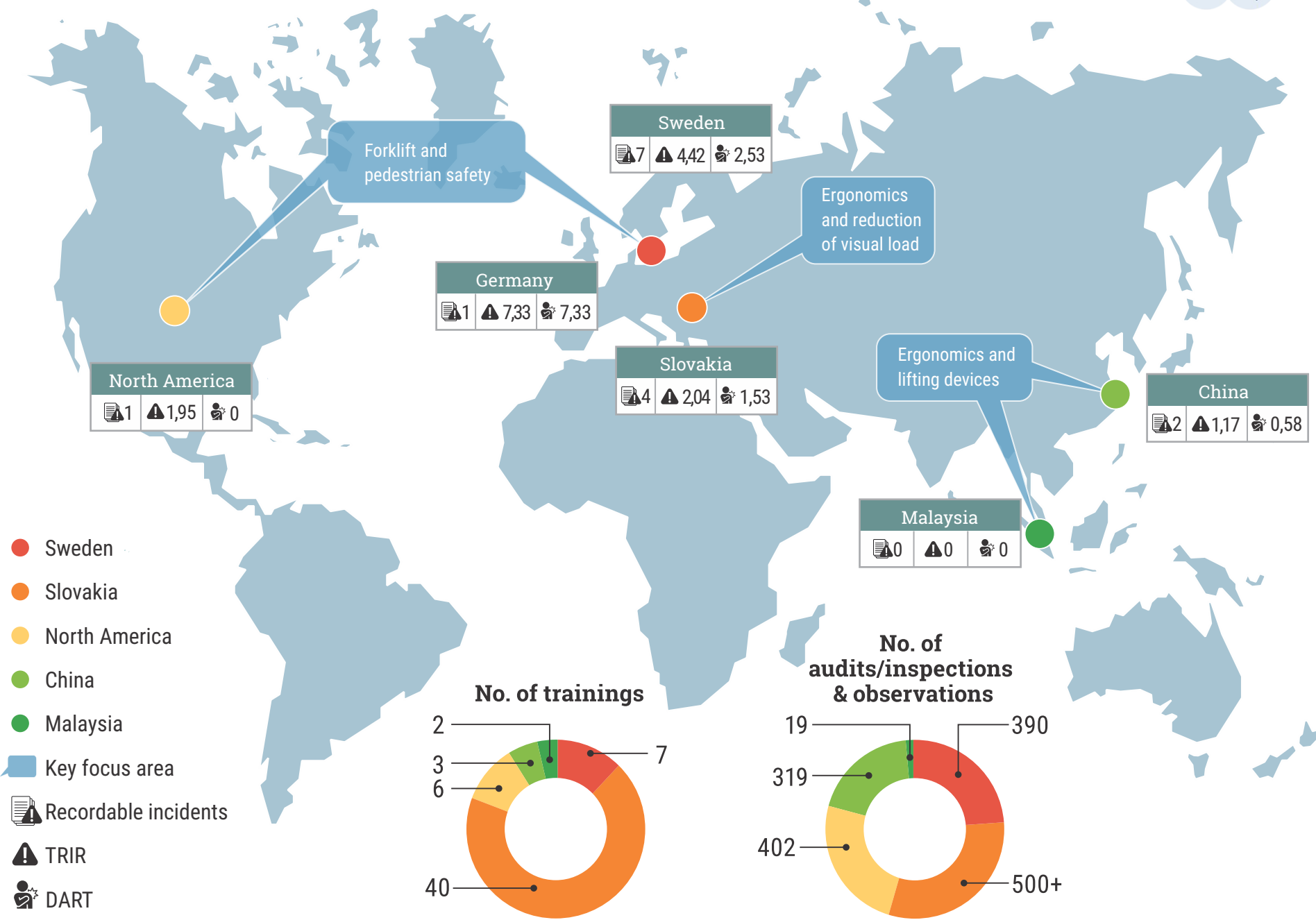
The quest for Zero Harm

After its launch in 2021, the Dover Zero Harm Program was stepped up in 2022 with training and information campaigns across SWEP. The initiative emphasizes how important it is that every employee engages in safety work and actively prevents dangerous situations.

The initiative encourages individual responsibility, and helps ensure that unsafe conditions and equipment are properly reported.

Mental health and wellbeing

In July 2022, SWEP followed Dover by rolling-out a global mental health and wellbeing service, the Employee Assistance Program (EAP). This is partly in response to recent external events causing extra strain, e.g. the COVID pandemic, war, economic instability or extreme climate. At the same time, we recognize that mental health issues can affect any of us, at any time.



An engaging, inspiring workplace

At SWEP we strive for nothing less than the best place to work. For us, that means empowering and engaging all of our nearly 1,200 colleagues to co-create an inspiring workplace that drives innovation and sustainability. Our success is reflected in our voluntary termination rate: at around 10%, it is particularly low in today's volatile labor market.

Acknowledging excellence

At SWEP and our parent company Dover, we acknowledge and reward outstanding performances. That's the underlying goal of the awards we present to groups and individuals

Apart from acknowledging outstanding efforts, it's important to share day-to-day examples of teamwork and success. Our digital recognition system, "e-Thank you" lets every SWEP employee spread the word about their colleagues' work.

A learning organization

SWEP's future success depends on us retaining our curiosity and openness to change: this principle is at the heart of our approach to learning and development. We apply a 70/20/10 model, meaning that most of our learning is done in hands-on projects and through our colleagues. We organize our teams to encourage personal growth, and arrange formal learning opportunities in both practical applications and more strategic matters like leadership and innovation.

Reimbursing tuition fees for our talents

Education is a human right, and we're proud of the ways Dover and SWEP support formal education. The Dover Scholar program provides financial scholarships to employees' dependents, for example, and SWEP offers tuition reimbursement to help our colleagues develop their talents.

Damir Nalic is a Business Development Manager for SWEP Americas, and he completed a 24-month master's degree in Business Administration (MBA), with support from our tuition reimbursement scheme:



“The trust and belief from SWEP allowed me to pursue this lifelong goal. By helping me through the program, SWEP is receiving a more complete manager who can think through different scenarios based on valuable lessons learned and experiences shared with other MBA students. I firmly believe that I grew as a manager, as well as a person overall throughout those 24 months.”

Damir Nalic, Business Development Manager, SWEP Americas

Internal promotions to managerial positions

57%

90%
Voluntary
retention rate

Leadership at SWEP

We believe that empowered people empower people, and that strong leadership leads to strong teamwork and collaboration. We build leadership by developing talent within the organization. It starts by promoting and documenting career development in the annual process of goal-setting, year-end reviews and personal development plans.

The SWEP Leadership Program supplements the basic leadership training that our managers receive at SWEP. The aim is to develop a deep understanding of leaders' potential impact and influence. The SWEP Leadership program saw 16 graduates in 2022.



Participants of 2022's SWEP Leadership Program.

Frontline Leadership is a program for established managers, aimed at developing their leadership and their capabilities, through continuous improvement.

Our commitment to developing leadership within the organization is reflected in the high number of employees that progress to management positions.

Basic Beliefs

At SWEP, we nurture an inspiring and engaging company culture grounded on our Basic Beliefs. These beliefs provide guidance and orientation in our actions and attitudes, and apply to all our employees throughout the world. These principles make us stronger in numerous ways, and it's vital that we articulate them clearly. Here's a summary.



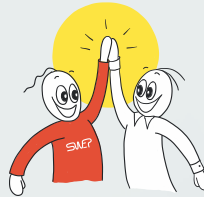
Work with integrity: We believe in doing the right thing even if no-one notices. This establishes trust among ourselves, our partners, our customers, and our communities. Through genuine, honest work, we set the highest possible standards.



Respect and value people: People are our strength, and diversity make us stronger. We support each other regardless of age, gender identification, sexual orientation, cultural heritage, religion, socioeconomic background, and physical and psychological abilities. Our differences are recognized, and are representative of our customers and partners. We continually reaffirm this culture of belonging, today and tomorrow.



Collaborate with entrepreneurial spirit: We delight in pushing the boundaries of what's possible, working together to go further faster, cultivating a spirit of innovative entrepreneurship and striving for progressive thinking.



Win through customers: Customer intimacy is the heartbeat of how we do what we do. By making sure our operational heart beats closely to our customers, we can anticipate and quickly respond to their needs.



Drive for results: We don't aspire to being above-average; rather, we strive to raise the average. We look to challenge our industry through continuous improvement, and we inspire others to step up. We take personal responsibility for our goals. Celebrating our victories energizes us to push further than we think possible.

Better together

At SWEP, we recognize that people are our strength, and in our diversity, we are strongest. This philosophy is clear in our corporate values, our Basic Beliefs program and our organizational structure. By operating in accordance with these, we not only respect individual differences and perspectives, we also become a more competitive, innovative organization.

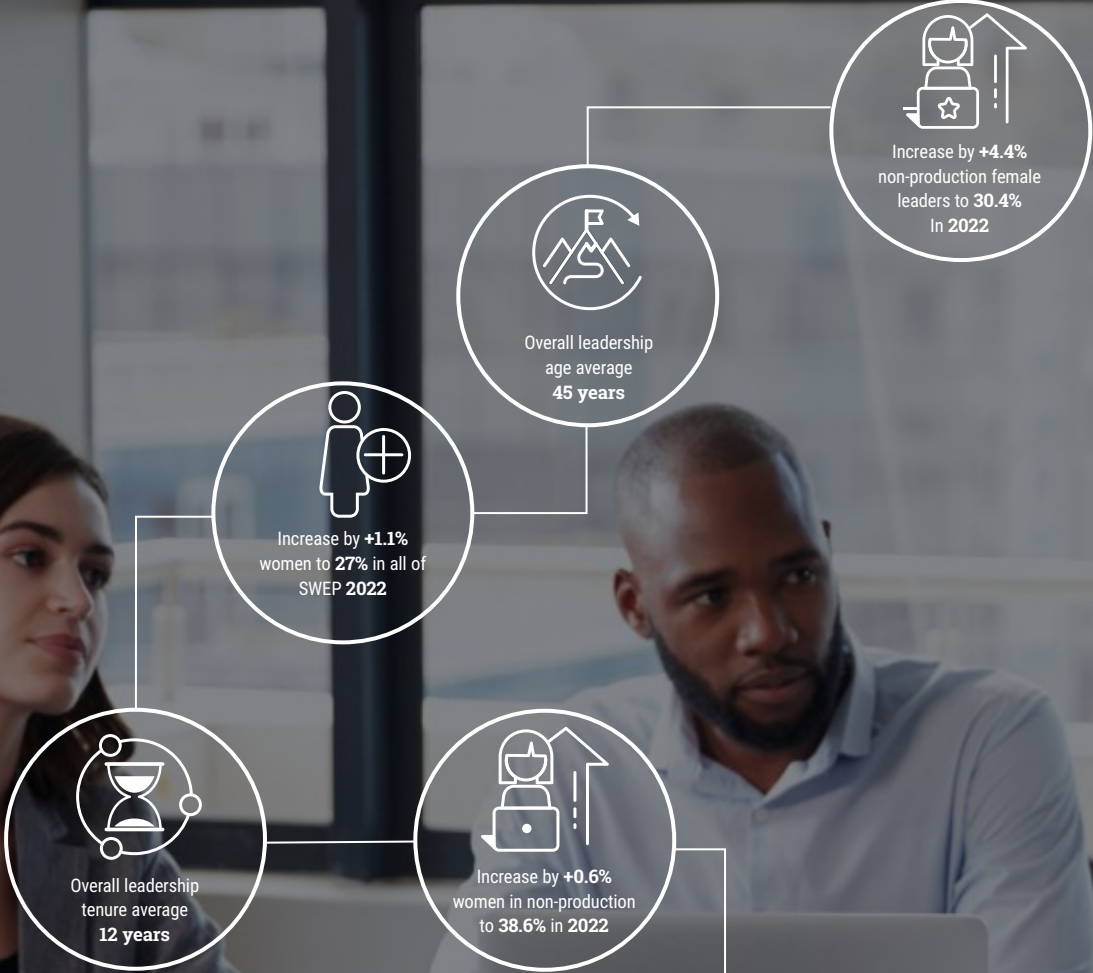
At SWEP, we recognize our individual capabilities, backgrounds and identities. By welcoming and utilizing differences, we establish a culture of belonging that helps us to succeed. Anti-discrimination and equal opportunity legislation are minimum standards that we continuously seek to further by formalizing and aligning our global processes around Diversity, Equity and Inclusion (DEI). For example, DEI is a key part of the annual talent reviews, and we operate a zero discrimination policy to support a welcoming environment for all.

Here are some further examples of how SWEP supports DEI:

- Employee Experiences Round Table**
Round table discussions brings together employees on different organizational levels with executive leadership to discuss and follow-up on the findings from our global Employee Engagement Survey. The round tables encourage upward feedback and an open, honest dialogue.
- Leadership Workshop**
In October 2022, 15 SWEP leaders from around the world discussed and shared best practices on the topic, "Leadership's role in building an inclusive workplace". It was a forum for reflecting on lessons learned about inclusive leadership and creating a welcoming organizational culture.

- Module in SWEP Leadership Program**
The annual SWEP Leadership Program helps develop the next generation of senior managers at SWEP, so it's important to include sessions devoted to DEI. The breadth of perspectives strengthened the training program, and served as a practical demonstration of the value of diversity.
- Unconscious bias training**
Awareness of unconscious bias is an important subject in SWEP's mandatory training and all SWEP employees completed the training in 2022. In addition, internationally recognized learning content provider Franklin Covey has been enlisted to support our managers in making bias-free recruitment and development decisions.

Our DEI progress
SWEP is proud to be above the global averages for DEI metrics against the manufacturing industry benchmarks. All people managers have completed unconscious bias and/or inclusive leadership training between 2021 and 2022. We believe this has contributed to the increased proportion of female managers, and also to the strong results in the Employment Engagement Survey 2022.



Engagement in the community and beyond

We believe in creating value for the greater good of society, beginning with close relationships with the communities around us.

SWEP's commitment to making a positive impact on the future is not limited to our innovations in energy and emissions. We extend our commitment to people too, both within our organization and in the communities where we operate. By engaging with our neighbors with consideration and generosity, we aim to make our presence mutually rewarding.

Supporting the youth of Sweden

In Landskrona, the site of our headquarters, we are a ubiquitous presence at local career fairs, with the aim of engaging young professionals and helping them visualize a future at SWEP. We combine this with representation on local boards and committees, where we raise awareness of the skills and education required for success in our industry and look to make a positive impact on resident retention.

Mock interviews and Junior Achievement in the US

For many years, SWEP employees have supported senior students at Union High School in Tulsa, Oklahoma by taking part in mock interviews. 2022 was no exception, and we helped the class of 2023 prepare for the next stage in their lives with insightful feedback, useful advice, and inspiration to succeed in the labor market. Our employees also gain insights into the needs and expectations of the next generation of potential SWEP employees, so it's truly a win-win situation!



Additionally, many employees also took part in 2022's Junior Achievement bowl-a-thon. It's an event where volunteers raise money and support young people, with an emphasis on critical life skills like financial capability, work and career readiness, and business ownership.



SWEP Malaysia and the Great Global Cleanup

Colleagues from SWEP Malaysia organized a beach cleanup, as part of Earth Day 2022. They filled and sorted 13 bags of rubbish, clearing Pantai Remis beach of plastics, packaging materials, bottles, cans, and other waste. It's reflective of their enthusiasm for social responsibility and their desire to restore the area's natural beauty.

Support for Women's Day in China

To mark International Women's Day, colleagues in Suzhou discussed gender bias and posted photographs with their arms crossed, symbolizing commitment to inclusivity and opposition to deliberate and unconscious gender bias.



I enjoy participating because my kids went to the same school and it's my way of giving back. It provides students with positive and constructive feedback on their resumes and the soft skills needed in the workplace such as professional attire and body language.

It also shows them what the interview process will look like after they graduate and go into the workforce.

Yasmeen Khaleeli, Business Units Americas Controller at SWEP.





Establishment of ESG Team and Board

Dedication and engagement:

100% Executive management team attendance

Enhanced Supplier Audit program
with **ESG component**

Online ethics training:

Completed by

100% of SWEP employees.

Subjects include our Code of Conduct, anti-bribery,
anti-corruption and cyber-security.



It is our responsibility

For both SWEP and our parent company Dover, staying true to our principles is just as important as corporate value and profit.

Central to these principles are the high standards of integrity in our dealings with customers, suppliers, local communities, and each other. The Executive Management team embodies this commitment to integrity through their own actions, setting an example for the entire SWEP organization.

How we act makes a difference

To ensure that we meet our high standards, we follow two key policy frameworks – Dover’s Code of Conduct Policy and Dover’s Global Anti-Bribery and Corruption Policy. These policies specify the way we do business, providing guidance on a core set of issues including conflicts of interest, data security, fair dealing, and maintaining a fair, safe and non-discriminatory workplace.

As in previous years, training on these policies was mandatory in 2022. All employees attend annual sessions and our on-boarding process covers the policies in detail. Managers are responsible for their team members meeting their training obligations, and our human resources department oversees company-wide compliance. We do this so that all employees understand and appreciate what integrity means at SWEP.

Third parties acting on our behalf go through a tailored training program, and must sign both a

compliance agreement and a statement certifying compliance with the Foreign Corrupt Practices Act. These demand that they operate ethically, and comply with all laws concerning commercial bribery, money laundering, import and export restrictions, customs, duties and taxes. Our sales team is responsible for vetting third parties to ensure we work with companies that align with our business ideals.

Ethical sales and supply

In 2022, SWEP continued its rigorous due diligence towards direct customers, ensuring that product sales are compliant with applicable regulations and controls. We work with two third party providers to verify all our customers, agents, dealers and distributors. This allows us to effectively observe sanctions, blacklists and other trade compliance risks beyond the point of first sale.

On the other side of the equation, all of our direct suppliers have to read and sign our Supplier Code of Conduct. It ensures that our ethical standards are respected throughout the supply chain – it covers topics like fair labor practices, human rights, conflict minerals and product compliance (see page 40 for more on this).

Risk awareness – An integral Part of our work

2022 ended with the completion of our Compliance Risk Assessment. Every two years, SWEP undertakes a comprehensive risk assessment to evaluate inherent and acquired trade and compliance risks across the organization. By reviewing our policies and procedures, consulting stakeholders and key parties, and visiting numerous sites, we make an honest and thorough investigation into potential risks and gaps, both for the present and in view of any future regulatory changes.



In all the ways SWEP operates, we are committed to a consistently high level of integrity and to supporting a robust governance structure.

Product quality and safety

All SWEP’s manufacturing sites are ISO 9001 Quality Management System and ISO 14001 Environmental Management System certified. ISO certification demands thorough and standardized processes to ensure the quality and environmental sustainability of our operations. Every year, our sites are independently audited – in addition to more frequent internal audits – to ensure that we meet our obligations and objectives.

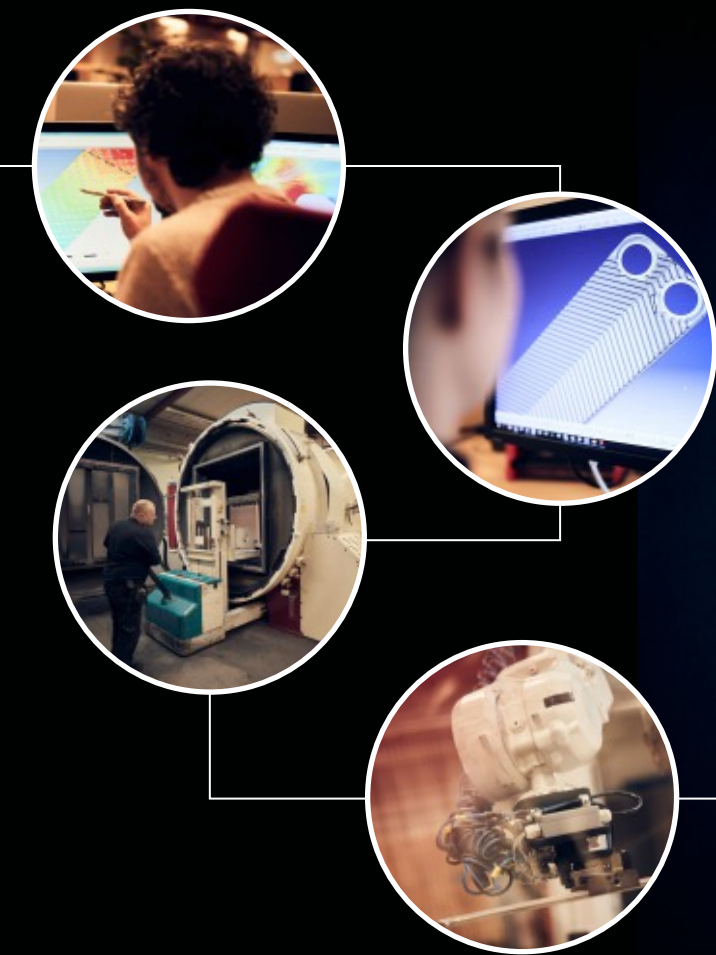
Brazed plate heat exchangers are a form of pressure vessel, so there are several directives and certifications that we must comply with. SWEP is PED (EU Pressure Equipment Directive) Module H and H1 and UKCA certified. Our global certification means that all of our products are PED and UKCA approved and can be marked with the European CE marking. We hold several additional pressure vessel certifications, including ASME, UL and KHK, covering most of our products.

SWEP products are also certified in accordance with several local and application-based schemes, for example:

- SWEP heat exchangers that are regularly used with tap water have additional approvals to ensure that all components are compliant with local regulations. SWEP’s tap water products are certified by external parties, such as KIWA.
- A range of our products hold marine approvals, primarily from the American Bureau of Shipping (ABS), Bureau Veritas (BV), DNVGL, Lloyds Register (LR) and ClassNK.
- Some of our products also hold performance certifications, such as AHRI.

To comply with the requirements of these certifications, we have robust quality and environmental management systems, that are fully integrated throughout the entire manufacturing process. In addition, we have test records, full material traceability and data management built into our enterprise resource planning system.

Our supplier quality program is thorough and comprehensive, ensuring that our suppliers meet our strict requirements – our team of supplier quality engineers perform regular audits at supplier sites to follow up on their performance and compliance. We work with our value chain stakeholders to address any quality concerns that may arise. We are proud to be open and transparent about our quality performance and welcome our customers’ auditors to our manufacturing sites.



Environmental compliance

SWEP’s products are compliant with regulations on hazardous or restricted substances including REACH, RoHS and TSCA. We confirm our environmental compliance through supplier declarations and testing of samples at accredited third party laboratories.

REACH
This EU regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) ensures a high level of protection of human health and the environment, with respect to the use of hazardous chemicals. SWEP actively monitors any changes to the SVHC (substances of very high concern) candidate list and works with our suppliers as needed when new chemicals are added.

RoHS
SWEP follows the EU directive for Restriction of Hazardous Substances (RoHS) and does not allow any of the restricted substances to be used in our products.

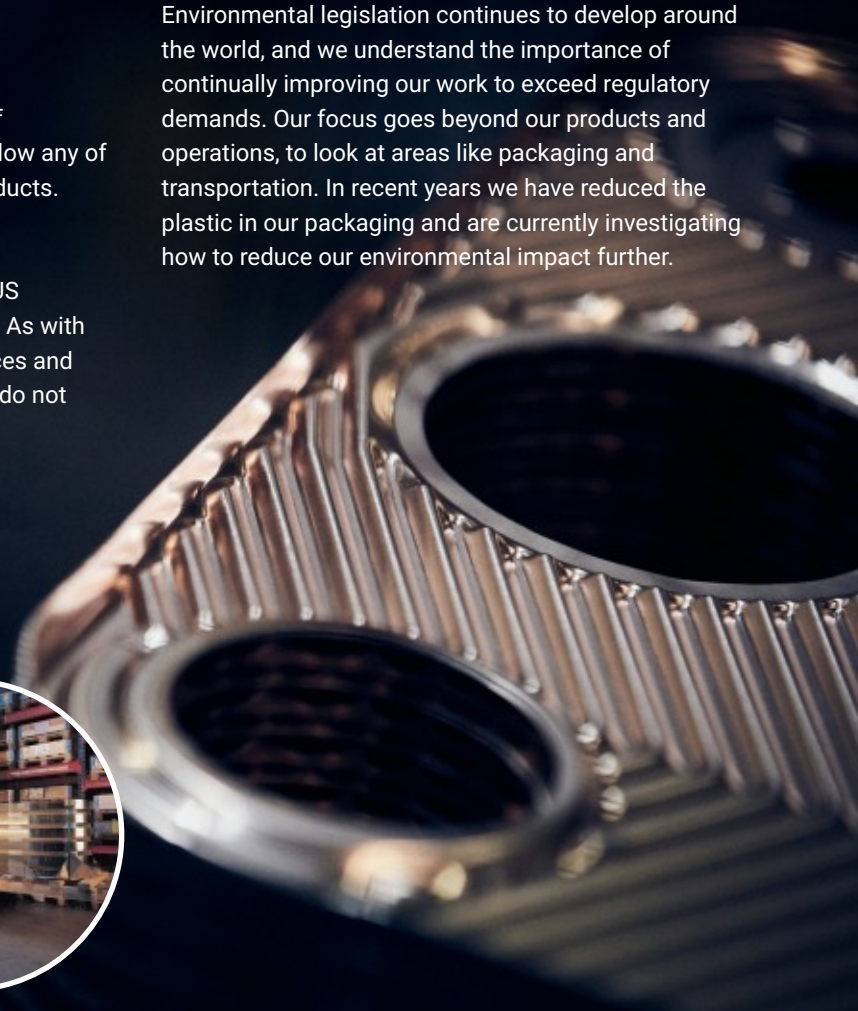
TSCA
The Toxic Substances Control Act (TSCA) is a US regulation that restricts hazardous substances. As with REACH, we actively monitor the list of substances and work with our suppliers to ensure our products do not contain them.



Protecting our local environment
At all of our operating sites we comply with local regulations around, for example, air, water, ground and noise pollution. For example, we:

- ensure that any combustion engines have the necessary filters to remove harmful particles from the exhaust
- separate any contaminated water from our operations and process it as hazardous waste
- use recycling companies and scrap collectors to handle waste responsibly
- monitor noise levels to ensure they stay within legal limits

Environmental legislation continues to develop around the world, and we understand the importance of continually improving our work to exceed regulatory demands. Our focus goes beyond our products and operations, to look at areas like packaging and transportation. In recent years we have reduced the plastic in our packaging and are currently investigating how to reduce our environmental impact further.



Sustainable sourcing

At SWEP we hold ourselves to high standards and we expect the same of our suppliers. All our suppliers and subcontractors have to comply with the DOVER Supplier Code of Conduct, as well as meeting our own supplier requirements. Our parent company’s code of conduct covers subjects including local and international laws, conflict minerals, the Dodd-Frank Act, fair and safe workplaces, waste reduction, and the conservation of natural resources.

We have a process in place for working with new suppliers, to make sure that they align with our standards and values. We check certificates, map processes and procedures, and review the countries where they operate to identify potential risks (such as natural risks, political risks, currency transfer risk and so on). On-site audits help us confirm whether suppliers meet our requirements.

Suppliers’ ongoing performances are evaluated via a scorecard system. This helps us to assess areas like supply reliability, quality, audit results, capacity cost and sustainability. Our chief purpose with this approach is to identify improvement areas that we can tackle alongside our suppliers.

In 2022, we evaluated our downstream carbon footprint with a particular focus on base metals which are the main constituents of our products. This gave us a good overview of the current position, and will help us in 2023 as we formulate our roadmap for improving the carbon footprint of our supply chain.



Fair remuneration practices and human rights

Labor relations

As a truly international company, we're aware of our responsibilities towards our employees around the globe and value the benefits of strong labor relations. To formalize and improve the employee experience in this regard, we have established structures to ensure our colleagues' voices are heard.

Collective bargaining agreements cover 100% of our colleagues in Sweden and Germany, a total of 33% of the entirety of SWEP. Moreover, SWEP offers all employees social benefits and welcomes close labor relations in all our locations.

Fair remuneration practices and human rights

SWEP's high internal placement rate (over 40%) is a result of looking within the organization to fill open positions. This grows from our trust in our colleagues, and our faith in the learning and development taking place at SWEP. Our fair remuneration practices are also reflective of this: we value our colleagues and want to ensure their engagement today and in the future.

Remuneration is only one component of the holistic process of career development and personal growth at SWEP, a process that also covers inclusivity and human rights. For example, we use a globally standardized process for annual merit increases. It involves market benchmarks and internal analyses from a gender perspective, ensuring equal pay for individuals in equivalent roles.

Glossary

ABS	American Bureau of Shipping
AHRI	Air Conditioning, Heating, & Refrigeration Institute
Apr	Approved (BPHE approved for sale)
ASME	American Society of Mechanical Engineers
BESA	Building engineering services association
BPHE	Brazed plate heat exchanger
BV	Bureau Veritas
CDP	Carbon Disclosure Project
CE marking	Conformité Européene marking
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
DEI	Diversity, equity and inclusion
DNVGL	Det Norske Veritas and Germanischer Lloyd
EHS	Environmental, Health & Safety
ERP system	Enterprise Resource Planning system
ESG	Environmental Social Governance
GRI	Global Reporting Initiative
GWP	Global warming potential
HFC	Hydrofluorocarbons
ISO	International Organization for Standardization
KHK	Kouatsu-gasu Hoan Kyoukai
KIWA	Inspection Institute for Water Supply Articles
KPI	Key performance indicator
LR	Lloyds Register
MBA	Master of business administration
PED	EU Pressure Equipment Directive
REACH	Registration, evaluation, authorisation and restriction of chemicals
RoHS	Restriction of Hazardous Substances
SASB	Sustainable Accounting Standards Board
TCFD	Task Force on Climate-Related Financial Disclosures
TSCA	Toxic Substances Control Act
UKCA	UK Conformity Assessed
UL	Underwriters' Laboratories
UN SDG	United Nation's sustainable development goals

Challenge efficiency

At SWEP, we believe our future rests on giving more energy than we take – from our planet and our people. That's why we pour our energy into leading the conversion to sustainable energy usage in heat transfer. Over four decades, the SWEP brand has become synonymous with challenging efficiency.

SWEP is a world-leading supplier of brazed plate heat exchangers and prefabricated energy transfer stations for HVAC and industrial applications. With over 1,100 dedicated employees, carefully selected business partners, global presence with production, sales and heartfelt service, we bring a level of expertise and customer intimacy that's redefining competitive edge for a more sustainable future. SWEP is part of Dover Corporation, a multi-billion-dollar, diversified manufacturer of a wide range of proprietary products and components for industrial and commercial use.