

INNIO Supplier Corporate Social Responsibility (CSR), Sustainability and Compliance

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SUSTAINABLE PROCUREMENT

INNIO is focused on promoting environmental, social, and governance (ESG) practices in our global supply chains, consistent with current and applicable international standards and national laws and regulations.

As part of our focus, INNIO Group is currently a signatory to or member of:

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

SUSTAINABLE PROCUREMENT ACTIONS

- Before INNIO onboards our suppliers, they are required to review, agree to, and sign the “Supplier Integrity Commitment Declaration.” This shows their commitment to following the 10 Principles of the United Nations Global Compact regarding the areas of Human Rights, Labor, Environment, and Anti-Corruption.
- All new suppliers are assessed as part of the INNIO Know Your Supplier and International Trade Compliance review.
- As of July 2021, INNIO included Sustainability as a distinct section in the performance evaluation of our top direct material suppliers (more than
- 200 suppliers in scope). This assessment now contains a Sustainability section on our supplier scorecards, for which suppliers can score up to 15 points, out of a total of 100 points for the entire assessment.
- The scorecards help us evaluate our suppliers’ performance and allow us to fully understand our partnerships.
- Supplier assessment of their ESG practices, through the Sustainability section of our scorecards, occurs every quarter. The data is then reviewed by INNIO.
- Strategic (direct material) suppliers are asked to take an ESG assessment questionnaire to determine how their practices align with our requirements.
- Suppliers also must adhere to our requirements for regulatory compliance and restrictions on hazardous substances.
- Suppliers that supply products containing tin, tungsten, tantalum, or gold must observe our Conflict Minerals policy.
- We modified our commercial contract template for our suppliers, integrating a clause on Sustainability so that we work towards the same goal and to encourage every supplier to set a specific, measurable, and time-defined ESG goal, as applicable, in a contractual form that is reviewed and approved by INNIO.

Environment, Health and Safety (EHS)

INNIO aims for a healthy and safe working environment for all employees. We want to provide a safe workplace for our employees, and we also care about those who work with us, including our suppliers' employees. Because we recognize our role in ensuring good working conditions, we make health, safety, and well-being central to our procurement.

OUR SUPPLY CHAIN GOALS

- Our suppliers provide safe and healthy working conditions for their employees, including programs to prevent work-related incidents and illness and documented follow-up on incidents that occurred at their facilities.
- Our suppliers take steps to avoid having a negative impact on the local communities where they operate.
- Identify as quickly as possible potential serious situations and events in our supply chain.

OUR ACTIONS

- An Occupational Health & Safety criterion was introduced in the supplier scorecard in Q1 2023, granting one point to suppliers who have a certified management system for EHS.
- INNIO aims to comply with all EHS laws that apply to our operations. We develop and follow workplace safety procedures to prevent injuries in our supply chain. Additionally, we assess the EHS risks of any new activity.
- Communication is essential so that our suppliers are aware of the importance of health and safety in the workplace. INNIO's Code of Conduct creates a sound framework that guides every INNIO business associate.
- We believe INNIO applies high standards for procurement. Through responsible operation, we help drive socially responsible processes across our supply chain. This means ensuring that suppliers uphold our health and safety standards and values. For direct material, service, and logistics provider suppliers, we conduct a supplier self-assessment, called the "Vendor Prescreen", before supplier onboarding. This Vendor Prescreen contains an EHS section with 10 questions to help determine whether our suppliers have any EHS issues. These questions ask about certifications, emergency plans, environmental permits, and previous EHS issues. The Compliance team in Procurement is responsible for reviewing the supplier documents and decides whether to approve or reject the supplier onboarding.
- In addition, onsite audits are performed by INNIO prior to onboarding a direct material supplier if its production site is in certain countries (selected based on the Corruption Perception Index with a score of ≤ 50). This dedicated ESG audit also takes place every three years for suppliers in the targeted countries and contains 38 EHS-related questions to help further compliance and security at our suppliers' facilities. For example, questions about waste, water, facility installations, and certificates are included.
- INNIO encourages our suppliers to work to identify needs, actions, and resources that support employee well-being.
- A healthy and safe work environment depends on everyone's participation and commitment. Our suppliers are involved in the development and maintenance of such a workplace environment and are encouraged to collaborate with INNIO in complying with, and in the development of, EHS standards.

Supplier Environmental Matters

As a global provider of energy services, equipment, and digital solutions across the energy value chain, we are continually looking for new energy sources and better energy solutions that offer industry-leading low emission levels and reduced carbon footprints. Many of our products have passed stringent sustainability tests for efficiency and energy savings.

Our continued progress of disruptive technology innovation drives our increased competitiveness across diverse global energy segments. Moreover, we give back by supporting and contributing to efforts that make our communities safer, cleaner, and better places to live and work.

Therefore, it is important to us that our procurement upholds high environmental standards. We work with our suppliers to improve their environmental performance on an on-going basis and to support compliance with our standards.

OUR SUPPLY CHAIN GOALS

- Comply with the applicable environmental and social protection laws and regulations across our supply chain.
- Protect and prevent undesired effects on the environment and address climate challenges across our entire supply chain.
- Use natural resources, energy, water, and raw materials responsibly and increase their efficient usage across our entire supply chain.
- Encourage and support our suppliers' efforts to mitigate their environmental impact.
- Encourage and support our suppliers' efforts to combat climate change.
- Reduce our environmental footprint by working with our suppliers to reduce theirs.
- Align our efforts with the Paris Agreement framework of limiting the global temperature increase to no more than 1.5 degrees Celsius compared to pre-industrial levels by 2050 by working with suppliers.
- Aim for our supply chain reaches 50% of greenhouse gas (GHG) emission reduction by 2030.
- Recognize and support the Sustainable Development Goals (SDGs) as published by the United Nations and promote them across our supply chain .

OUR ACTIONS

- INNIO applies high standards in procurement. We aim to attain high standards in supplier relations, manage risk, and promote best practices throughout our supply chain. Through responsible operation, we help drive environmentally responsible processes across our value chain. This means we try to minimize the environmental impact of our supply chain and help our suppliers uphold our standards and values in terms of environmental protection and sustainability.
- INNIO develops solutions that are efficient, safe, and environmentally sound. That is our responsibility toward our customers and the environment. Therefore, we modified our commercial contract template for our suppliers, integrating a clause on Sustainability so that we work toward the same goal and encourage every supplier to set a specific, measurable, and time-defined ESG goal in a contractual form.
- At INNIO, we aim to reduce the use of virgin materials in the products we buy. For this purpose, we consider the percentage of recycled material used by suppliers in our supplier review process.
- INNIO is working with the Science Based Targets initiative (SBTi) to reduce emissions in line with climate science and encourages our suppliers to do the same. Our supplier scorecards contain 15/100 points for Sustainability, including consideration of the suppliers' commitment to achieving a 50% GHG emissions reduction by 2030.
- INNIO implemented Environmental Management Systems and Energy Management Systems as a criterion on the supplier scorecards.
- During 2021, we assessed our suppliers based on their ESG performance to identify and minimize ESG-related risks in our supply chain. Our main direct material suppliers were asked to undertake an ESG comprehensive assessment and share the results with INNIO. Criteria such as energy consumption, GHGs, water, biodiversity, pollution, materials, chemicals, waste, product use, product end-of-life, and health and safety are considered in the assessment, which determines how their practices align with our requirements.

- We ask our suppliers to respond to our REACH campaign and provide us with the required information concerning the REACH regulation annually to assess their progress regarding the REACH requirements. We set a deadline to collect the REACH data to help, so that we meet our target and timeline to comply with the regulation.
- Even before supplier onboarding, INNIO conducts a supplier self-assessment called the “Vendor Prescreen“ for all direct material, service, and logistics provider suppliers. Environment, energy, and real estate are part of 20 criteria that are checked as part of this prescreening assessment. The Compliance team in Procurement is responsible for reviewing the supplier documents and deciding whether to approve or reject the supplier onboarding.
- INNIO conducts an onsite audit prior to onboarding a direct material supplier if its production site is in certain countries (selected based on the Corruption Perception Index with a score of ≤ 50). This dedicated ESG audit also takes place every three years for suppliers in the targeted countries. INNIO measures and tracks our emissions, energy consumption, material use, water use, and waste to reduce our environmental impact and is working with our suppliers to increase the percentage of recycled material input for our products. We therefore ask our suppliers to provide us periodically and on request with relevant data.
- Water scarcity and pollution, as well as declining water quality, are impacting businesses around the globe. At INNIO, we strive to use water in a way that is socially equitable, environmentally sustainable, economically beneficial, and consistent with our commitments to the UN Global Compact, and we encourage our suppliers to do the same.
- INNIO’s focus on supporting a climate-neutral, greener, and more secure energy future was recognized by EcoVadis with a Platinum Medal rating for several consecutive years (latest at the date of publication of this document: 2025), placing INNIO among the leading companies in the industry working toward sustainability. Our sustainability policies in procurement and our on-going work to improve sustainability aspects with our suppliers largely contribute to this score.

Sustainable Procurement Matters

INNIO is working towards a fully responsible supply chain. To achieve this goal, we have designed and implemented far-reaching, comprehensive sustainable procurement policies addressing both social and environmental factors that apply to ourselves and our suppliers. INNIO is committed to supplier capacity building and education, as well as addressing upstream environmental impacts, Scope 3 emissions, and non-compliance. By engaging with suppliers on sustainability and proactively addressing these issues, however challenging, INNIO is building a lower-risk, lower-impact procurement chain.

OUR CURRENT SUPPLY CHAIN GOALS

- That all our suppliers - and our employees - understand and agree to INNIO's sustainability and conflict mineral policies and goals.
- Engage suppliers in sustainability projects to improve current ESG and CSR standards.
- Fairly disengage from suppliers who do not meet ESG standards or refuse to improve upon current standards, including having mechanisms to deal with policy violations and conflict minerals issues.
- Stay in regular contact with suppliers, building up a relationship based on respect and common sustainability goals.
- Inform suppliers and buyers on conflict minerals issues through interactive and informative learning opportunities.

OUR ACTIONS

- INNIO suppliers must comply with INNIO's comprehensive sustainability measures. This is more than just reading and signing a contract; INNIO suppliers are encouraged to understand and engage with our sustainability policies. Suppliers are asked to add an additional Sustainability Clause to the contract highlighting a sustainability goal they are going to pursue. This goal must be measurable, achievable, and time-constrained.
- To reinforce understanding and cooperation, INNIO provides informative and instructive guideline documents to suppliers on how to measure 'Your Environmental Impact,' the basics of 'Sustainable Procurement' and understanding 'Our Common Journey to Zero.' All documents can be found on the supplier portal on the INNIO website. To further this goal and reduce any risk of supplier non-compliance due to lack of understanding, INNIO plans to produce an E-Learning training on Sustainability in the Supply Chain that will be provided to every supplier upon onboarding.
- Our suppliers are a part of our team, and we treat them as such, building up relationships based on respect and, more recently, our common sustainability goals. Regular in-person or video meetings with suppliers allow us to sync up, discuss supplier improvement plans, and agree on our next steps. Most importantly, this reduces misunderstandings or disagreements on INNIO's sustainability policies.
- INNIO also encourages its suppliers to participate in tailored sustainability projects to improve ESG and CSR practices. By increasing the % of recycled material in a product, reducing GHG (Greenhouse Gas) emissions from transportation or signing up for international initiatives (e.g., SBTi, RMI etc.), suppliers can improve their environmental impact. INNIO encourages this behavior on an individual basis, connecting with suppliers on joint sustainability goals.

Human Rights

INNIO has an important role in and responsibility for respecting human rights. In accordance with the UN Guiding Principles on Business and Human Rights, INNIO's Labor and Human Rights Policy is based on the International Bill of Human Rights (comprised of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Furthermore, we are a signatory to the United Nations Global Compact, committing to respect internationally recognized human rights as relevant to our operations. Where national laws and international human rights standards might differ, we always strive to adhere to the higher standard. We are fully committed to supporting human rights worldwide.

OUR SUPPLY CHAIN GOALS

- Respect human rights, as stated in the Universal Declaration of Human Rights, for every person working directly or indirectly (e.g., for our suppliers) for INNIO.
- Identify our human rights impact in our operations and business relationships.
- Develop ways to manage and mitigate our impact and the impact of our suppliers.
- Avoid the use of conflict minerals in our supply chain.
- Monitor to ensure there is no child, forced, trafficked, or slave labor in our supply chain.
- Respect the cultures, customs, and values of the people from the communities in which we operate or in which our suppliers operate.
- Contribute to the promotion and fulfillment of human rights through improved economic, environmental, and social conditions and serve as a positive influence in communities in which we (or our suppliers) operate.
- Avoid complicity in human rights abuses.

OUR ACTIONS

- INNIO suppliers must comply with all relevant and applicable legal requirements and INNIO guidelines.
- In 2019, INNIO updated our onboarding process so that we work with suppliers who actively review and sign their agreement to the 10 principles of the United Nations Global Compact regarding the areas of Human Rights, Labor, Environment, and Anti-Corruption.
- INNIO respects the human rights of our employees and others in our business operations and requires our suppliers to do the same in their activities for INNIO.
- INNIO requires our suppliers to adopt policies and establish systems to procure tantalum, tin, tungsten, and gold from sources that have been verified as conflict-free.
- INNIO requires our suppliers to provide supporting data on their supply chains for tantalum, tin, tungsten, and gold when requested.
- Through an open reporting system detailed in our suppliers' integrity guide, anyone can report human rights compliance issues to INNIO, and such reports will be considered. We count on our partners to help us identify human rights abuses in our value chain, find solutions, and mitigate our impact as quickly as possible.
- In 2021, we partnered with a third-party agency to identify and minimize ESG-related risks in our supply chain. All of our main direct material suppliers were asked to undertake a comprehensive ESG assessment and share the results with INNIO to determine how their practices align with our requirements. Criteria such as employee health and safety, working conditions, social dialogue, child and forced labor, human trafficking, discrimination, harassment, and human rights are considered in the assessment.

Non-Discrimination

Discrimination of any kind is strictly prohibited throughout INNIO Group.

INNIO Group is committed to engaging in practices that guarantee equal treatment, rights, and opportunities for its Employees. INNIO Group bases employment decisions and job assignments on job qualifications and merit (including education, experience, skills, ability, performance, and growth values) and not on personal characteristics.

INNIO Group has a strict zero-tolerance policy and expects its employees and Business Partners to display respectful behavior toward one another.

OUR SUPPLY CHAIN GOALS

- Promote respect and inclusion across our supply chain
- Adopt an inclusive mindset in procurement
- Promote and enhance a feeling of safety for all
- Fight against discrimination and harassment of any kind
- Enhance and support actions and policies that favor inclusivity and openness to all in the supply chain

OUR ACTIONS

- INNIO established non-discrimination on our roadmap in 2021 to enhance inclusion and non-discrimination in our supply chain. We focus on actions, policies, and training as we raise awareness among our suppliers and evaluate and review our partnerships with them. We also encourage and support our suppliers to work in this direction.
- Strategic (direct material) suppliers are asked to take an ESG assessment questionnaire where non-discrimination is part of the assessment to determine how their practices align with our requirements.
- We encourage our employees and associates to SPEAK UP! anytime they are aware of potential violations, possible business risks, or critical issues. Our SPEAK UP! platform provides multiple channels, some of which are fully anonymous, to report risks and concerns without fear of retaliation. When incidents of discrimination are reported, our Compliance team works to assess the nature of the claim and strives to take appropriate action in response.
- We expect our suppliers to protect inclusivity and avoid discrimination of any kind toward INNIO employees, as well as within their own companies.

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