

Conflict Minerals 2022

Executive Summary of the campaign and due diligence actions

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Conflict Minerals

Introduction

INNIO is committed to upholding social, environmental and governance (ESG) practices in our global supply chains that are consistent with international standards and national laws and regulations.

As part of our commitment, INNIO Group is a signatory or member of:

- United Nations Global Compact (UNGC)
- Responsible Minerals Initiative (RMI)
- Science Based Targets initiative (SBTi)

Specific component categories purchased by INNIO can contain one or more of the minerals tin, tantalum, tungsten and gold (3TG).

The mining and trade of these materials from the Democratic Republic of Congo (DRC) and surrounding countries have gained international attention for the role that they can play as “conflict minerals,” financing deadly armed groups in the region. Because of this potential for association with conflict and human rights abuses, INNIO strives to ensure that our supply chains are ethical and sustainable, and that we are fulfilling our commitment to respect human rights through responsible sourcing practices.

We support industry-wide due diligence mechanisms that enable conflict-free sourcing in general, such as the [Responsible Minerals Initiative](#) (RMI) and conduct an annual survey to determine the origin of 3TG in our supply chains. In addition to this survey, INNIO requires all suppliers of products that contain 3TG to adopt policies and establish systems to procure 3TG from sources that have been verified as conflict-free.

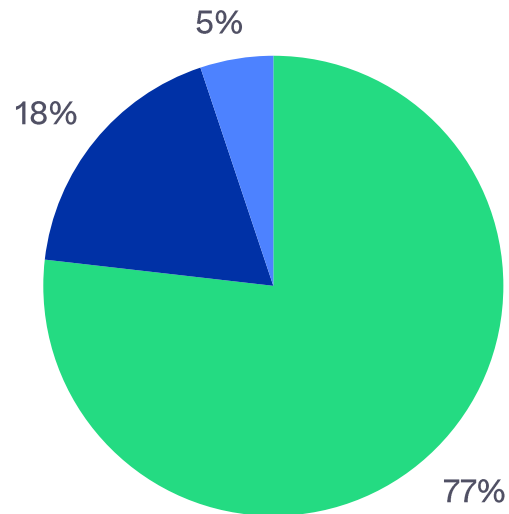
INNIO reserves the right to disengage with suppliers which are not responding to our survey or do not take sufficient action to reduce risks within their supply chain.

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Overview of the program

Material assessment vs. 3TG inclusion

- Suppliers with products that do not contain 3TGs
- Suppliers that reported CM data
- Suppliers that didn't report CM data

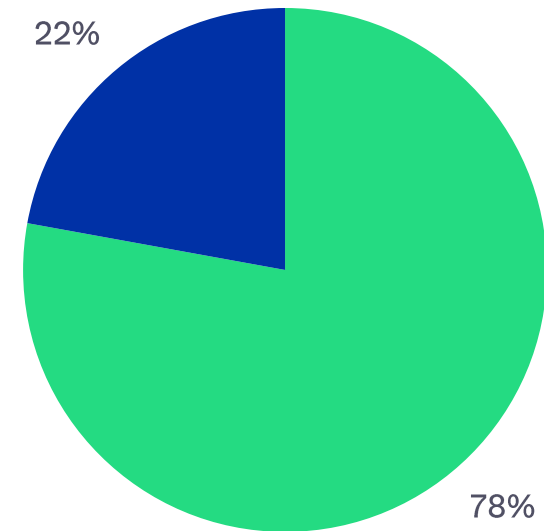


We surveyed close to 300 suppliers that provide components which may contain 3TGs



Response rates of surveyed suppliers

- Suppliers that reported Conflict Minerals data
- Suppliers that didn't report Conflict Minerals data



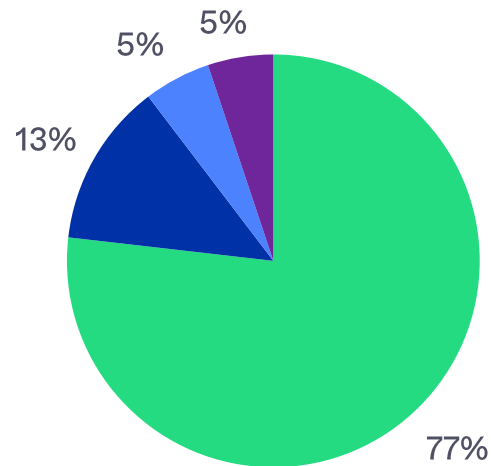
We continue to follow up with suppliers to report data (until June 2023). Our process aimed at reducing the list of suppliers that didn't answer for two years in a row by 50% for the 2022 campaign. INNIO reserves the right to disengage with suppliers which are not responding to our survey or do not take sufficient action to reduce risks within their supply chain.

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End-of-campaign results

Supplier distribution across INNIO's supply chain vs. Conflict Minerals

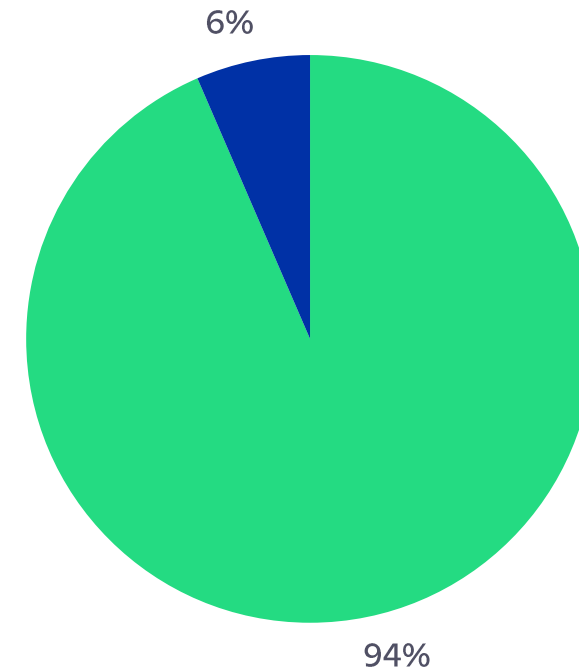
- Suppliers with products that do not contain 3TGs
- Suppliers using conformant smelters
- Suppliers using at least one non-conformant smelter
- Suppliers that didn't report CM data



See next slides for due diligence regarding suppliers who are using at least one non-conformant smelter

Smelter statistics

- Conformant smelters
- Non-conformant smelters



Close to 400 unique smelters are used in the supply chain to produce components containing 3TGs

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Due Diligence

Correction Actions Requested from affected suppliers by October 31, 2023

- Conduct due diligence processes and verify whether these smelters are in fact in your supply chain and linked to parts supplied to INNIO.
- If gold or tin from those smelters are in the parts, develop a corrective action plan based on Step 3 of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to mitigate the risk in our supply chain.
- Ask your affected suppliers to conduct risk mitigation and request their vendors to use RMI Conformant smelters and encourage elimination of these smelters. This may require work to be performed multiple levels upstream to reach the farthest supplier who has direct business with high risk smelters.
- Contact directly or indirectly these smelters and encourage them to participate in Responsible Minerals Initiative's (RMI) Responsible Minerals Assurance Process (RMAP).
- Establish a written Conflict Mineral policy and program (if not already done so), including all risk mitigation activities. These materials shall be provided for INNIO's review upon request.
- A supplier may submit an updated CMRT declaration at any time.
- Complete training on smelter risk mitigation <http://www.responsiblemineralsinitiative.org/>

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Additional initiatives to further strengthen the Due Diligence

- Additionally, we request of our suppliers that, by completing the above due diligence plan, to reduce up by 50% the non-conformant smelter by March 2024 (covering the reporting year 2023) and consequently, ensure 100% conformant smelters by March 2025 (covering the reporting year 2024).
- Suppliers should announce about exceptions and similar situations upfront
- Non-compliance with the above will be discussed involving INNIO's strategic buyer (GCL)
- As stated in our public [Conflict Minerals Policy](#), INNIO reserves the right to disengage with suppliers which are not responding to our survey or do not take sufficient action to reduce risks within their supply chain. chain.