

Procurement and Supply Chain

Corporate Social Responsibility (CSR),
Sustainability and Compliance

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Sustainable Procurement

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)

Sustainable Procurement Actions

- Before INNIO onboards our suppliers, they are required to review, agree, and sign the “Supplier Integrity Commitment Declaration.” This shows their commitment to 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 15/100 points.
- The scorecards help us evaluate our suppliers’ performance and allow us to review our partnerships.
- Supplier assessment on environmental or social practices through the sustainability section of our scorecards occurs every quarter on a regular basis. Data is collected for more than 200 suppliers in scope through questionnaires and meetings. The data then is reviewed by INNIO.
- Strategic (direct material) suppliers are asked to take an ESG assessment questionnaire to determine how their practices align with our requirements. The score then determines a score on our supplier scorecards.
- Suppliers also must adhere to our requirements for regulatory compliance, bans, and restrictions on hazardous substances that are captured here.
- Suppliers that supply products containing tin, tungsten, tantalum, or gold must observe our Conflict Minerals policy.
- Our commercial contract template was modified for our suppliers with the integration of a clause on Sustainability. This helps ensure that we are working in the same direction and encourages every supplier to set up a specific, measurable, and time-defined ESG goal in a contractual form that is reviewed and approved by INNIO.

For any questions or further guidance, please refer to the [Procurement Library](#) located on innio.com or contact a procurement manager at INNIO.

Environment, Health and Safety (EHS)

INNIO aims to ensure a healthy and safe working environment for all. We want to ensure the best 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

- Ensure that our suppliers provide safe and healthy working conditions for their employees
- Ensure our suppliers' compliance with applicable EHS laws and existing regulations as well as with INNIO's EHS requirements
- Prevent work-related incidents and illness at our suppliers' facilities
- Reduce the number of injuries that occur in our suppliers' workplaces
- Avoid adversely affecting the local community where our suppliers operate
- Identify as quickly as possible potential serious situations and events in our supply chain
- Ensure a clear communication about EHS

Our Actions

- An Occupational Health & Safety criterion was introduced in the supplier scorecard as of Q1'23, granting one point to suppliers who have a certified management system for EHS.
- INNIO strictly complies with all EHS laws that apply to our operations. We develop and follow safe work procedures to help ensure workplace safety and prevent injuries in our supply chain. Additionally, we assess the EHS risks of any new activity.
- Communication is essential to ensuring 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 to work in a responsible manner.
- 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 logistic provider suppliers, we conduct a supplier self-assessment, called the "Vendor Prescreen," prior to supplier onboarding. This Vendor Prescreen contains a 10-question EHS section to help ensure our suppliers have no EHS issues. These questions ask about certifications, emergency plans, environmental permits, and previous EHS issues. The Compliance function in Procurement is responsible for reviewing the supplier documents and decides whether to approve or reject the supplier onboarding.
- In addition, on-site audits are performed by INNIO prior to onboarding a direct material supplier if its production site is in specific countries (selected based on the Corruption Perception Index with a score ≤ 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 ensure compliance and security at our suppliers' facilities. For example, questions asked might be about waste, water, facility installations, and certifications.
- INNIO encourages our suppliers to work to identify needs, actions, and resources that support employee well-being.
- A healthy and safe work environment is not possible without 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 the compliance with, and in the development of, EHS standards.

Supplier Environmental Issues

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

Our continued progress on 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 constantly improve their environmental performance and to help ensure our suppliers' performance complies 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 continuously 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**
- **Ensure that we meet the Paris Agreement framework of limiting global temperature increase to no more than 1.5 degrees Celsius compared to pre-industrial levels by 2050 by working with suppliers to help ensure they, too, are working in that direction**
- **Ensure that 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 the highest standards in supplier relations, manage risk, and promote best practices throughout the supply chain. Through responsible operation we help drive environmentally responsible processes across our value chain. This means we minimize the environmental impact of our supply chain and help ensure our suppliers uphold our standards and values in terms of environmental protection and sustainability.
- INNIO develops solutions that are highly 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 to help ensure that we are working in the same direction and to encourage every supplier to set up a specific, measurable, and time-defined ESG goal in a contractual form. Examples include increasing the recycled material ratio in products sold to INNIO, committing to greenhouse gas reduction, and obtaining Environmental and Energy Management System certifications. Signing the sustainability clause and committing to a specific goal grants 1 point on the sustainability section of our supplier scorecards.

- At INNIO, we aim to reduce the use of virgin materials in the products we buy. For this purpose, we included the percentage of recycled material used by suppliers into the supplier performance section with a maximum score of 2 points (out of 15 points total in the sustainability section). Suppliers who use at least some recycled materials are granted 1 point. Suppliers who use more than 75% recycled material are granted the maximum score of 2 points for this topic in the supplier scorecard.
- 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 3 for the suppliers' commitment to make a 50% GHG emissions reduction by 2030. One point is granted if the commitment is personally made to INNIO, 2 points are granted if the commitment is publicly available on the suppliers' website, and 3 points are granted if the suppliers are working with the SBTi to reduce their emissions.
- INNIO implemented Environmental Management Systems and Energy Management Systems as a criterion on the supplier scorecards. Of the 15 points on the scorecards available for sustainability, 4 are dedicated to Environmental Management Systems and Energy Management Systems. The 4 points are obtained when suppliers have both certifications. The scorecards aim at evaluating and reviewing our partnerships with suppliers.
- During 2021 we assessed our suppliers based on their ESG performance to identify and minimize ESG-related risks in our supply chain. All of 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. They can earn up to 3 points on our supplier scorecards' sustainability section.
- To assess their progress regarding the REACH requirements, we ask our suppliers to provide us with the required information concerning the REACH regulation annually. We set a deadline to collect the REACH data to help ensure 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 logistic provider suppliers. Environment, energy, and real estate are part of 20 criteria that are checked as part of this prescreening assessment. The Compliance function in Procurement is responsible for reviewing the supplier documents and decides 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 specific countries (selected based on the Corruption Perception Index with a score ≤ 50). This dedicated ESG audit also takes place every three years for suppliers in the targeted countries.
- INNIO works with our landlords around the globe on reducing the energy consumption of our offices, and works with our real estate suppliers to improve energy efficiency and increase the use of renewable energies. In September 2021, we introduced a minimum threshold of energy performance that requires providing a “Green Building certificate,” reaching an energy class of “D” or better, or ensuring a lower energy consumption than 230 KWh/square meter/year. This ensures that we only rent new spaces that have a high energy performance standard.
- 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 increasingly 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 commitment to a climate-neutral, greener, and more secure energy future was recognized by EcoVadis with a Gold Medal rating, placing INNIO among the leading companies in the industry working toward sustainability. Our sustainability policies in procurement and our constant work to improve sustainability aspects with our suppliers largely contribute to this score.

Sustainable Procurement Issues

INNIO is working toward a fully sustainable 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 tackling issues of understanding, upstream environmental impacts and 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 Supply Chain Goals

- Ensure all our suppliers - and our employees - understand and agree to INNIO's sustainability and conflict mineral policies and goals.
- Engage all suppliers in sustainability projects to improve current ESG and CSR standards.
- Provide suppliers and buyers with E-Learning training and guide documents on sustainable procurement and environmental issues within the supply chain by the end of the year. Upon completion of the training a certificate will be awarded and used as a quantifiable metric.
- Create mechanisms to deal with policy violations and conflict minerals issues
- Fairly disengage with suppliers who do not fulfill ESG standards or refuse to improve upon current standards
- Stay in regular contact with suppliers, building up a relationship based on respect and common sustainability goals
- Inform all 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. More than just reading and signing a contract, INNIO suppliers are expected 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 plan 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 accordingly, building up relationships based on respect and, more recently, our common sustainability goals. Regular in-person or video meetings with suppliers allow us to synch up, discuss supplier improvement plans, and agree on our next steps. Most importantly, this avoids misunderstandings or disagreements on INNIO's sustainability policies. To streamline this experience for both INNIO and our suppliers, we have integrated sustainability into roles and responsibilities.
- INNIO also engages our suppliers in tailored sustainability projects to improve ESG and CSR practices. By increasing the percentage of recycled material in a product, reducing GHG (greenhouse gas) from transportation, or signing up for international initiatives (e.g., SBTi, RMI, etc.), suppliers can improve upon their environmental impact. INNIO encourages this behavior on an individual basis, connecting with suppliers on joint sustainability goals.
- When suppliers do not respond to our requests or actively decline to engage with sustainability projects, they lose points on their supplier scorecard. Sustainability is now an independent category making up 15/100 points toward a supplier's score. A low sustainability score will disadvantage suppliers when INNIO awards new contracts.

Social Practices Policy

INNIO's Social Practices Policy is based on several sources. First, it commits to high social standards with the UN Global Compact. In addition, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Sustainable Development Goals (SDGs) serve as benchmarks for our social policy. We work systematically to develop our social responsibility in procurement, which includes good working conditions and methods as well as continuous personal development. We will continue our systematic work to achieve the goals of sustainable development and to reach high social standards. We apply the principle of due diligence to help ensure that social standards are respected in our supply chain.

Our Supply Chain Goals

- Respect human rights, as stated in the Universal Declaration of Human Rights across our supply chain
- Comply with applicable laws and industry standards on working hours, including overtime
- Respect the freedom of engagement of every worker in our supply chain
- Fight against corruption across our supply chain
- Work on the development of local communities where our suppliers operate
- Establish an open dialogue with stakeholders of our supply chain
- Fight against discrimination across our supply chain
- Ensure a work environment free from harassment in our supply chain
- Ensure equal opportunities for all in our supply chain

Our Actions

- INNIO applies high standards in procurement. Through responsible operation, we help drive socially responsible processes across our value chain. This means ensuring suppliers uphold our standards and values in terms of human rights, child and enforced labor, and good health and safety standards.
- INNIO's employees and distributors are required to certify that they not only have read but also understand our Code of Conduct, which upholds high social standards.
- INNIO complies with local social regulations and respects national and international law, as well as international standards on human rights in the value chain, and we expect our suppliers to do the same.
- INNIO strongly stands against child and enforced labor, discrimination, and corruption, as seen with our commitment to the UN Global Compact. Even before INNIO can onboard them, new suppliers are required to review, agree, and sign the "Supplier Integrity Commitment Declaration" in which they commit to follow the 10 Principles of the United Nations Global Compact regarding the areas of Human Rights, Labor, and Anti-Corruption.
- INNIO requires that any supplier providing products or services to INNIO will, in addition to the values of the UN Charter, adhere to the principles concerning International Labor Standards.
- INNIO helps ensure due diligence with relevant suppliers regarding existing regulations based on the identification of non-compliant smelters. For the 2020 campaign, only seven smelters were identified as high-risk, from a total of more than 700, and the suppliers were requested to provide evidence on their due diligence actions.
- INNIO assesses our new suppliers with social criteria. The minimal screening applies to all regular (no "spot-buy") suppliers, no matter how small the purchase.
- For direct material, service, and logistic provider suppliers, a self-assessment called the "Vendor Prescreen" is conducted before supplier onboarding, where 10 questions concern social issues. The Compliance function in Procurement is responsible for reviewing the supplier documents and decides whether to approve or reject the supplier onboarding. In some cases, additional information is required from the supplier and is documented accordingly.

- Additionally, INNIO performs in-depth, on-site audits prior to onboarding a direct material supplier if its production site is in specific countries (selected based on the Corruption Perception Index with a score ≤ 50). This dedicated ESG audit also takes place every three years for suppliers in the targeted countries. It contains 75 questions that cover four sections: EHS (38 questions), Labor (21 questions), Security (12 questions), and Intellectual Property (3 questions).
- INNIO observes applicable laws and regulations concerning wages and hours, recruitment, and employment contracts, and requires our suppliers to do the same.
- INNIO prohibits discrimination, harassment, and retaliation and requires our suppliers to do the same.
- INNIO allows our employees to enter employment of their own free will and have the choice to leave their employment freely upon reasonable notice, following national regulations, and requires our suppliers to do the same.
- INNIO allows our workers to choose freely whether to organize or join associations of their own choosing for the purpose of collective bargaining as provided by local law or regulation and requires our suppliers to do the same.
- INNIO does not charge workers recruitment fees or utilize firms that charge workers such fees and requires our suppliers to do the same.
- INNIO does not utilize fraudulent or misleading recruitment practices and requires our suppliers to do the same.
- INNIO strongly stands against practices of holding or destroying a worker's identity or immigration documents and requires our suppliers to fight these practices as well.
- INNIO provides workers with terms and conditions of employment in a language the worker understands and requires our suppliers to do the same.
- INNIO actively engages with local communities, providing donations and support. We also support social initiatives for local communities and expect our suppliers to do the same.
- INNIO helps ensure equality of opportunity to all employees. From hiring to access to training to promotion, retirement, or contract termination, we stand against discrimination on any basis (such as gender, ethnicity, nationality, political affiliation, religion, disability, age, sexual orientation, and union membership), and expect our suppliers to do the same.
- INNIO takes action to increase opportunities in employment for women, minorities, people with disabilities, and certain veterans, and requires our suppliers to do the same.

Human Rights

INNIO has an important role in and responsibility for respecting human rights. As a signatory of the UN Global Compact, INNIO recognizes that businesses should support and respect the protection of internationally proclaimed human rights and that businesses must make sure they are not complicit in human rights abuses. In addition, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Sustainable Development Goals (SDGs) serve as benchmarks for our Human Rights policy. INNIO aims to attain the highest standards regarding human rights in procurement and supplier relations, risk management, and best practice promotion throughout the supply chain. Through responsible operation we help ensure that suppliers uphold our standards and values in terms of human rights and child and enforced labor. We require all partners to respect human rights in their operations.

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
- Ensure the use of conflict-free minerals in our supply chain
- 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 applicable legal requirements and INNIO guidelines as well as the principles of corporate social responsibility (CSR).
- In 2019, INNIO updated our onboarding process so that we work only with suppliers who actively review and sign that they agree 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 not employ workers younger than 16 years of age or below the applicable minimum age, whichever is higher.
- INNIO fights against forced, prison or indentured labor, and our workers may not be subject to any form of physical, sexual, or psychological pressure; exploitation; coercion; or trafficking. We require that our suppliers not use any of these tactics.
- 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 carefully. We count on our business associates 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 independent agency to identify and minimize ESG-related risks in our supply chain. All of our main direct material suppliers were asked to undertake an ESG comprehensive 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, diversity, discrimination, harassment, and human rights are considered in the assessment. To help us evaluate our suppliers' performance and review our associations, a score of up to 3 points can be obtained in the sustainability section of our supplier scorecard.

Conflict Minerals

Virtually all INNIO products contain one or more of the minerals tin, tantalum, tungsten, and gold (3TG). The mining and trade of these “conflict minerals” from the Democratic Republic of Congo (DRC) and surrounding countries have gained international attention for the role they play in 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 procurement practices. INNIO is a member of the Responsible Minerals Initiative (RMI), one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains. With this membership, INNIO believes that mineral supply chains must contribute positively to social and economic development. We support responsible mineral sourcing and are aware of the importance of avoiding and fighting against the use of conflict minerals in our procurement.

Our Supply Chain Goals

- Identify where conflict minerals are suspected in our supply chain and orient our efforts accordingly
- Purchase minerals that have been mined responsibly and are conflict free
- Work with our suppliers to help ensure that they do not purchase conflict minerals and that the products we buy from them are conflict free
- Support industry-wide due diligence mechanisms that enable conflict-free sourcing in general
- Contribute to conflict-free trade by working with our suppliers on the issue and encouraging them to intensively tackle the issue in their value chains

Our Actions

- INNIO has used the Responsible Minerals Initiative process and template since 2019. We became an RMI member in October 2021 to help consolidate our position on the topic of conflict minerals. INNIO's Conflict Minerals policy is publicly available, and our yearly Conflict Minerals program helps ensure that we constantly collect data from smelters and other relevant information from more than 75% of the targeted suppliers.
- INNIO exercises due diligence in procurement and investigates the source of the materials used. We require our suppliers to do the same and to provide information about the origin of their material upon request.
- INNIO requires our suppliers to provide us with evidence of compliance upon request.
- Conflict mineral information is part of our supplier scorecards as an informative criterion that helps us evaluate our suppliers' performance and review our associations.
- INNIO requires our suppliers to adopt policies against conflict minerals and establish systems to procure tantalum, tin, tungsten, and gold from sources that have been verified as conflict free.
- Upon request and for a platform to be designated by INNIO, INNIO requires our suppliers to provide supporting data on their supply chains regarding conflict minerals such as tantalum, tin, tungsten, and gold. INNIO has collected the data from more than 75% of our targeted suppliers to identify conflict mineral issues.
- On-site audits are performed by INNIO prior to onboarding a direct material supplier if its production site is in specific countries (selected based on the Corruption Perception Index with a score ≤ 50). This dedicated ESG audit takes place every three years for suppliers in targeted countries. The use of tin, tantalum, tungsten, or gold from conflict mines is investigated, and the policies and programs against conflict minerals are reviewed.
- Through an open reporting system detailed in our suppliers' integrity guide, everyone can report human rights compliance issues or concerns to INNIO that will be taken into consideration. We count on our business associates to help us identify conflict mineral issues in our value chain to find solutions and mitigate our impact as quickly as possible.

Diversity

At INNIO, we are committed to treating all employees equally, independent of differences in personal attributes such as gender, age, ethnic background, religious beliefs, culture, sexual orientation, special abilities, experience, work styles, and nationality. INNIO embraces perspectives, personalities, and people of different backgrounds, incorporating them to help manage and grow our global business. The journey toward diversity is a collaborative one involving all stakeholders. In that spirit, we want to create and sustain a culture of inclusion and move toward a more diverse supply chain. Therefore, the respect of diversity, equity, and inclusion is of high importance in our procurement policies. Adopting an inclusive mindset regarding gender, religion, ethnicity, or sexual preferences is not only desired but required while working within or with our company. Just as INNIO applies our diversity standards in our procurement policy, we expect our suppliers to adopt the same mindset.

Our Supply Chain Goals

- Increase the number of suppliers with three or more diversity strengths as defined by INNIO and measured in the supplier scorecards
- Track diverse suppliers in INNIO's ERP system, starting with North America (2023)
- Encourage more diversification
- 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 supply chain diversity

Our Actions

- INNIO established diversity on our roadmap in 2021 to enhance diversity in our supply chain. We focus on actions, policies, and training as we raise awareness among our suppliers and evaluate and review our relationships with them. We also encourage and support our suppliers to work in this direction.
- Supplier diversity was introduced as a criterion in the supplier scorecard as of Q1'23, granting one point to suppliers with three or more diversity strengths as defined by INNIO and in line with the UN methodology (Women's Empowerment Principles).
- Strategic (direct material) suppliers are asked to take an ESG assessment questionnaire that includes diversity to determine how their practices align with our requirements. The score then determines a score on our supplier scorecards, which helps us evaluate our suppliers' performance and review our business relationships.
- We encourage our employees and associates to SPEAK UP! anytime they are aware of potential violations or 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 always take appropriate action in response.
- We expect our suppliers to protect diversity and avoid discrimination of any kind toward INNIO employees, but also inside their own companies.
- INNIO helps ensure equality of opportunity for all employees and to have a more diverse workforce. From hiring to access to training to promotion, retirement, or contract termination, INNIO stands against discrimination on any basis (such as gender, ethnicity, nationality, political affiliation, religion, disability, age, sexual orientation, and union membership), and expects our suppliers to do the same and to have a diversified workforce.

