



SWEP Sustainability report 2023



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A note from our President

SWEP's 40th anniversary celebrations were some of the highlights of 2023 for me. I loved meeting up with SWEP colleagues past and present, including founders, former board members and long-serving employees at the inaugurations of the new R&D facility "TechGarden" and head office in 2023. Both are key investments in a greener and more innovative future for SWEP, providing a sustainable and safe work environment for our colleagues.

You probably imagine that we talked non-stop about the old days and how things used to be, but that really wasn't the case. Instead, employees past and present were more interested in asking questions about SWEP now and in the future. It struck me that SWEP has always been a relentlessly forward-looking company.

I'm going to make sure we stay that way.

With the help of the ESG board, we've made important structural changes to prepare for the future. By revising the way we make decisions, set goals and measure progress, we're better able to embed the environment, society and corporate governance in everything we do. This has enabled us to set scope 3 emissions targets and enhance our sustainable procurement processes.

We've done a lot of health and safety work this year too. This includes a program of job safety assessments, increased employee involvement in joint health and safety committees, a root-cause analysis of every incident at SWEP sites worldwide, and safety culture training for every manager in the organization. In taking these steps, we've demonstrated a commitment to making all our workplaces, from factories to offices, safer.

Safety culture training is just one of several management initiatives we've introduced in 2023. Enlightened leadership has a vital role in our sustainability efforts, so we've held courses and summits, supported with cascade plans to help sustainability principles disseminate throughout the entire organization.

We've had 40 years of integrity, sustainability and success, and I'm confident that the changes we have made in 2023 will allow that to continue for many years to come.


Ulrika Nordqvist, President SWEP



“ SWEP has always been a relentlessly forward-looking company. I'm going to make sure we stay that way.

About SWEP

From the beginnings in 1983 with three entrepreneurs in a garage to today's international company with 1,200 employees, SWEP has undergone major changes over the past 40 years. Nevertheless, the central objective of the company has remained the same: to design and create heat transfer solutions that improve resource efficiency and facilitate sustainable technology.

Since the start SWEP has specialized in brazed plate heat exchangers. Our technology delivers heat transfer with less energy, chemicals, material and space, but equally importantly it helps drive sustainable change. Our heat exchangers are used in renewable energy systems, high-efficiency cooling, energy storage and heat recovery, all of which are vital for decarbonization and sustainability.

We know that our products contribute to enabling sustainable technologies, but we recognize the importance of looking inwards too. Environmental and social sustainability is part of our company DNA, and this was formalized in 2021 with the introduction of an ESG framework.

SWEP's ESG framework is important to ensure that aspects tied to environmental, social and corporate governance are tackled simultaneously and effectively. This report is structured to summarize our goals and our achievements in these areas, and to outline the measures we have put in place to continue our sustainable influence, both internally and externally.

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

About 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 US dollars. Dover is listed on the New York Stock Exchange and is the owner of 17 operating companies divided over five segments. SWEP is part of the Climate & Sustainability Technologies segment.

Dover's vision is to apply sustainable innovation to every customer challenge, and SWEP is fully committed to supporting this. Both Dover and SWEP recognize the value of incorporating environmental and social sustainability into business matters. To that end, we participate in several Dover programs that help us meet our shared goals.

Health and Safety

Launched in 2021, the Zero Harm program is rooted in Dover's insistence that safety is always put first – a position that SWEP fully endorses. The program helps employees recognize and avoid potentially life-threatening situations by providing training and education, identifying risks, measuring safety performance and implementing world-class processes and procedures. It is based on a series of rules that encourage individual responsibility and ensure that employees have the necessary support to improve their working environments and practices.

Compliance training

IntegrityCounts is Dover's comprehensive compliance training program. Covering subjects as diverse as insider trading, modern slavery and data security, it is 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 collaborated with the Science Based Targets initiative (SBTi) to set challenging climate goals. It has committed to a target of reducing direct greenhouse gas emissions from operations (Scope 1 and Scope 2) by 30% by 2030 and reducing indirect emissions (Scope 3) by 15% by 2030.



Sustainability reporting

Dover is committed to transparency and accountability in its sustainability reporting, disclosing results that cover all 17 operating companies in accordance with multiple independent frameworks. These include the Sustainable Accounting Standards Board (SASB) reporting framework, the Global Reporting Initiative (GRI) and CDP (formerly known as the Carbon Disclosure Project). In addition, Dover has a Task Force on Climate-Related Financial Disclosures (TCFD), whose initial climate risk assessment and scenario analysis was completed in 2021.



Continuing the ESG journey

Prioritizing sustainability

In 2023 SWEP broadened and deepened its environmental, social and governance commitments. After forming in late-2022, the ESG board began its work by restructuring internal processes in order to prioritize sustainability throughout the entire organization. This has resulted in a series of targets and KPIs being introduced across the complete ESG spectrum. Equally important, these goals are now

embedded throughout the company so that every line organization and manager is clear in their objectives.

For many years, SWEP has set ambitious targets around environmental sustainability – the 2030 carbon neutrality goal is one of the most notable. Social and governance matters have always been vital, and they have now been elevated and are being approached in a more systematic, target-driven way. Supply chain analysis is a case in point. SWEP has had a detailed auditing system in place for many years, and this has now been revised in 2023 to ensure that ESG matters are considered.

Increasing employee engagement

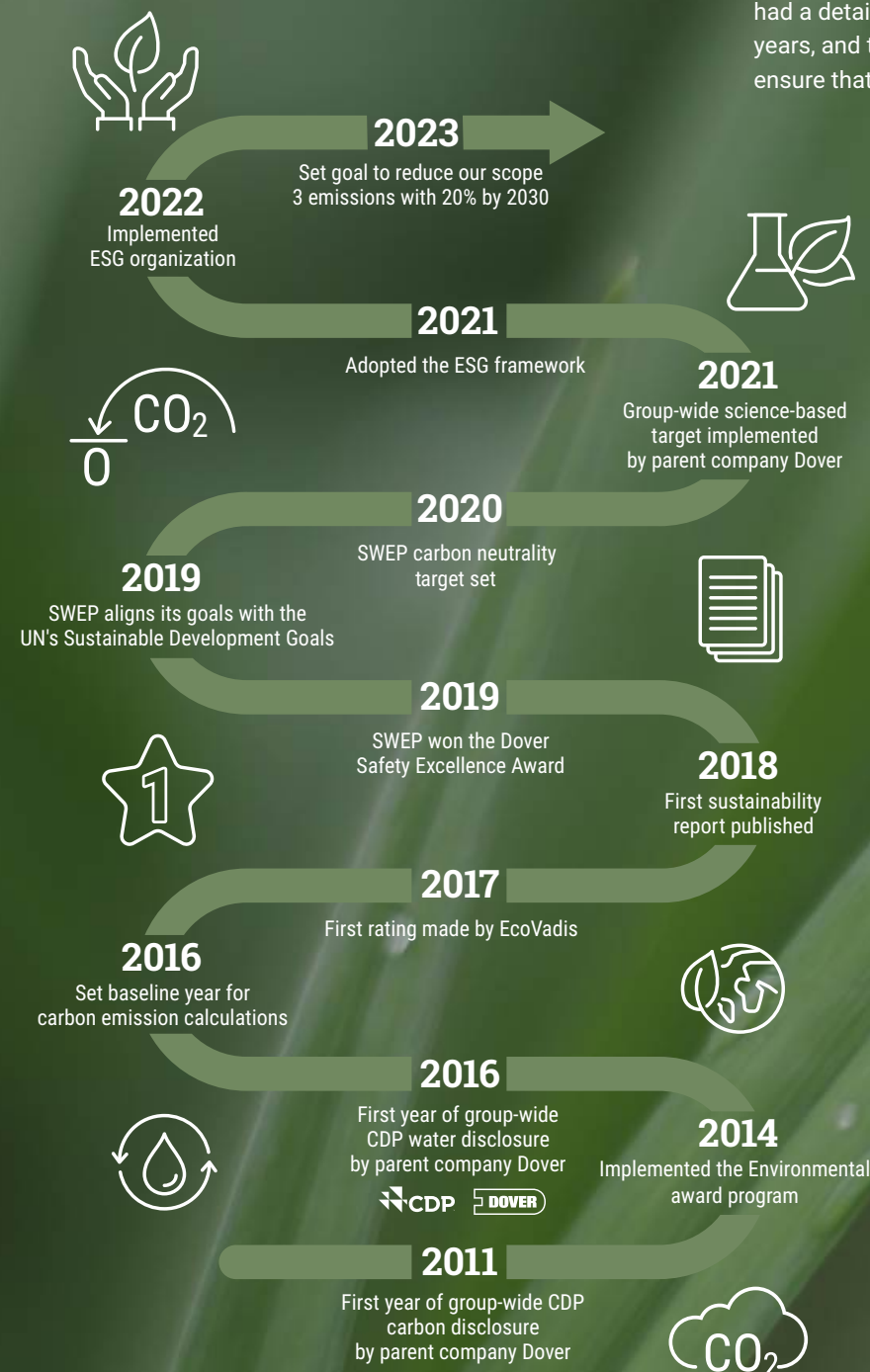
Driven by the revised ESG structure, a number of events and initiatives were held in 2023 to promote a sustainable mindset. As well as supporting both environmental and social causes, the initiatives have successfully engaged employees and emphasized the company's values. These included local initiatives, but also company-wide contributions to globally recognized events like World Water Day, World Car Free Day and World Mental Health Day.

Permanent social and ethical initiatives were also started in 2023, most notably the provision of free menstrual products at all SWEP's factories and larger offices.

Sustainability credentials

In November, SWEP International AB was awarded EcoVadis' Silver Medal for its work in sustainability. EcoVadis is the world's largest provider of business sustainability ratings, and they assess companies in four categories: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.

SWEP International AB were awarded the Silver Medal for scoring in the 81st percentile of companies assessed by EcoVadis, and scored especially highly in the Environment category.



Carbon Emissions

Scope 1 & 2

Our goal is to be carbon neutral in scope 1 & 2 by 2030

2030 target: 100% reduction
Result to date, 2023: 16% increase*

Scope 3

Our goal is to reduce our scope 3 emission intensity with 20% by 2030

Goal set 2023

Diversity Equity and Inclusion

DE&I Index from employee engagement survey

2023 target: 85
Result: 81

Non-production female leaders increased to 32.2% in 2023

Internal Accountability & Engagement

Dover hotline (whistleblower channel) available to all employees

2023 target: 100% coverage
Result: 100% coverage

Responsible Resource Management

Decrease water intensity in production with 50% by 2030. Currently on track to achieve this goal with consistent decrease two years in a row.

2030 target: 50% reduction
Result to date, 2023: 24.6% reduction

Work Environment

Total Recordable Incident Rate (TRIR)

2025 target: TRIR 0.76
Result: 1.74

Effective Anti-Bribery and Anti-Corruption Awareness

Employees yearly trained on anti-bribery and anti-corruption held consistent trend to 2022.

2023 target: 100%
Result: 100%

*We have increased absolute scope 1+2 emissions since our baseline year due to much expanded manufacturing.

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, 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 that applies both internally and to our suppliers and customers.



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



SWEP works to minimize its emissions intensity via energy efficiency and by using and generating renewable energy. Our goals for 2030 are to become a carbon neutral organization for scopes 1 and 2, and to reduce our scope 3 emissions by 20%.

14 LIFE BELOW WATER



SWEP's brazed plate heat exchangers for marine applications facilitate modern, sustainable systems and solutions that reduce ocean pollution.

5 GENDER EQUALITY



SWEP has zero tolerance for gender discrimination. We are committed to organizational diversity and appropriate representation, and ensure equality in recruitment and training initiatives.

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.

6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



SWEP heat exchangers 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 a thorough awareness of and preparedness for future threats and opportunities. Sustainability presents us with a set of profound challenges, and so we need to assess and manage the associated risks with the same thoroughness.

The table to the right is an extract from our risk management framework, outlining the mitigation efforts SWEP makes in relation to sustainability, and specifically environmental issues, social responsibility, supply chain and governance.



Major risks	Risk mitigation
Description of risk	Description of risk mitigation
Environment	
Climate change Climate change can cause unforeseen weather conditions capable of affecting SWEP's global operations, leading to disrupted supply chain, increased insurance costs and loss of production.	SWEP produces equipment that potentially can reduce energy consumption, enable renewable energy use, and potentially mitigate climate change. We actively work to mitigate the impact of our operations by improving our energy efficiency, emissions intensity and reducing waste and process scrap. If scrap occurs in the manufacturing process the material is sorted and recycled as far as possible. All SWEP locations have developed a disaster recovery plan designed to keep our offices and facilities running without disruption.
CO₂ emissions and carbon footprint New regulations could increase demand for less carbon-intensive products and materials, increasing their cost and limiting their availability. This could affect SWEP's value chain and increase production costs.	SWEP's carbon footprint continues to be independently verified and certified by a third-party. The main elements in SWEP's total emissions are raw materials, energy consumption and freight activities. Therefore, these are SWEP's focus areas in reducing emissions. SWEP has agreed to and implemented KPIs to support its carbon management journey. The target is to become a Carbon Neutral organization by 2030 (scopes 1 and 2). The scope 3 target is to reduce emissions by 20% 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 KPIs. 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 employee's physical and mental well-being.	Each SWEP location has an EHS-responsible person and works according to the local country's work environment legislation. Audits are made on a regular basis to minimize risk. All incidents and accidents are recorded, and corrective actions are implemented. Best practice and lessons learned are shared between the different manufacturing locations. Safety is a major commitment at SWEP and we continuously strive to provide the best possible working environment for our employees. The target is to operate with zero accidents. SWEP has a Global Employee Assistance Program (EAP), which is a cost-free, and strictly confidential, professional third-party mental health support for our employees and their immediate family members. No permission from managers is needed, and support is available in every language of the countries in which we operate.
Discrimination and Equal opportunities Discrimination due to gender, gender expression, physical or mental impairment, race, nationality, sexual orientation, age, or any other category protected under relevant law, could greatly affect brand reputation, our ability to retain talents and reduce our productivity.	SWEP is committed to and follows the overall policies of Dover to enforce equal opportunity and zero discrimination. The global focus of these policies ensures that SWEP complies with the equality obligations under the various anti-discrimination legislations in different countries. The principle of equal opportunity and non-discrimination serves as the framework for all management positions in SWEP. Decisions about recruitment, selection, promotion, training, or any other benefit are made objectively and without unlawful discrimination. SWEP, as part of Dover, has a well-established whistleblower procedure and a non-retaliation policy, available for all employees. The service is strictly anonymous, where the law permits.
Human rights Risk of human rights violations tied to our organization or supply chain, such as child labor, forced labor, human trafficking.	SWEP is committed to Dover's code of conduct. This acts as a guide to help employees make good business decisions, treat those with whom we do business with respect, and secure and do business in an ethical way. The Dover Code of Business Conduct & Ethics is a framework for making ethical decisions and is used to guide decision making in SWEP and its parent company. As a complement to its code of conduct, Dover holds regular training courses for its operating companies to increase understanding and awareness. SWEP prohibits human rights violations, including those related to modern slavery, such as forced labor, bonded labor, child labor, and human trafficking, health and safety, discrimination, harassment, freedom of association, and equal employment opportunity. SWEP implements a remuneration structure that allows us to attract and retain the right people necessary for fulfilling company goals and strategies. SWEP's policy is to offer an overall fair, market-competitive and attractive compensation package so that employees can focus on SWEP as their sole employer and enjoy a work-life balance outside of their work responsibilities
Supply Chain	
Supply Chain Sustainability Risk of limitations and disruption in the supply chain, impeding our operations.	To ensure sustainability in its supply chain SWEP has broadened its supplier and business review program to include sustainability topics such as product circularity, carbon management, energy management, water management, diversity & inclusion, working conditions, health & safety, and human rights violations. We hold our suppliers to the same standards that we hold ourselves. SWEP also controls its supplier base very carefully in order not to purchase material that contains any conflict minerals.
Human rights Risk of legal repercussions and reputational damage if our material suppliers are found to have infringed human rights principles.	To mitigate the risks of human rights violation SWEP operates according to the Dover Code of Business Conduct & Ethics and its Supplier Code of Conduct. SWEP works strictly in accordance with all relevant labor and human rights legislation and has auditing processes in place to avoid doing business with companies that do not hold themselves to the same standards.
Governance	
Ethics and corruption Instances of ethical violations or corruption can inflict financial penalties and damage brand reputation leading to loss of business.	SWEP will not tolerate bribery of any form with any third-party; public or private. This is regardless of whether this would be done directly by our employees or indirectly through third parties, and even if, by upholding this ethical standard, we would lose business or encounter difficulties (for example, delays in obtaining permits or licenses) as a result. All employees are regularly trained in this subject, and information is available on SWEP's intranet. All courses are online and distributed by Dover within the 'Integrity Counts' program. This is mandatory for all employees and participation is monitored quarterly. Dover has a well-established whistleblower procedure and a non-retaliation policy, available for all SWEP employees. All material direct suppliers sign the Dover Supplier Code of Conduct before entering into any business relationship with SWEP.
Data and Cyber Security Risk of legal exposure and reputational damage if personal data not protected in line with national and supranational regulations and industry best practices. Risk of damage to competitiveness if confidential information and intellectual property are not adequately protected.	To provide awareness amongst employees Dover provides regular training on cyber security for all SWEP employees. This is done online through the Integrity Counts platform. Dover has several policies in place for its operating companies that stipulate how employees should act and behave when handling data. This also includes personal data. SWEP protects personal data through organizational and technical measures. These include IT security tools, restrictions on access to the data, and physical security measures to help prevent unauthorized or unlawful access, disclosure, loss, destruction, or damage. We access and use personal data only for legitimate business purposes and maintain appropriate access controls and use limitations. Only individuals who need the data to accomplish a business objective should have access to personal data and only for as long as they need it to accomplish the objective. Dover has a well-established process controlling data that is identified critical to a business. SWEP participates in the annual process of Critical Data Inventory driven and initiated by Dover.



2023 highlights

New emissions target: 20% reduction in Scope 3 emission intensity by 2030

Over 1 000 000 kWh of renewable energy produced at our facilities

Water intensity in manufacturing reduced by 6.15%

100% of manufacturing scrap recycled

All relevant products, accessories and labels tested negative for PFAS



Energy and emissions

Energy and energy efficiency

SWEP's total energy consumption was lower in 2023 than in 2022. However, because production output fell in 2023 this converts into a slight decline in energy efficiency performance. This is a departure from SWEP's longer period of continuous improvement in this area. The graph below demonstrates SWEP's energy efficiency progress.

Measures have been put in place to reestablish the previous trend and secure our long-term goal of continuously improving energy efficiency. These include significant capital investment in efficient machinery, which will drive down the energy intensity for operations at full capacity. Most notably, new press lines have been installed in the manufacturing sites in Slovakia and Sweden. Equipped with servo hydraulics, their energy consumption is 20% less than the previously installed press lines that were driven by conventional hydraulics. Their output is also significantly higher with 50% to 300% more output compared to the previous output levels depending on the specific press line.

Ventilation has also been improved at several manufacturing sites, which will further improve energy efficiency. New equipment and smart sensors have been installed in Malaysia, Sweden and the US which will lead to continued progress

SWEP's generation of renewable energy is continuing to increase. Solar panels have been installed in the manufacturing sites in Slovakia and Malaysia. Along with the heat recovery system in the Landskrona manufacturing site, over one million kilowatt hours of renewable energy are now produced on-site annually. Overall, 70% of SWEP's energy consumption comes from renewable sources.

Emissions and emission intensity

SWEP's goal of carbon neutrality by 2030 (Scopes 1 and 2) remains in place. In 2023, we updated our greenhouse gas calculation methodology, to improve the accuracy and specificity of our reporting.

This is reflected in the scope 1 emissions figures for 2023. We have recorded an overall increase in emissions that is attributable to two factors. Firstly, this was the first year we were able to track the mobile combustion data, i.e. emissions from our own vehicles. Secondly, we have increased refrigerant usage due to the expansion of our manufacturing sites.

As discussed above, SWEP's total energy consumption was less in 2023 than 2022. Despite this, scope 2 emissions increased slightly, due to adjustments to emission factors of the energy mixes in some of the countries where we operate.

For the first time, SWEP has calculated its total scope 3 emissions. This has enabled the organization to set ambitious targets: to reduce scope 3 emission intensity by 20% by 2030.

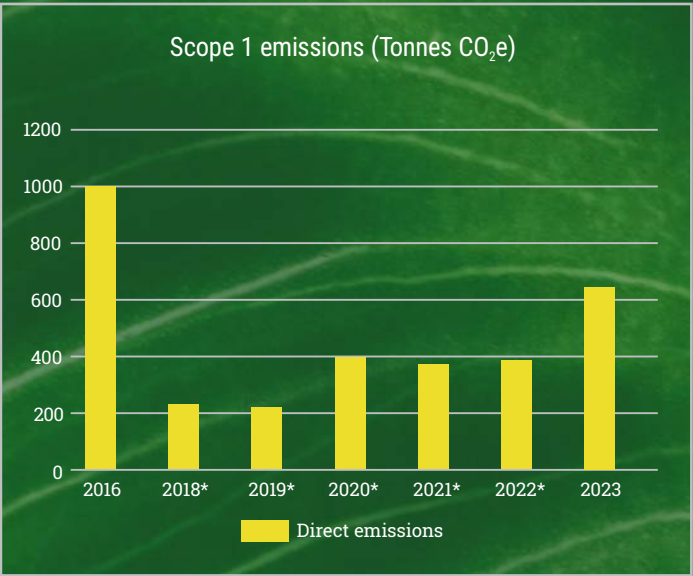
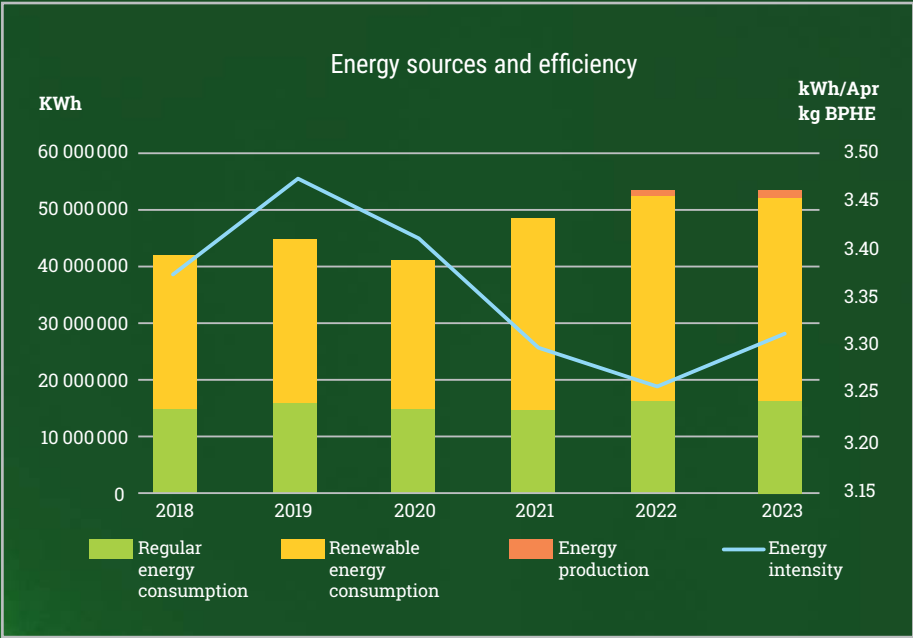
Our analysis shows that most of our scope 3 emissions are related to materials in our products. Therefore, two of the three focus areas for reducing emissions are related to these sources:

- 1) Material suppliers' emissions reductions,
- 2) CO₂ reduced steel, and
- 3) Reduced transport emissions.

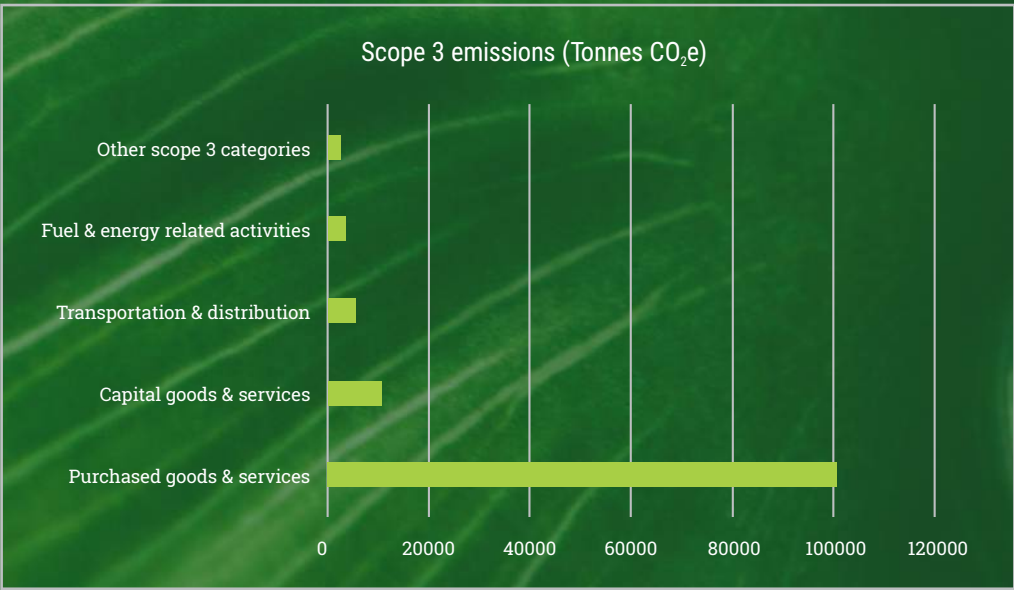
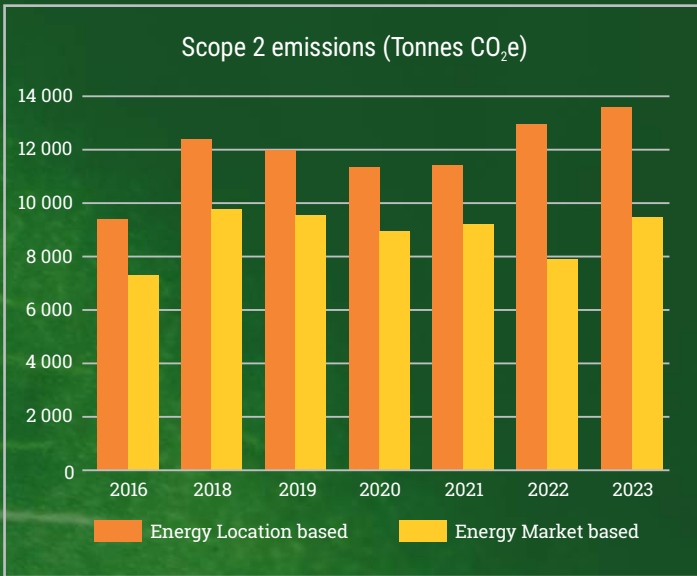
SWEP presently uses a high proportion of recycled steel and are also investigating the potential of using low-carbon steel.

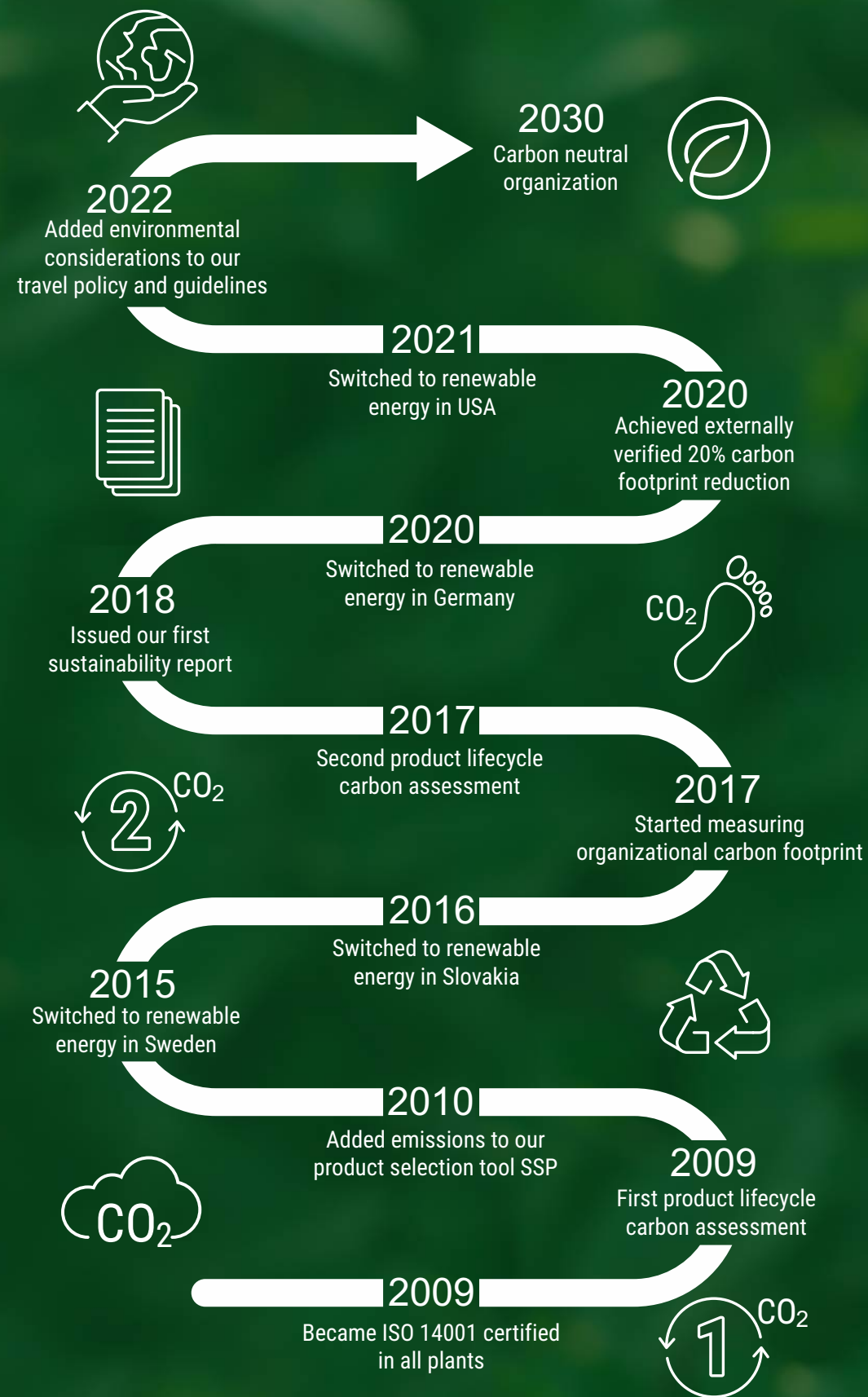
As with raw materials, the strategy for transport-related emissions is based on close cooperation with upstream partners. We aim to improve emission intensity by both optimizing shipping routes and using more low-carbon transport options.

SWEP's emissions are included in the reporting done by our parent company Dover, which are verified and reported according to CDP and Science Based Targets (see page 5).



*these years do not contain mobile combustion data



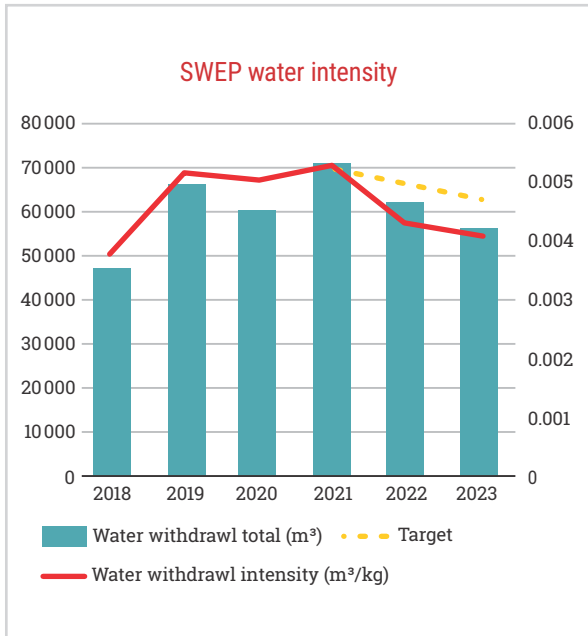


The use of resources

Water

SWEP's corporate mission is to do more with less, so resource use is an important consideration for the whole company. The brazed plate heat exchangers enable customers to use resources more responsibly. To complement this, we have a rigorous approach to our own consumption of water, metals and other materials.

The successful reduction of water consumption in recent years has now significantly exceeded the 2023 target. In 2021 SWEP published a goal of cutting water usage by 50% by 2030, relative to output. Since then, there has been continual decreases in both water withdrawal intensity and total water use.



The key to this success has been a continual improvement of both equipment and processes. During 2023 SWEP continued the project to install more efficient cooling towers in the Swedish manufacturing with the aim to have all cooling towers replaced by 2026. In Malaysia, a rainwater harvesting system has been put in place to supply cooling towers. This complements the site's rainwater harvesting system used for outdoor cleaning and flush toilets.

The biggest improvement in 2023 was recorded at SWEP's Chinese site, following reviews and improvements in production processes. The

resulting reduction in leaks and waste has led to a 16% decrease in water withdrawal intensity in 2023. It is worth noting that process improvements can often be as effective as technological changes, and SWEP will continue to analyze its ways of working in future.

Recycling, scrap and rebrazing

SWEP is committed to using as much recycled material in the products as possible. The principal materials in our heat exchangers – steel and copper – are valuable commodities, so it is both economically and environmentally beneficial to work closely with suppliers to obtain as much recycled material as possible.

100% of the production scrap was recycled in 2023. SWEP works closely with local scrap handlers in all locations to ensure that everything is recycled, from small off-cuts of steel from plate production all the way up to large, brazed plate heat exchangers.

In recent years, both the rebraze rate (the proportion of heat exchangers that need to be brazed a second time) and scrap rate (the proportion of material that cannot be used during production) have fallen steadily. These figures saw a slight increase in 2023. A high-level investigation into the reasons for this has been initiated, and improving efficiency in this area is a top priority for SWEP in 2024.



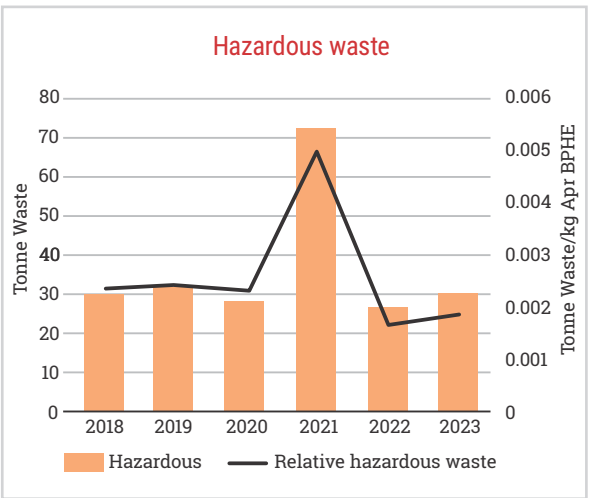
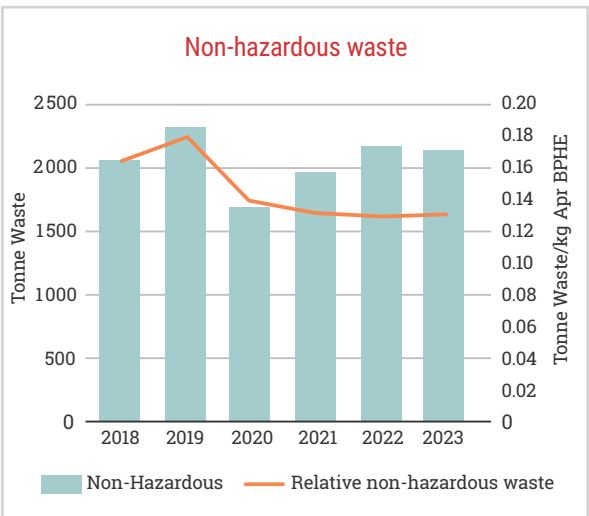
Pollution and waste

SWEP's commitment to minimizing all forms of pollution continued in 2023. Air pollution from the manufacturing processes is negligible, and any contaminated water from manufacturing is processed as hazardous waste.

SWEP is also conscious of potential noise pollution around the manufacturing sites. Noise-dampening technology has been installed at the Malaysian site and quieter machinery has been put in place at the Swedish site.

For several years SWEP has continually reduced the amount of non-hazardous waste per unit of manufacturing output. This trend continued in 2023.

Hazardous waste output increased slightly from 2022, largely as a result of certain construction activities, but an overall reduction has been recorded over the longer term.





2023 highlights

Program of Safety Kaizen sessions started

100% of managers participated in safety culture training

Root cause analysis done for all safety incidents

Proportion of women in non-production managerial roles increased to 32.2% in 2023

4 new management training initiatives launched



Employee health and safety

Protecting our people

In line with Dover targets, SWEP has set ambitious targets for minimizing accidents at work. The goal is to reduce the total recordable incident rate (TRIR) to 0.79 by 2025. To achieve this, a program of mutually reinforcing measures has been put in place. A key component has been a series of job safety analysis (JSA) based on the Kaizen concept gathering managers, frontline employees and health and safety professionals in driving continuous workplace improvements. Events were held in both Sweden and China during 2023, and involved both assessing safety risks and implementing technological and ergonomic changes. These measures have significantly improved SWEP safety.

To further reinforce a safety-focused work place, all SWEP managers undertook training in safety culture in 2023. Every person with direct reports had clear instruction to further cascade the findings of this training to their teams. This way, every individual's responsibility and potential to contribute to a culture of safety is emphasized. For a safety culture to be disseminated through the organization, it is crucial that front-line operators are involved.

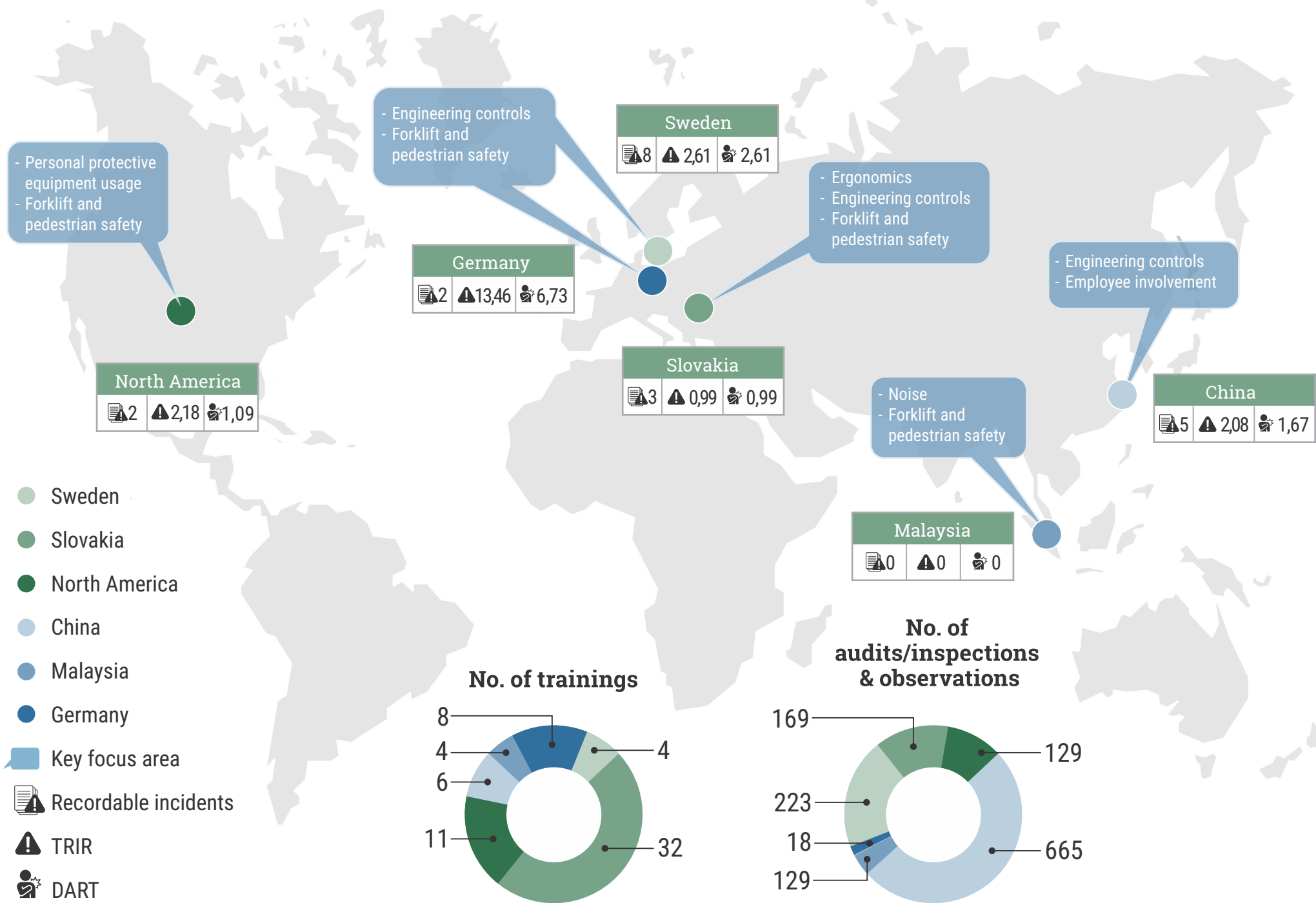
Employee involvement from all levels has not only improved by the JSA-Kaizen events, SWEP has also increased employee involvement in joint safety committees. Every work site with 30 or more

employees has a safety committee that ensures that work safety remains in focus and is taken seriously by all employees. Procedures for reporting potential risks has also been improved to encourage all employees to communicate safety issues they encounter in their daily work. The extensive safety training, audits, and inspections conducted

throughout 2023 are visually summarized in the map below.

Knowledge and understanding are vital for improving safety, so a root cause analysis in 2023 looked at every incident in all work sites globally. This helped identify the underlying reasons for safety incidents at SWEP

with the result that three focus areas have been identified; 1) human factors, 2) procedures and safe work practices, and 3) preventative maintenance and repeat failures. This will continue to feed vital information to SWEP's health and safety actions in the future.



Developing talent

Leadership development

2023 was a significant year for management training at SWEP and several initiatives were launched:

Leadership summit

In May 2023, SWEP's senior leadership team attended a three-day event with the aim of future-proofing the organization and setting the course for its continued development. The theme was "Level Up", and focused on five crucial areas in which an elevated leadership is vital for future success and for SWEP as a responsible company and employer. The 50 participants were backed by a cascade structure to disseminate the learning outcomes through the organization.

Value-based leadership program

SWEP's new value-based leadership program was finalized in 2023, and its roll-out will begin with sessions in early-2024. Its purpose is to equip leaders with the skills and confidence to motivate colleagues in accordance with the company's values. It does so by giving managers the tools to lead themselves, lead others and lead the business.

Leadership on the Go

The Leadership on the Go program is a series of digital micro-training for all SWEP managers and will cover four to six courses every year on various topics of relevance to SWEP leadership values. The first sessions were arranged in late-2023 covering Psychological Safety and Remote Leadership. 90 SWEP managers participated in 2023.

New as a manager

A system for formalized training for new managers was finalized and introduced in 2023. The extensive e-learning course is compulsory for all managers who are new to SWEP and all SWEP employees who have recently moved into managerial positions.

Training for all employees

SWEP's talent development vision is about providing all employees with the knowledge, skills,

and support needed to reach their full potential and to excel in their roles. Investing in development of our employees not only enhances individual abilities but also drives the success of our organization.

The 70:20:10 learning framework is central to SWEP's training efforts. It recognizes that almost 70% of learning comes from doing, 20% from interaction with others, and 10% from formal training, such as in-person and online courses specific to roles and ambitions.

For successful onboarding of new employees, it is vital that they understand SWEP's corporate mission, strategy and corporate values (these values are known internally as SWEP Basic Beliefs). A structured and constructive introduction program was therefore relaunched in 2023, the Global Business Program. 46 new employees attended this program in 2023.

Individual development and fair remuneration

Individual Development Plans are in place for all employees at all career stages. SWEP encourages all employees to take ownership over their professional growth, by identifying strengths and weaknesses, setting future goals, and taking proactive steps for career and personal development.

Regular salary reviews are covered as part of employees' development plans. These are done annually for all employees. In Sweden and Germany, in which many employees are covered by collective bargaining agreements, the salary reviews are performed in conjunction with the unions. All employees covered by these agreements still receive regular individual salary reviews, though their frequency is contingent on the collective agreements. Annual salary mapping is done to ensure fair remuneration and reduce the risk for inequalities.

70% of learning comes from doing,

20% from interaction with others

10% from formal training,



27% Women in workforce

27% Women in workforce

89.9% voluntary retention rate

32.2% women in non-production managerial roles

Engagement, retention and diversity

Employee retention

Broadly, there are two ways of judging whether employees feel they are treated in a fair and dignified way: assessing underlying statistics and surveying employees in a systematic manner. SWEP has performed well according to both these measures, largely due to collective efforts made throughout the organization and the specific goals we set to drive our progress.

SWEP's voluntary retention rate has been positive for several years. There have been considerable efforts to ensure all employees feel valued, fulfilled, and are given opportunities to progress, and this is reflected in the proportion of staff that choose to remain with SWEP. From 2022 to 2023, the voluntary retention rate increased slightly from 89.3% to 89.9%. The average length of tenure at SWEP decreased marginally in 2023 from 8.1 to 8.0 years, while the tenure for management staff increased from 11.7 to 11.9 years.

SWEP is committed to recruiting internally where possible, which likely contributes to the high retention rate. In 2023 the internal placement rate increased to 64.4%. This is partly attributable to various reorganizations and changes in business processes, and it indicates a culture of internal talent development and commitment to promoting from within.

Gender and age representation

The proportion of women in non-production managerial roles has continued to increase. In 2023 it was 32.2% globally, up from 30.4%, which is in line with the average in our industry¹⁾. At the executive level, 55% managers are female, an increase of 5% from 2022. In 2023, the female workforce at SWEP accounts for 27% of the total. This is on par with 2022.

The overall average age of leadership increased by one year to 46, while the average age of the executive management decreased marginally in 2023, from 51.7 to 51.6 years. The average age of employees across SWEP is 41.1.

Engaging with employees

In collaboration with Dover, SWEP conducts extensive employee surveys periodically to establish and maintain a deep understanding of employees' view of SWEP as a place to work. The most recent survey was held in 2022. All aspects relevant to employee satisfaction are measured to confirm positive aspects and to uncover areas for improvements.

In addition to the main survey, SWEP conducts complementary surveys in other years that are less extensive and more specific. The topics in the 2023 survey were 1) engagement, 2) equip factors, and 3) diversity and inclusion, and the purpose was to measure the extent of feeling proud of working at SWEP, of feeling involved and invested in a collaborative work place, and of perceiving oneself respected and comfortable expressing ideas and opinions. Over 1,000 employees took part in the 2023 survey. The results were largely positive and exceeded applicable industry benchmarks²⁾ by between one to five percent.

The survey was followed up by workshops and discussions to analyze trends and to agree on new measures where relevant.

¹⁾ UN's International Labor Office 2020, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_762098.pdf

²⁾ Workforce Science Associates, WSA <https://workforcescience.com/>



2023 highlights

100% training completion in
Dover's codes of conduct

Ethical sales verified through
screening software and training

Supplier audits enhanced with
increased emphasis on ESG issues

All employees trained, tested
and certified in data security



Codes of conduct and ethical behavior

SWEP operates under two codes of conduct that specify and guide the way it does business: [Dover's Code of Conduct Policy](#) and [Dover's Global Anti-Bribery and Corruption Policy](#). They cover areas including conflicts of interest, data security, fair dealing, and maintaining a fair, safe and non-discriminatory workplace.

It is crucial that everyone – at all levels of SWEP – has a clear understanding of their role in working life at SWEP. All new recruits are given detailed training on these codes of conduct and ethical behavior as part of the onboarding process, and all employees have mandatory annual training to make sure it continues to influence their decision-making. 100% of SWEP employees were trained in these codes of conduct in 2023.

In addition to the ethics elements of the code of conduct training, several targeted training sessions were held in 2023. For example, all employees took part in data security training, and all sales staff were trained in communication skills to avoid anti-competitive practices.

By consulting with both Dover and front-line workers in the organization, SWEP maintains a multi-layered approach to ethical behavior that prioritizes integrity and organizational sustainability.

Sustainable technology for ethical ends

SWEP's mission is to create products that make the world a better place, therefore it is important that our technology is not used for unethical purposes or sold

in contravention to applicable laws. To that end, two complementary software programs/databases are used to verify our customers and to ensure that we observe sanctions, blacklists and other trade compliance risks. We also run a global "Know Your Customer" program to ensure compliance with international directives around corruption, money-laundering, and terrorism financing.

In addition, SWEP operates an extensive on-site auditing program for suppliers, which was revised in 2023 to better focus on ESG issues.

Whistleblowing for employees

A well-established whistleblowing procedure is in place and continues to be publicized in all SWEP work

sites globally. It is accessible in every local language in the countries where SWEP operates. It is administered by a third-party and its findings are audited by Dover. SWEP and Dover do not tolerate any form of retaliation against individuals who make reports in good faith.

Compliance risk assessment

SWEP's global compliance team carries out a detailed risk assessment covering all operations biannually. The most recent risk assessment was completed in late 2022. It did not uncover any instances of corruption or anti-competitive practices.



Environmental compliance

SWEP's heat exchangers are primarily made of stainless steel and copper. The heat exchangers do not contain any hazardous or restricted substances and are fully compliant with regulations including REACH, RoHS and TSCA. This is confirmed by supplier declarations and by testing samples in accredited third-party laboratories.

REACH

The EU regulation REACH aims for the protection of human health and the environment, with respect to the use of hazardous chemicals. SWEP actively monitors any changes to the candidate list of substances of very high concern (SVHC) and works with 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 its products.

TSCA

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

PFAS

PFAS are a large class of thousands of synthetic chemicals that are used throughout society. In light of the new regulations to restrict PFAS, SWEP has used 3rd party lab testing and supplier surveys to confirm that our products, accessories and packing materials are free from PFAS.

Protecting the local environment

SWEP complies with local regulations at all manufacturing sites regarding air, water, soil and noise pollution. Some examples include:

- ensuring that any combustion engines have the necessary filters to remove harmful particles from the exhaust.
- separating any contaminated water from operations and processing it as hazardous waste.
- using recycling companies and scrap collectors to handle waste responsibly.
- monitoring noise levels to ensure they stay within legal limits and making changes where necessary.

Environmental legislation continues to develop around the world, and it is important to continually improve ways of working to comply or exceed regulatory demands.

Here, SWEP's focus goes beyond products and operations to include areas such as packaging and transportation. In recent years, SWEP has reduced the plastic content of packaging and is also investigating ways to further reduce environmental impact.

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 sustainability of operations. In addition to more frequent internal audits, SWEP's sites are every year audited independently.

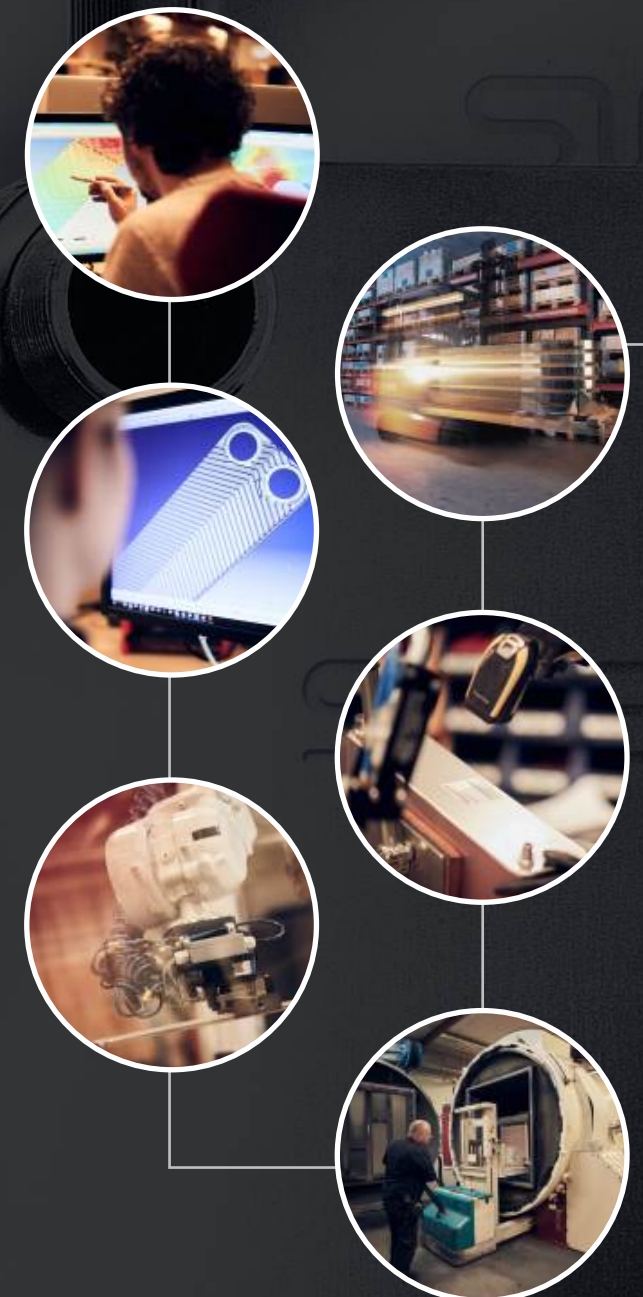
Brazed plate heat exchangers are a form of pressure vessel with several relevant directives and certifications. SWEP is PED Module H and H1 and UKCA certified, and all applicable products can be marked with the European CE marking. We hold several additional pressure vessel certifications, including ASME, UL and KHK, covering the majority of products.

Certain products are also certified in accordance with local and application-based schemes.

- SWEP heat exchangers regularly used with tap water have additional requirements to ensure that all components are non-toxic and free of hazardous substances. These are certified primarily by KIWA.
- A range of products hold marine approvals, primarily from the American Bureau of Shipping, Bureau Veritas, DNVGL, Lloyds Register and ClassNK.
- Certain products are AHRI certified to ensure accurate performance.

Robust quality and environmental management systems are in place to ensure that the requirements of these certifications are met. These systems are integrated throughout the manufacturing process, and testing protocols, full material traceability and data management are built into SWEP's enterprise resource planning system.

SWEP takes a comprehensive approach to sustainable procurement and sends its engineers to suppliers' premises for on-site audits. The reverse is also true: SWEP is open and transparent about its quality performance and welcomes auditors from customers to all manufacturing sites.



Sustainable procurement

Procurement audits and ESG

SWEP's auditing process for material suppliers is detailed and thorough and has been for several years. In 2023, the process was revised to ensure that ESG principles and ambitions are given full consideration – sustainability topics now account for 15.7% of supplier evaluation scoring. All SWEP suppliers must adhere to strict environmental, social and governance guidelines. They must have robust policies in place that are properly enforced, covering diverse topics including labor practices, corruption, diversity, pollution, emissions and much more.

Supplier audits are conducted on-site by regionally based supply chain quality engineers. The in-person visits and investigations from SWEP experts enables increased diligence and is supported by their local knowledge and understanding of potential risks specific to the region. All sourcing staff received training on sustainable and responsible sourcing in 2023, covering subjects across the entire ESG spectrum.

Dover, has a strict code of conduct for suppliers which takes a zero-tolerance approach to human rights violations and corruption, and presents clear guidelines around conflict materials, environmental protection, discrimination and many other compliance issues. SWEP applies Dover's Supplier Code of Conduct without reservation and makes additional demands of suppliers specific to our industry and activities.

Scope 3 emissions

In recent years SWEP has improved its ability to measure GHG emissions outside its own operations. An accurate picture of upstream and downstream emissions means that scope 3 target-setting is now feasible. Therefore, in 2023 we set an ambitious goal for its scope 3 emissions and put together a road map for achieving them.

SWEP aims to achieve carbon neutrality in scopes 1 and 2 by 2030. For scope 3 emissions, the target is to reduce emission intensity by 20% by 2030. As an organization, SWEP's intent is to continue the expansion in the years to come, so a reduction in emissions intensity rather than total emissions is appropriate.

Reducing value chain emissions

To meet this challenging scope 3 target, three action areas have been identified – material suppliers' emissions, CO₂ reduced steel and transport emissions. To date, work on the first two areas has primarily involved collaboration and negotiation with suppliers. Research and discussions will continue throughout 2024. Investigations are also ongoing into the use of lower-carbon modes of transport.

Glossary

AHRI	Air Conditioning, Heating, & Refrigeration Institute
Apr	Approved (BPHE approved for sale)
ASME	American Society of Mechanical Engineers
BPHE	Brazed plate heat exchanger
CDP	Carbon Disclosure Project
CE marking	Conformité Européene marking
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
DNVGL	Det Norske Veritas and Germanischer Lloyd
EHS	Environmental, Health & Safety
ESG	Environmental Social Governance
GRI	Global Reporting Initiative
ISO	International Organization for Standardization
JSA	Job safety Analysis
KHK	Kouatsu-gasu Hoan Kyoukai
KIWA	Inspection Institute for Water Supply Articles
KPI	Key performance indicator
PED	EU Pressure Equipment Directive
PFAS	Per- and polyfluoroalkyl substances
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 is 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 1,200 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.