Moving energy forward

Sustainability Report 2024

Making Progress Together

SUSTAINALYTICS 2025 INDUSTRY ESG TOP RATED MORNINGSTAR

PLATINUM Top 1% ecovadis Sustainability Rating JUL 2024

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

A letter from the CEO

Dear INNIO Group stakeholders,

Given the recent political climate, you might think that sustainability is a thing of the past. But the opposite is true: At a time when individual countries are pulling back from the global commitment to combat climate change, the involvement of business as a driver of innovation is more important than ever. Fossil fuels will be an integral part of our energy system for years to come. But that does not change the need to reduce our emissions: The EU and the U.S. are aiming for net-zero emissions by 2050. Companies have, therefore, recognized that only sustainable business is future-proof business.

The same applies to INNIO. That is why I am pleased to share with you the latest progress of the INNIO Group: We are closing another successful year, where operational growth, innovation, and sustainable development continued to take a central role in helping our customers in shaping the energy transition and “Moving energy forward.”

INNIO Group dedicates significant resources to ensure a leading role in creating a resilient, inclusive, and near-zero carbon future. By saying that, I mean a comprehensive approach to our value chain, including our own operations, our supply chains, and our products and energy solutions.

We are proud of the energy projects we completed with our customers and partners and feel honored to have received technology and sustainability recognitions from external bodies.

For the third consecutive year, we continue to be awarded the Platinum medal from **EcoVadis,** the ESG Top Industry rating from **Sustainalytics Morningstar,** and the **“H2 Readiness”** certification from **TÜV SÜD.**

While we are proud of the industry accolades we received in 2024, our focus has always been on exceeding the needs of our customers. We would therefore like to highlight two case studies in particular: our work with RAG Austria AG, installing a 1 MW Jenbacher engine for a hydrogen-powered CHP system, and our project at Egypt's El Gabal Al Asfar Sewage Treatment Plant, replacing older gensets with new Jenbacher Type 6 engines.

Our value proposition lies in offering advanced technology but also in our post-sales services, including overhaul, remanufacturing, and technology upgrade programs. We're expanding our reconditioned parts portfolio and promoting sustainable resource use through our remanufacturing program, which greatly adds to upstream and end-of-life emissions reductions on one side and return on investment for our customers on the other.

We're committed to decarbonizing our operations and supply chain, increasing energy efficiency, and investing in R&D for low-carbon technologies. In fact, we reduced the CO_2e from our own operations by around 2% in 2024 and 5% vs. our base year.

The well-being and health and safety of our employees are fundaments of our success. We continuously invest in learning and development and host initiatives for physical, mental, and financial health to create work-life balance. Our efforts have been recognized in 2024 by Canada’s Safest Employer Award.

Walking into 2025 we are focused on doing our part to help make our planet safer and more secure by continuing investing in development of our energy solutions and working with our customers on innovative and low-carbon generation of energy.

I hope you enjoy this year’s report!

Sincerely,

Dr Olaf Berlien
President and CEO, INNIO Group

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INNIO Group at a glance

About INNIO Group

INNIO Group is a leading energy solution and service provider that empowers industries and communities to make sustainable energy work today. With our Jenbacher and Waukesha product brands and AI-powered myplant digital platform, INNIO Group offers innovative solutions for the power generation and compression segments that help industries and communities generate and manage energy sustainably while navigating the fast-changing landscape of traditional and green energy sources. INNIO Group is individual in scope, but global in scale. With our flexible, scalable, and resilient energy solutions and services, we enable our customers to manage the energy transition along the energy value chain wherever they are in their transition journey.

INNIO Group is headquartered in Jenbach (Austria), with other primary operations in Waukesha (Wisconsin, U.S.) and Welland (Ontario, Canada). Through our service network in more than 100 countries, a team of more than 4,000 experts provides life-cycle support to the more than 57,000 engines that INNIO Group has delivered globally.

INNIO Group's environmental, social, and governance (ESG) strategy has been recognized and awarded by esteemed rating agencies such as Sustainalytics and EcoVadis. Additionally, the company's near-term climate targets until 2030 have been validated by the Science Based Targets initiative (SBTi).

For more information, visit INNIO Group's website at **innio.com**

Follow INNIO Group and our brands on **X** (formerly known as Twitter) and **LinkedIn.**

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Executive summary

This non-financial disclosure is a comprehensive overview of INNIO Group Holding GmbH's environmental, social, and governance (ESG) strategy. We have reported with reference to the Global Reporting Initiative (GRI) structure to outline and communicate on our progress, while working toward aligning with the European Sustainability Reporting Standards (ESRS). In doing so, we aim to provide our stakeholders with information in a structured, standardized, and transparent format.

"Making progress together" demonstrates how INNIO Group's journey has progressed since we set our baseline goals in 2020. We identify our sustainability targets across three strategic pillars: Low-Carbon and Circular Products, Resilient Supply Chain and Manufacturing, and Responsible Operations and Social Responsibility. All pillars are underpinned by good governance, business ethics, and transparency.

2024 was a strong year in terms of financial performance, increased factory output, and the expansion of our workforce. But as we grow our business, we also continue to make tangible improvements across our three sustainability strategy pillars. This report showcases the progress we have made across these pillars.

INNIO Group continues to actively work on reducing our Scope 1, 2, and 3 emissions. In comparison to 2023, we have reduced our total corporate carbon footprint by 8%. In 2024, we reduced our Scope 3 emissions by 638,641 metric tons CO_2e. Our near-term targets have been validated by the Science Based Targets initiative.

More than 80% of our top 200 suppliers have committed to a 50% reduction in their GHG emissions by 2030. Additionally, we have increased the percentage of recycled material inputs sourced for our products to 58%.

Creating a diverse work environment is central to our growth and innovation. In 2024, the share of female workforce increased by 4%. INNIO Group's prioritization of talent development demonstrates our dedication to building long-term careers. In 2024, approximately 29% of vacancies were filled through internal transfer.

Providing training and support for both employees and customers remains a priority for INNIO Group. In 2024, 133,033 hours of trainings were completed by employees, and more than 101,900 hours were provided to distributors and end users.

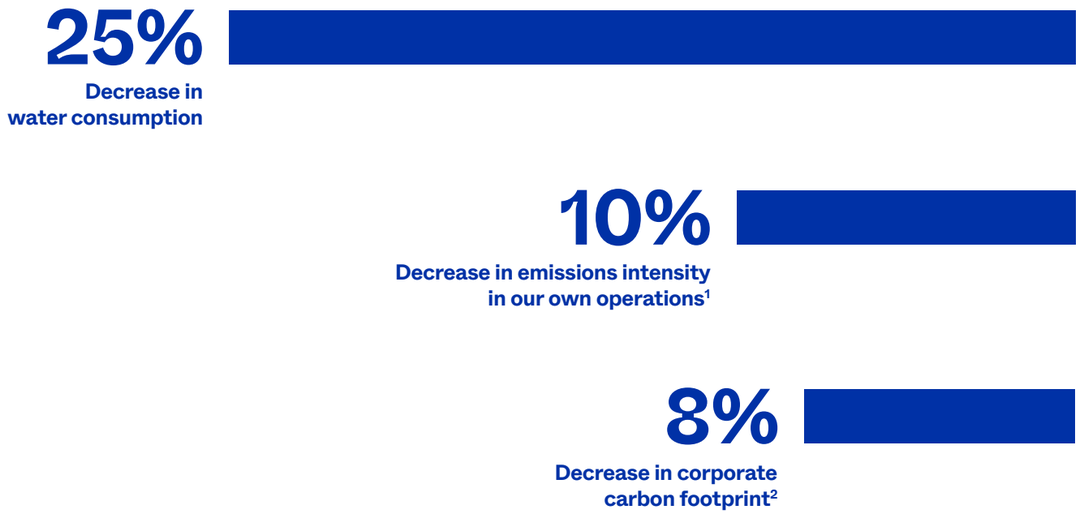
Maintaining a safe work environment is of key importance to us. We continue to maintain a strong track record of zero fatalities in our operations. In 2024, we had one high-consequence work-related injury. INNIO Group's high standards were recognized by Canada's Safest Employers Awards for our health and safety achievements, leadership, and innovation.

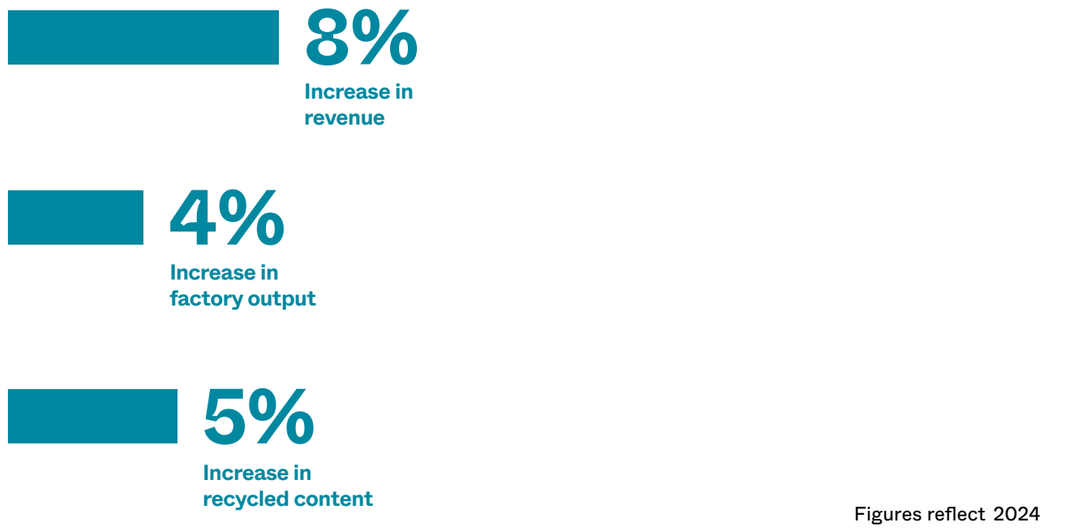
INNIO Group continues to be top-rated by both EcoVadis (Platinum medal) and Sustainalytics ("Top Industry rated").

This Sustainability Report has been externally assured. KPMG Austria GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft has performed an independent limited assurance engagement on the Sustainability Report ("NFI report") for the financial year 2024. For the assurance report, please see pages 90 – 93.

ESG highlights

Growing our business while improving our sustainable footprint and social commitment





Figures reflect 2024

4% Increase in the share of female workforce

0 Incidents of cybersecurity

4% More training hours

New mandatory trainings on the topic of Anti-Discrimination and Anti-Harassment

1 Scope 1 and 2 GHG emissions in metric tons of CO_2e/EUR net sales
2 Use phase emissions – reporting year only; Scope 2 – market-based

Graph 01

01

Sustainability at INNIO Group

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A letter from the VP Sustainability

Dear Stakeholders and Readers,

It is my pleasure to present you with the latest audited annual Sustainability Report of INNIO Group for the financial year 2024.

Under the theme of “Making progress together”, we are engaging with stakeholders to share the latest news on sustainable development and to present a set of structured qualitative and quantitative performance indicators to demonstrate INNIO Group’s standpoint on material topics and corresponding initiatives.

This current report marks a turning point in terms of changing reporting standards. It closes a certain chapter of building maturity and shaping long-term strategy when it comes to a variety of sustainability topics. Central themes of 2024 were positioned around the introduction of mandatory standards, review of material topics, and progress of initiatives to strengthen execution of our strategy followed by continuous work on improving quality of data and a focus on areas that add value to the environment and our value chain.

The past year also has been filled with discussions around the complexity of new reporting standards, interpretation and implementation of requirements but also limitations of some of the imposed models. We have spent a significant amount of time engaging with various professional sustainability networks to exchange perspectives, seek guidance, discuss the way forward, and share our experience. As a result, the 2024 disclosure still follows the GRI as a reporting standard, but the presentation of the content already is structured toward the ESRS.

Reflecting on the process, we welcome the structured approach to new reporting standards, which should enable a unified approach to completeness and comparability of data across industries and beyond. On the other hand, it has become apparent that the focal point of our activities as a company and sustainability group should be around material initiatives to achieve our sustainability goals and add value to the overall value chain.

As in previous years, data and quality of data continue to take central stage in all we do around sustainability. One of the focus areas of 2024 was a detailed, peer review-based analysis of INNIO Group’s GHG accounting to further strengthen our data consolidation models and to enhance the coverage and accuracy of the GHG inventories. Discussions also included questions around the future of data sources such as primary vs. secondary data, the need for further and deeper engagement of various elements of the value chain, and the role of artificial intelligence in the process of obtaining auditable data for areas such as raw materials, supply chain, or use phase of products, to name just a few.

Walking into 2025 and looking towards 2030, we are equipped with clear priorities, the drive to continue progressing with decarbonization initiatives, and the energy to bring the sustainability strategy to the next level of maturity. Maintaining a transparent, focused, and value-adding approach to the material impact areas for our stakeholders and the value chain will remain our key objective.

Learn more about INNIO Group’s 2024 progress and achievements on the next pages of this report.

Enjoy the read and continue with us on this journey!

Marcin Kawa
Vice President Group Sustainability

Governance structure overview

Executive Board

Leads INNIO Group in the creation of strong, sustainable financial performance and long-term shareholder value; reviews and approves the Group's strategic plan; and supervises the conduct of the Group's activities within the structure of foresightful and effective internal controls.

Members: President and Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Executive General Counsel

Audit Committee

- Provides oversight of the financial reporting process, the organization's budget, the audit process, the company's system of internal controls, and compliance with laws and regulations

Remuneration Committee

- Provides oversight of INNIO Group's key affairs in areas of corporate governance. Evaluates performance and the characteristics of the Board
- Makes recommendations regarding the compensation and reward policy of the executive officers

Information Security Committee

- Provides oversight of INNIO Group's information security efforts
- Coordinates and oversees INNIO Group's information security strategy

Diversity, Equity, and Inclusion (DEI) Committee

- Creates and modifies the DEI policy
- Oversees, revises, and approves the diversity, equity, and inclusion objectives and activities across the organization
- Communicates initiatives to stakeholders
- Evaluates the effectiveness of ongoing efforts

Ethics & Compliance Commitee

- Provides oversight of ethical and compliant business conduct
- Oversees governance of the Compliance Management Systems (CMS)

ESG Committee

- Reviews and approves ESG strategy, roadmap, and targets
- Monitors implementation of standards and frameworks
- Monitors progress and initiatives toward sustainable goals

- Reviews and approves INNIO Group's risk profile
- Evaluates risk exposure and tolerance
- Identifies, monitors, and manages financial and non-financial risks, including ESG risk
- Reviews and evaluates the Group's practices with respect to risk assessment and risk management

Table 01

In 2024, the INNIO Group Sustainability Review Board (SRB) was expanded into two parallel committees that are closely aligned with the Group's operating business units.

A total of 16 members on the two committees (three women and 13 men) cover all key INNIO Group functions.

The SRBs meet on a quarterly basis. VP Sustainability has oversight into the work of the SRBs and updates the Executive Board each month.

The focus of sustainability governance has shifted significantly to subject matter-dedicated groups that work on progress activities and initiatives but also remain closely aligned with regulatory requirements.

A key initiative of all ESG working groups and task forces is ESG data management and digitalization to allow transparent measurement of qualitative and quantitative key performance indicators (KPIs) and management of initiatives across all ESG pillars.

Sustainability governance

Agenda	Panel	Frequency
→ Assessment of strategy → Review of resources & expertise → Strategic feedback	**Group ESG Advisory Committee**	2x year
→ Strategy implementation → Key achievements & highlights → Outlook	**Group ESG-Update to Shareholders**	3x year
→ Group-wide report-out to C-level leadership → Strategy discussions → Key objectives & approvals	**Update to the INNIO Group Executive Board**	monthly
→ Strategic alignment with functional leadership → Tactical/operational update → Project review/escalations	**Jenbacher BU** Sustainability Review Board (SRB) **Waukesha BU** Sustainability Review Board (SRB)	monthly quarterly
→ Topic-specific workgroups → Project steering committees → SME deep dives	Circular Economy/ Remanufacturing; HR & DEI; Circular Economy/ Remanufacturing Energy Management; Procurement/ Upstream Value Chain; Procurement/ Upstream Value Chain; Energy Management Resources Management	weekly, bi-weekly, monthly

Graph 02

Collaborations and initiatives

We are dedicated to playing a significant role in creating a resilient, inclusive, near-zero carbon future. Since 2023, our near-term targets for Scope 1, 2, and 3 have been validated by SBTi. INNIO Group commits to robust international coalitions, working with different organizations and participating in programs that promote sustainability and low-carbon technology. Since 2021, we have been part of both the UN Race to Zero and UN Business Ambition for 1.5°C campaigns. INNIO Group also is committed to collaborative action and integrating pioneering approaches into our business activity. In close collaboration with different organizations, we promote sustainability and innovative technology.

United Nations Global Compact	INNIO Group proudly aligns our strategy and operations with the 10 universal principles related to human rights, labor, environment, and anti-corruption, and we take actions that advance societal goals and the implementation of the Sustainable Development Goals (SDGs).
Responsible Minerals Initiative	The Responsible Minerals Initiative provides companies with the tools and resources to make sourcing decisions that improve regulatory compliance and support responsible sourcing of minerals from conflict-affected and high-risk areas.
klimaaktiv	“klimaaktiv” is a program established by the Austrian Ministry of Climate, Environment, Energy, Mobility, Innovation, and Technology for energy-efficient companies. As part of this association, we apply “klimaaktiv” expertise to continuously implement sustainability measures while contributing to the development of the program itself.
Science-Based Targets	Our near-term targets have been validated by the SBTi. INNIO Group commits to reduce Scope 1 and 2 GHG emissions 50% by 2030 from a 2020 base year. In addition, we commit to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2020 base year. INNIO Group is a proud supporter of Race to Zero, a global campaign established by the United Nations Framework Convention on Climate Change (UNFCCC) to bring together global leadership for a healthy, resilient, and zero-carbon future.

Table 02

Ratings and certifications

EcoVadis Platinum Medal	EcoVadis is the world’s largest and most trusted provider of business sustainability ratings. The EcoVadis Sustainability Scorecard illustrates performance across 21 indicators in four themes: environment, labor and human rights, ethics, and sustainable procurement. A Platinum medal is awarded to the top 1% of businesses. EcoVadis’ sustainability recognition levels are based on the percentile rank of companies.
Sustainalytics ESG Top Industry	A Sustainalytics rating offers a clear insight into company-level ESG risk by measuring the size of an organization’s unmanaged ESG risk. Sustainalytics’ rating is comprised of three central building blocks: corporate governance, material ESG issues, and idiosyncratic issues (black swan). INNIO Group has been awarded the ESG Top Industry rating in the Machinery industry.
Canada’s Safest Employers Awards	Canada’s Safest Employers Awards (CSEAs) is recognized as the leading independent awards program in the occupational health and safety profession in Canada. The annual awards recognize outstanding health and safety professionals and companies for their achievements, leadership, and innovation over the past 12 months.
TÜV Süd	INNIO Group received “H2-Readiness” certification from TÜV SÜD for our Jenbacher Type 4 and 6 hydrogen product lines and the associated concept to operate power plants on 100% hydrogen. This independent certification increases investment security for companies and municipalities during the transition to net zero.
ISO certificates	INNIO Group has the following ISO standards across our various sites: ISO 14001: 2015 ISO 45001: 2018 ISO 9001: 2015 ISO 50001: 2018 ISO 55001: 2014 ISO 27001: 2023 INNIO Group received an annual renewal as of November 2024.

Table 03

Customer case studies

RAG Austria

Jenbach CHP technology uses summer solar energy in winter

→ Background

RAG Austria AG is Austria's largest energy storage company and one of Europe's leading technical storage operators. With the opening of the world's first natural hydrogen storage facility in 2023 at its site in Gampern, upper Austria, not far from Seewalchen am Attersee, the company has set a milestone in the field of hydrogen storage. Called “Underground Sun Storage,” the underground pore storage facility can hold up to 4.2 GWh of surplus solar power in the form of hydrogen.

→ Solution

To convert the hydrogen stored in Gampern during the summer months into green electricity for winter and also use the waste heat for heating purposes, INNIO Group installed a flexible, highly efficient 1 MW Jenbacher engine on site as part of a combined heat and power (CHP) system. The Jenbacher engine is particularly suitable for this application as it can use hydrogen in a non-high-purity form.

The plant is a milestone: It is Europe's first hydrogen-powered CHP plant in the 1 MW class supplying an industrial site with electricity and heat in full operation. Specifically, the electricity generated is used for the local requirements of the gas compressor station and the buildings, while the heat is used to heat the buildings at the RAG Austria AG site. With this hydrogen project, the surplus summer production from around 1,000 photovoltaic systems on single-family homes can be shifted to the winter months.

→ Result

With this lighthouse project, INNIO Group and RAG Austria are taking an important step toward net zero by demonstrating how decarbonization can succeed and lay the foundation for greater security of supply with the use of green hydrogen from surplus solar energy. At the same time, the Jenbacher plant in Gampern is an important showcase project for the subsequent upscaling and gradual replacement of natural gas with hydrogen – and thus for the transition to purely renewable electricity generation all year round.

INNIO Group's innovative efforts on this project also were recognized by COGEN Europe, which honored the Group with its Recognition Award 2024 for Technology and Innovation.

“Jenbacher technology enables us to decouple the generation of renewable energy from its consumption, thereby enabling sustainable security of supply all year round.”

Markus Mitteregger, CEO of RAG Austria AG

El Gabal Al Asfar Sewage Treatment Plant

Boosting power and cutting costs at Egypt’s largest wastewater treatment facility

→ Background

Egypt’s El Gabal Al Asfar wastewater treatment plant, the largest in the country, serves 12 million residents in Cairo with a capacity of 2.5 million cubic meters per day. The plant's energy and heat demands are high due to its size. With its latest expansion, it aims to serve 17.5 million people by 2040.

To achieve this, the Construction Authority for Potable Water and Wastewater (CAPW) needed to upgrade its sewage gas-run CHP plant. CAPW decided to replace six older engines with more efficient technology to meet the plant's full load, provide hot water for biogas digesters, and reduce maintenance costs.

CAPW chose INNIO Group’s Jenbacher technology, marking the first use of Jenbacher engines running on sewage gas in Egypt.

→ Solution

This complex project involved replacing six older medium-speed dual-fuel (sewage gas and diesel) gensets. Six new sewage gas-operated Jenbacher Type 6 engines were installed, each with 2.43 MW of electrical output and 1.24 MW of thermal output.

Energy & Contracting Solution Company (ECS) – INNIO Group’s authorized Jenbacher distributor and service provider in Egypt – delivered the complete turnkey CHP plant, including installation, commissioning, and operation.

→ Result

Running on renewable sewage gas from the treatment plant, the Jenbacher CHP plant produces electrical and thermal energy to supply the wastewater treatment plant with heat for the digester for improved digester performance and biogas production.

In fact, the CHP plant’s new configuration now supplies a large amount of power needed for the wastewater treatment plant’s operations, reducing the need for power from the grid and cutting operational costs while delivering greater power supply stability.

“Already the biggest sewage treatment facility in Egypt, the El Gabal Al Asfar wastewater treatment plant continues to grow, bringing the constant need to boost efficiency, cut costs, and operate more sustainably. That means more energy source stability from renewables to keep wastewater treatment operations going – even in the face of ever-growing demand.”

Hany Hashem Refaay, Head of execution department, Construction Authority for Potable Water and Wastewater, Ministry of Housing and Utilities

Materiality assessment and value chain overview

In 2024, a pre-assessment was conducted to identify the material topics for INNIO Group based on the new regulations defined by the Corporate Sustainability Reporting Directive (CSRD) and the corresponding European Sustainability Reporting Standards (ESRS).

Because of the nature of the new standards, we understand that assessing the topics mentioned in the ESRS is an ongoing process. The Group must integrate the topic assessments into existing structures while, at the same, establishing new topics for assessment. The assessments include all entities that are financially as well as operationally controlled by INNIO Group – basically, all operational sites plus service and sales organizations covering the Jenbacher and Waukesha business units.

The Double Materiality (Pre-)Assessment (DMA) was conducted in four steps:

1. Understanding

In the first step, we analyzed our own operations as well as the entire value chain to better understand which topics are relevant and which stakeholders, internally and externally, should be involved. To define a long list of relevant topics, existing industry standards were used to determine the relevance of each ESG topic defined by the ESRS.

As an original equipment manufacturer (OEM), part of the machinery industry, and an engineering company developing energy solutions, we recognize the potential of our role in enabling and accelerating the energy transition. Our energy solutions provide reliable and affordable energy to our customers, wherever they are needed globally. Our products aim to boost energy efficiency and reduce energy losses and carbon footprints. Our engine design allows for fuel flexibility, extended lifetime, and high reuse rate of the critical and energy-intensive components.

People are the central building block of INNIO Group. With passion for engineering and innovation, they design, test, and implement our energy solutions. Our innovations extend further than our products to the upstream elements of procurement and downstream elements of use of products and end-of-life treatment.

2. Identification

In the next step, relevant impacts, risks, and opportunities (IROs) within INNIO Group's operations as well as along the value chain were identified. The analysis of the impact pathways was conducted with both an inside-out and outside-in perspective. On the one hand, the positive and negative impacts the INNIO Group has on the defined ESG topics were assessed. On the other hand, we also analyzed the financial impacts these topics have on our company.

To gain broader insights, an online survey was conducted with internal and external stakeholders such as employees, customers, suppliers, shareholders, and business associates. The stakeholders were asked to rate the severity and reach of the impacts that INNIO Group has on the topics and the repairability of those impacts that were defined as negative. For the financial impact identification, existing parameters of INNIO Group's enterprise risk management were used.

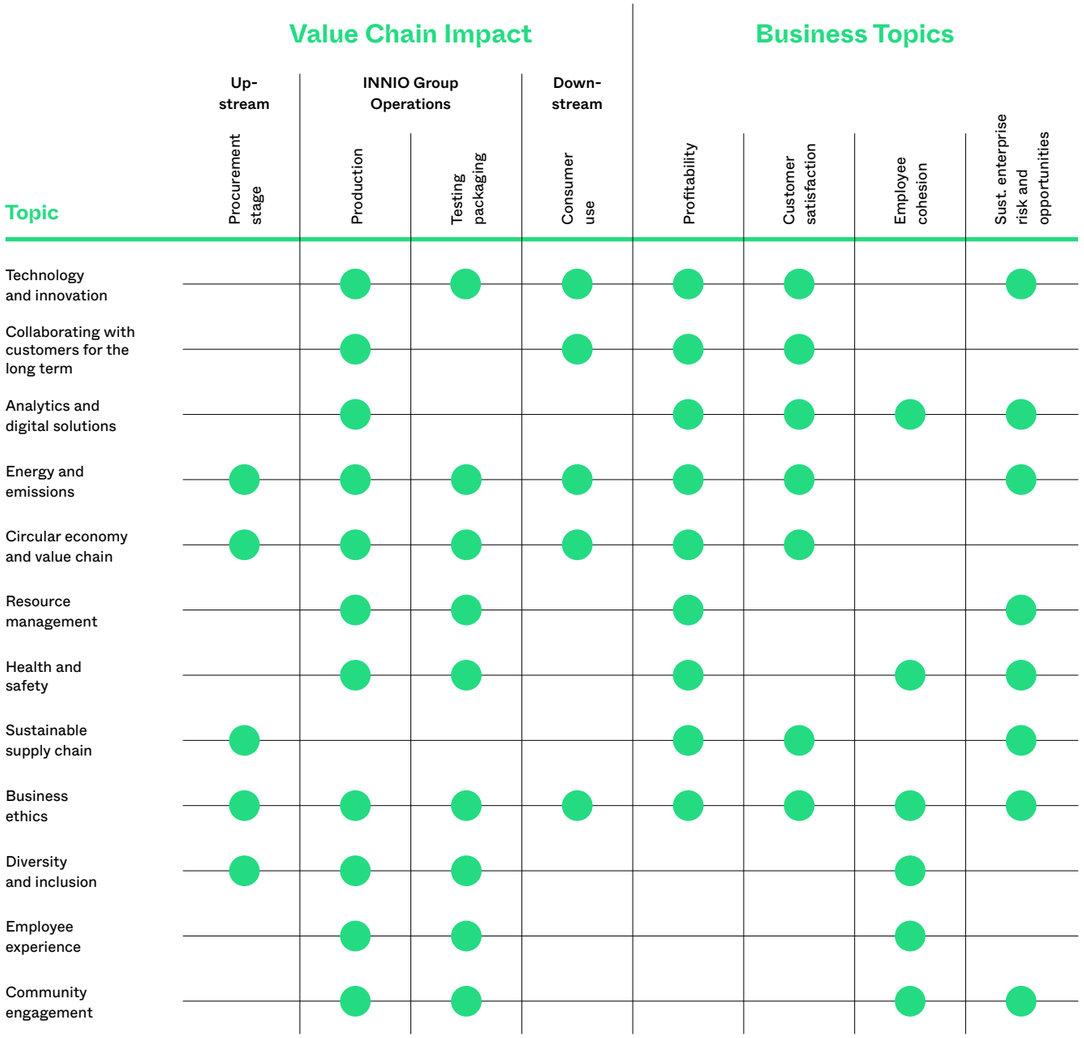
3. Assessment

As a result of the impact pathway and financial pathway identification, each ESG topic received a score. For the materiality assessment, the average of the scores was calculated for the impact and financial impact assessment. Again, for both assessments, the average figure was used as a threshold for material topics.

Based on those assessments, a preliminary list of material topics was defined. The short list of relevant topics was presented to INNIO Group's SRBs for each business unit to gain further feedback. Additionally, the results were matched with industry benchmarks and relevant topics from ESG regulations and ratings.

4. Determination

As a large, private company, INNIO Group is required to disclose ESG data in accordance with the CSRD in the future. Therefore, the first assessment conducted in the reporting year 2024 is meant as preparation. Based on this assessment, we determined material impacts, risks, and opportunities. However, at the same time, we recognized that for specific standards in 2025, INNIO Group must take the time to further expand analyses to gain a solid understanding of every aspect of the ESRS-defined topics. Internal working groups were established and, if needed, external expertise will be conducted. As in previous years, the 2024 report is audited on Global Reporting Initiative (GRI) standards. Therefore, the material topics from the previous year are still shown in the following table.



Graph 03

In the next table, the material topics in reference to the GRI standards are presented in connection with the first results of 2024's double materiality assessment process. Additionally, the respective Sustainable Development Goals (SDG) that INNIO Group has considered in our sustainability strategy also are referenced. For all material topics, the respective ESRS categories were identified, and the 2024 report itself already is structured within the new ESRS framework (without already providing the full required content of individual topical standards).

Subject area	Material topic	ESRS	GRI	SDG	Reference
Environmental	Technology and innovation Analytics and digital solutions Energy and emissions	E1 – Climate change	GRI 302; GRI 305; GRI 308	7, 13	pp. 28 – 38
	Resource management	E3 – Water	GRI 303	6, 15	pp. 39 – 40
	Circular economy and value chain	E5 – Resource use and circular economy	GRI 301; GRI 306	12	pp. 41 – 45
Social	Health and safety Diversity and inclusion Employee experience Community engagement	S1 – Own workforce	GRI 401; GRI 403; GRI 404	3, 5, 8	pp. 47 – 58
	Sustainable supply chain	S2 – Workers in the value chain	GRI 408; GRI 409; GRI 414	10	p. 59
	Collaborating with customers for the long term	S4 – Consumers and end users	GRI 416; GRI 417; GRI 418	9	pp. 60 – 61
Governance	Business ethics	G1 – Governance	GRI 205; GRI 206; GRI 207; GRI 406; GRI 415	16	pp. 63 – 65

Table 04

INNIO Group’s value chain

→ Raw material extraction and sourcing:

The principal raw materials needed for INNIO Group’s engines are metals. We collaborate with top-tier raw material suppliers to design, produce, and deliver top-quality materials and help ensure transparent ethical and operational standards. The recycled material input used in our technology is of top quality, with no compromises in performance when compared with products made from virgin materials. INNIO Group considers the circularity and reusability of components from the design phase to help ensure responsible use of materials and longevity of future products.

→ Engineering and manufacturing:

Our Jenbacher and Waukesha energy solutions are engineered, manufactured, and tested for quality at INNIO Group’s sites in Jenbach, Austria; Welland, Canada; and Waukesha, U.S. The manufacturing sites in Jenbach and Welland follow a sustainable production model that is comprised of renewable energy from the grid or from our own solar panels, all managed by our advanced digital energy management system. INNIO Group’s energy management systems drive a high energy recovery rate in the form of electricity and heat generated from our test benches and engineering labs. Produced thermal and electrical energy are used in our factory buildings to supply our on-site offices with electricity and heat.

Potential surpluses are stored in the on-site battery system or are directed to either a communal heating network or the grid. Our smaller sites and offices use an electricity mix from the grid or from our solar panels, and some use natural gas in their engineering labs.

→ Distribution, use, and services:

As an original equipment manufacturer (OEM), INNIO Group distributes our energy solution systems through a wide network of international authorized distributors or contracts directly with end users in more than 100 countries on six continents. The end users of our products range across the sectors of critical infrastructure, such as hospitals and municipalities, data centers, agriculture and industry, as well as Independent Power Producers. An instrumental part of INNIO Group’s value proposition is the post-sales services we provide. Extensive service and maintenance offerings are complemented with overhaul and remanufacturing and technology upgrade programs to increase efficiency and enable use of low-carbon fuels, such as hydrogen. Users of our energy solutions can further increase effectiveness by taking advantage of our myplant advanced digital platform. It allows for precise monitoring, asset management, remote fixes, smart dispatching of maintenance parts, reduced downtimes, and elimination of operational inefficiencies.

→ Product longevity and end of life:

At INNIO Group, we implement reuse methodology at an early stage of the design phase of our single components, their groups, and complete units. We systematically are expanding the portfolio of parts and components that can be reconditioned to meet our “like-new” and 100% quality requirements and thus can be used in multiple life cycles. We also closely collaborate with our network of authorized distributors and end users to promote responsible, sustainable resource use.

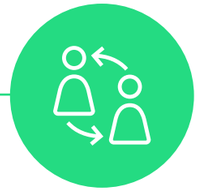
In this respect, our key platform is our remanufacturing (reUp) program. Through our five-step process (Disassembly & Cleaning, Inspection, Machine & Assembly, Testing, and Painting, Packing, & Shipping), we reduce waste, lower greenhouse gas production, and decrease the need for raw materials. In addition to the remanufacturing process, our engines also are continually upgraded to the latest technological standards, including efficiency improvements, which ultimately lead to lower gas consumption. We also continuously analyze other value chain steps connected with the circularity approach in areas such as logistics, packaging, and transportation to enable reduced emissions through localized remanufacturing and elimination of long re-distribution channels.

Key strategic areas for INNIO Group:

Technology and innovation

INNIO Group’s Engineering organization, led by the CTO (a member of the Executive Board), is at the core of our research and development activities. The Engineering team governs product development, new product introduction, testing, validation, and all activities around technology innovation. The team sets internal targets surrounding areas such as the product’s design, characteristics, and energy efficiency – all of which are validated by the Executive Board.

Customer collaboration in the long term



INNIO Group’s Global Sales, Services, and Project Management organizations actively engage with global customers and distributors. Function leaders regularly meet with the Executive Board to discuss strategy, goals, and progress.

Analytics and digital solution

INNIO Group’s Digital Product organization, responsible for our myplant remote applications, works to enhance INNIO Group’s digital offerings. The Group’s Quality Policy, supported by INNIO Group’s digital strategy, describes our commitment to deliver affordable and reliable solutions to our customers. The Digital Product organization regularly aligns with the Executive Board in terms of strategy, goals, and progress.

Our digital value proposition remains threefold. First, the myplant Performance solution increases engine reliability and performance through real-time monitoring. Second, myplant Optimization is designed to optimize our customers’ earnings and simplify their operational life. Finally, the myplant platform focuses on operational excellence and service productivity.

Extensive collaboration with our customers allows INNIO Group to provide and adjust our digital solutions according to their specific needs. Furthermore, we provide an immediate communication outlet for our customers’ questions and requirements through the dedicated INNIO Group customer portal.

Stakeholder engagement

	Frequency and types of engagement	Discussion points	Information flow to the Executive Board	Direct Executive Board engagement
→ **Suppliers**	Regular engagement meetings, in-person and virtual; specific webinars, bulletins, and newsletters; periodic procurement conferences	INNIO Group's ethics and regulatory compliance and Supplier Code of Conduct, raw material quality, commitment to ESG standards, assessment results, circular economy	Briefing by Chief Procurement Officer (CPO) to the Executive Board. Update to Enterprise Risk Management, Supplier Risk, and Resilience Review	INNIO Group's CPO directly reports to INNIO Group's President and Chief Executive Officer, who is also the Chairman of the Board.
→ **Employees**	Annual employee and ethics trainings and periodic all-employee updates by the leadership teams	Employee development, training, diversity and inclusion, compliance, health and safety concerns, updates on priorities and business developments	HR Committee and Diversity, Equity, and Inclusion (DEI) Committee report directly to the Board, whistleblowing platform (SPEAK UP!)	INNIO Group's VP Human Resources directly reports to INNIO Group's President and Chief Executive Officer, who is also the Chairman of the Board.
→ **Customers**	Regular engagement meetings, in-person and virtual; specific webinars, bulletins, and newsletters; trade shows, regional customer conferences, product trainings, updates	Product-related discussions, commercial updates, ethics and compliance trainings, sustainability expectations, product and solution developments	Monthly reports from Executive Directors include material customer matters, strategic partnership briefings	INNIO Group Board members are actively involved in select customer interactions and engaged in partnership building. Periodically, INNIO Group hosts customer conferences and exhibitions to further stimulate engagement.
→ **Local authorities and communities**	Regular reports on various environmental data points via a variety of platforms, support and sponsorship for multiple local initiatives	Reporting on environmental topics such as noise, water, waste, and emissions	Direct reports from the Operations Committee to the Chief Executive Officer and Chairman of the Board on a regular basis	VPs of Operations of respective business units in collaboration with the VP Human Resources and VP Communications engage with local and international communities and organizations. All report directly to INNIO Group's CEO and President.
→ **Government/ industry associations**	Official correspondence and visits as needed, interviews to provide industry experience and advice, conferences (e.g., briefings, public hearings, seminars, meetups)	Compliance with environmental regulations, development trends in energy engineering technologies	Regular reports as applicable	VP Compliance reports directly to the CEO and Executive Board. The Board relies on dedicated functions at a Group or business unit level and does not have direct contact with regulators unless appropriate. Clear political engagement rules are in place for the Group. Board members participate in speeches, conferences, and discussions with industry associations.
→ **Providers of capital**	Regular virtual and face-to-face meetings and teleconferences	Updates on macroeconomic and financial performance from the company's operations, future growth potential, and measures in response to climate change and energy policy	Investor Relations treasury reports, investor meeting reports	The CFO and Executive Board engage directly with our investors through regular digital or in-person meetings discussing all relevant topics. INNIO Group meets our shareholders at the regular business update meeting, which provides an opportunity for our investors to receive updates and ask questions to the Board.

Other examples of stakeholders

This landscape is evolving as new participants are added to ensure access to new information, perspectives, and best practice sharing in the ever-changing environment.

- → Distributors
- → Authorities and regulatory bodies
- → Tax authorities
- → Associations
- → Shareholders
- → Lenders and financial communities

Table 05

INNIO Group sustainability goals

	Low-carbon and circular products	Resilient supply chain and manufacturing	Responsible operations and social responsibility
2022	All new Jenbacher engines are ‘Ready for H2.’ Engines can be offered with the option to operate with up to 25% (vol) H2 in the pipeline gas. All Type 4 engines are available for 100% H2 operations. The next flagship customer project(s) will be commissioned with 100% hydrogen operation.		A yearly ongoing goal is zero serious injuries for all employees and contractors. We also encourage continuous engagement and social support to communities.
2023		Suppliers covering 80% of spend must receive a reputable ESG rating – by 2023 for direct suppliers and by 2025 for indirect suppliers.	
Achieved goals			
2025	Beginning in 2025, INNIO Group’s entire Jenbacher product line is expected to be rolled out for 100% hydrogen operation. Fleet upgrades will be available to transform most of the already installed engines into a 100% hydrogen engine on site.		A 25% increase of identified diversity groups across functions is planned, compared to the 2020 baseline.
2030	All Jenbacher products will be available with a 90% reduction in methane emissions compared to today’s regulatory limits (44. BImschV). All new products and/or components will be made with materials that will be in total (> 90% weight) reusable, remanufacturable, reclaimed, or recycled.	The 50% reduction in Scope 1 and Scope 2 greenhouse gas (GHG) emissions (vs. 2020 base) will be fully implemented. Suppliers covering 80% of direct and indirect spend must commit to net zero by 2050.	People leadership diversity will continue to develop.

All of INNIO Group’s goals are underpinned by governance, business ethics, and transparency.

UN SDGs

Graph 04

02

Environment

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30 Policies related to mitigation and adaptation
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34 Targets
34 Energy consumption and mix
36 Gross Scopes 1, 2, 3, and total GHG emissions

39 E3 – Water
39 Actions and resources
39 Targets
40 Water withdrawal, discharge, and consumption

41 E5 – Resource use and circular economy
41 Services and remanufacturing
42 Material resource inflows
44 Waste

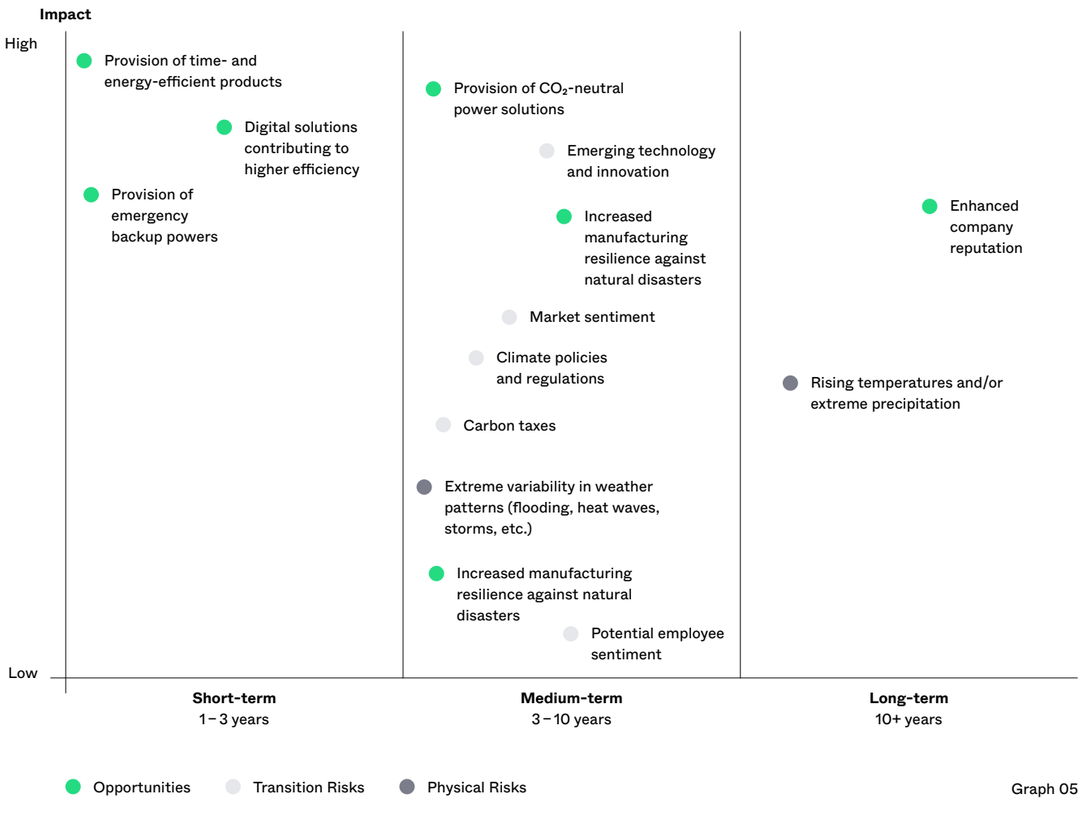
E1 – Climate change

At INNIO Group, we recognize the importance of using our position as a global energy provider to help drive a sustainable future. We see low-carbon technology as a key element of sustainable development as it meets the needs of our present society while safeguarding the needs of future generations. Our Jenbacher and Waukesha product lines are designed and manufactured to last for multiple lifetimes.

Material impacts, risks, and opportunities

Related to climate change adaptation and mitigation, we conducted a risk and opportunity analysis based on the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. Please see an overview of the results on the following pages.

Short-, medium-, and long-term risks and opportunities



Graph 05

Climate risks & opportunities

Physical risks/opportunities	Potential financial impact	Key response strategy
→ Extreme variability in weather patterns (flooding, heat waves, storms, etc.) → Rising temperatures and/or extreme precipitation	→ Extended periods of extreme weather events (short-term) or rising temperatures (long-term) can lead to production or sourcing disruption, bringing increased operating costs.	→ We evaluate water stress risks for the company's manufacturing sites, and we consider the establishment of climate change-related risk-adaptive measures. (Table 7, page 30)
→ Provision of time- and energy-efficient products → Provision of emergency backup power → Increased manufacturing resilience against natural disasters	→ Meeting customers' demands for time- and energy-efficient products translates to incremental revenues. → Strengthening climate resilience and lowering the risks of operational disruption can lead to reduced indirect operating costs and financial losses.	→ INNIO Group continuously designs and invests in the development of products that are time- and energy-efficient as well as resilient to extreme weather conditions.

Transition risks/opportunities	Potential financial impact	Key response strategy
→ Carbon taxes → Climate policies and regulations	→ Energy transition policies, pollution control regulation, policies on resource conservation, and public subsidies potentially could cause restrictions on manufacturing capacity expansion and increase operating costs.	→ INNIO Group continuously invests in research and development of energy-efficient products that can enable our customers to comply with existing and future climate policies and regulations. INNIO Group is one of the first OEMs offering hydrogen-ready engines and digital solutions for real-time monitoring and performance optimization.
→ Emerging technology and innovation → Digital solutions contributing to higher energy efficiency → Provision of CO_2-neutral power solutions → Increase of renewable energy programs in manufacturing	→ Revenues potentially could decrease due to competition from energy storage innovation systems. Incremental revenues could result from increased demand for INNIO Group's CO_2-neutral power and digital myplant solutions.	→ INNIO Group already has established concrete renewable energy programs, and we plan to further accelerate renewable energy development in manufacturing. → INNIO Group's energy solutions provide versatile application and flexibility of fuels for near-zero emissions.
→ Market sentiment → Potential employee sentiment	→ People's awareness (including investors, consumers, etc.) and expectations concerning climate change are increasing, creating a shift in their behavior, preferences, and decisions. Failing to meet stakeholders' expectations and company perceptions could harm INNIO Group's reputation.	→ INNIO Group promotes climate-friendly corporate actions through our products and operations and adheres to transparent disclosures of our sustainability efforts.
→ Enhanced company reputation	→ Attraction of best talent, reduced costs, and potentially increased revenues	

Table 06

INNIO Group's adaptive measures against potential physical climate risks

Physical climate risk	Adaptive measures
Extreme heat	INNIO Group, given the location of our main facilities, is currently not exposed to extreme heat scenarios.
Wildfires	INNIO Group, given the location of our main facilities, is currently not exposed to wildfires.
Droughts	Since 2020, INNIO Group has adopted the Water Risk Atlas from the World Resources Institute (WRI) to evaluate water-related risks for our main facilities. According to the results, the Jenbach and Welland sites both have a low-medium drought risk, while the Waukesha facility has a medium-high risk.
Flooding	INNIO Group installed measures, such as protection walls and pumping systems, to prevent high water impact.
Strong winds	INNIO Group's facilities are built to high construction standards using durable materials to help ensure sufficient protection against strong winds and potential disintegration or structural damage of buildings or adjacent infrastructure.

Table 07

Policies related to mitigation and adaptation

INNIO Group has our own ESG Policy as well as business unit-specific environmental policies for the Jenbacher and Waukesha operational sites.

Following are our supplier policies:

- Our common journey toward zero
- Your environmental impact – recommended first steps for suppliers
- Supplier Code of Conduct
- Conflict Minerals Policy

In the reporting year, Scopes 1 and 2 progress updates were provided to the Executive Board on a quarterly basis. Scope 3 progress updates are provided annually. Important areas relating to INNIO Group's environmental impact are documented by INNIO Group's Integrated Management System (IMS) and the corresponding Environmental Policy. Furthermore, companywide governance is monitored by the site's Environmental Management teams to ensure compliance with standards and regulations. Facility leadership teams regularly assess reports on initiatives, goal setting, monitoring of relevant performance KPIs, and environmental indicators. Additionally, these are presented quarterly to the Executive Board for discussion and approval.

Actions and resources in relation to policies

INNIO Group is committed to decarbonizing both our own and our customers' operations, while also reducing emissions in our supply chain through the following four approaches:

- INNIO Group's Executive Board is responsible for reviewing and approving our vision and strategies for climate change.
- INNIO Group helps ensure strategies are realized, implements mitigation and adaptation measures, and provides advanced, sustainable technologies to enable our customers to enhance their green competitiveness.
- INNIO Group's overall enterprise risk management incorporates climate change into our core. This includes identifying the relevant climate risks as well as quantifying their future financial impact.
- Finally, INNIO Group assesses the severity and trends of climate change when setting performance indicators and quantitative goals. Progress and status updates toward these indicators are discussed with the Executive Board. A central commitment for INNIO Group is to demonstrate transparency and be open with our stakeholders regarding both the risks and opportunities we anticipate.

Considering INNIO Group's corporate carbon footprint, we focus on three main areas to help reduce greenhouse gas emissions across the entire value chain.

- Building a resilient and low-carbon supply chain through extensive collaboration with suppliers.
- Increasing our energy efficiency through the adoption of new energy-saving measures. At the same time, we are advancing the use of renewable energy in our operations.
- Contining to invest in research and development to fully use our flexible solutions and successively expand our low-carbon technologies for our own operations as well as those of our customers.

Upstream

By expanding the use of recycled and reclaimed materials and optimizing upstream transportation, INNIO Group can promote a more sustainable, less carbon-intensive supply chain.

Recycled metallic input materials correspond to 58% of our products. INNIO Group aims to increase this percentage each year. In doing so, circularity will be promoted and driven throughout the life cycles of our products.

To accomplish this, we have set ambitious targets for ourselves. To further strengthen this commitment, INNIO Group began a partnership with EcoVadis, a global leader in third-party evaluations of business sustainability performance. This collaboration aims to assess the sustainability performance of INNIO Group's suppliers through proactive ratings and evaluations using EcoVadis' methodology. So far, this assessment has enabled us to gain a clearer view of our suppliers, evaluate them, and promote responsible business practices throughout the supply chain.

Additionally, we continue to gain important insights into the challenges and collaboration opportunities to jointly decarbonize the value chain. To formalize joint commitments between INNIO Group and our suppliers, we have requested that suppliers set ESG-related and carbon-reduction goals. By the end of 2024, more than 80% of our top 200 suppliers had committed to a 50% reduction in their GHG emissions by 2030. We plan to further engage with suppliers to achieve these sustainable targets.

Training
Internally, we also have been striving for improvement. Throughout the year, the Sustainable Procurement team has been holding internal trainings for our Sourcing department. These included trainings on the EU's new Carbon Border Adjustment Mechanism and a separate training covering the upcoming ESG regulations (e.g., EUDR).

Suppliers
In 2024, we were in talks with more than 200 of our direct and indirect suppliers on various topics, including ESG ratings, scorecard improvement, GHG reduction commitments, trainings, and circular economy.

New suppliers screened for environmental impacts[3]

4	suppliers identified as having significant actual and potential negative environmental impacts
6	significant actual and potential negative environmental impacts identified in the supply chain

→ **91% of INNIO Group's new suppliers have been screened.**

Table 08

Our operations

INNIO Group promotes responsible operations by adopting key mitigation technologies and increasing the use of renewable energy.

We are determined to continue using the best available technology to reduce GHG emissions. Regarding our own operations and in particular the impact on Scope 1 and 2 GHG emissions, we aim to decarbonize our emissions with low-carbon manufacturing.

INNIO Group has a long-standing commitment to advanced manufacturing and aspires to be a global leader in low-carbon production. For many years, our headquarters in Jenbach has followed a production model in which all test benches are integrated and controlled with our future-oriented myplant energy management system for self-supply of electricity and heat as well as with grid connection for electricity feed-in to the public grid. Since 2021, INNIO Group's headquarters has taken significant steps toward our goal of Scope 1 and 2 near-term climate targets by investing in the hydrogen network to supply green hydrogen for our test benches and engineering labs. Through a cooperation between INNIO Group and the Tyrolean energy supplier TIWAG, we are building an electrolysis facility, which will convert electricity from renewable energy sources into green hydrogen. The produced hydrogen will be used at our main operating site in Jenbach.

3 INNIO Group has addressed all instances of identified actual or potential impact.

Downstream

INNIO Group provides energy-efficient technologies to help customers shape a greener future.

Energy efficiency improvements are a critical solution in the road to achieving net-zero emissions by 2050. With the ability to run on low-carbon fuels and bioenergy in addition to natural gas, INNIO Group's high-efficiency Jenbacher cogeneration (also known as CHP) technology has been contributing to decarbonization. We continue to pursue the principle of Efficiency First, which conveys our desire to simultaneously achieve greater efficiency and lower emissions. With that goal, we have been able to increase efficiency by 50% since product introduction, reducing the CO_2 footprint by around 30%.

For many decades, an on-site boiler for heat production was used in parallel with electricity generation equipment. However, combined heat and power (CHP) technology generates electricity and captures heat simultaneously, reaching overall efficiency of more than 90%. INNIO Group's data shows that by using CHP technology, our customers can reduce CO_2 emissions and primary energy consumption by around 30% compared to conventional electricity and heat generation. As the fuel mix decarbonizes, cogeneration cost-effectively reduces emissions by displacing more energy and carbon-intensive technologies.

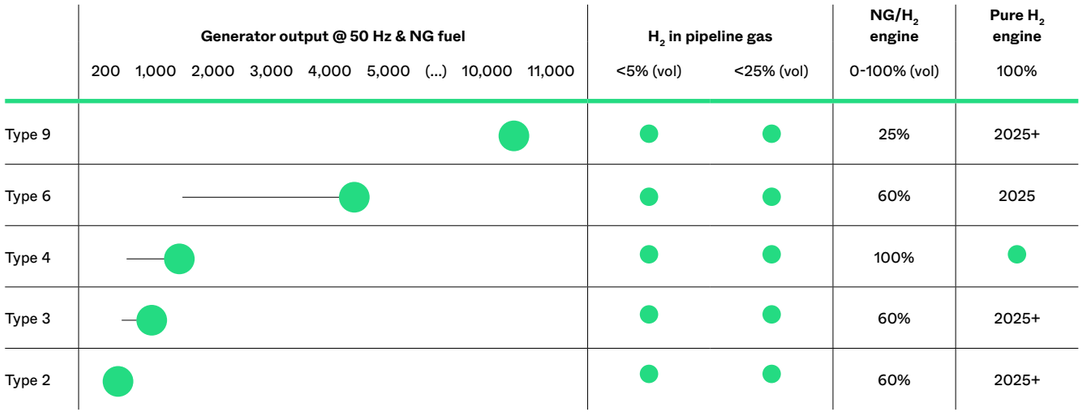
We are committed to continued investment in research and development, which will enable our customers to transition to a resilient, low-carbon future using a long-term energy solution such as distributed and decentralized power and heat.

In 2021, INNIO Group introduced our "Ready for H2" product portfolio for our Jenbacher engines, enabling customers to use the fuel of the future in various options today. In 2023, INNIO Group received the "H2-Readiness" certification from TÜV SÜD for our Jenbacher Type 4 and 6 hydrogen product lines and the associated concept to operate power plants on 100% hydrogen.

INNIO Group is actively pursuing different ways to use hydrogen in our engines to increase power system flexibility. We have been operating Jenbacher engines with high hydrogen content for many years. For example, some Jenbacher engines operate on steel gases and synthetic gases with high hydrogen content of up to 60% (volume). Therefore, Jenbacher engines are already highly flexible in admixing hydrogen to natural gas. Once hydrogen is available on a large scale, Jenbacher engines used for peaking and CHP applications can be converted from natural gas to hydrogen operation. In the short term, hydrogen can be blended with natural gas in "Ready for H2" engines, which are configured to enable operation on natural gas blended with up to 25% hydrogen. As of today, Jenbacher Type 4 engines – with an approximate output of 600 to 1,000 kW – are available for operation with 100% hydrogen or mixtures of natural gas and hydrogen.

By 2024, around 200 MW of INNIO Group's pilot engine installations are ready to use hydrogen as a fuel. Additionally, the amount of INNIO Group's order intake designated to operate on low-carbon fuels (such as biogas, landfill gas, or sewage gas) was around 23% of units in 2024.

Power output (kWel)



Graph 06

Targets

INNIO Group reports on Scope 1, 2, and 3 emissions, according to the GHG protocol. In addition, our near-term targets have been validated by the SBTi. INNIO Group commits to a 50% Scope 1 and 2 GHG emissions reduction by 2030 from a 2020 base year. In addition, INNIO Group commits to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2020 base year.

Energy consumption and mix

The INNIO360 Energy Lab at our Jenbach headquarters features a fully integrated microgrid, PV systems, battery storage, a Jenbacher CHP system, a small hydropower plant, a power-to-heat hot water storage tank, and an entire energy supply chain controlled by our myplant digital platform. It also will incorporate green hydrogen beginning in 2025. Additionally, construction of our Welland site used sustainable design strategies, including low-emitting materials, proper air quality and thermal comfort, and energy-efficient building envelopes, equipment, and lighting systems. Finally, the factory's initiative included the deployment of digital communication throughout the facility, reducing waste. These considerations enable our production site in Welland to use a smaller amount of more efficient energy, thus reducing greenhouse gas emissions.

INNIO Group's energy management system is part of the IMS and acts in accordance with ISO 50001. Through annual energy consumption monitoring and a set of internal targets, INNIO Group aims to identify energy consumption improvement areas. We plan to continue increasing the energy efficiency of our operations through technical improvements and process optimization. To be more specific, at our headquarters and main production facility in Jenbach – which accounts for approximately 60% of our total energy consumption – we use an advanced energy management system, powering our operations through high energy recovery from the electricity produced during testing. Our production process uses produced thermal and electrical energy, with any surplus being provided to the communal heating network or grid. We aim to sell the energy produced by testing our engines on site back to the local grid. Moreover, in our two production sites – in Jenbach and Welland – the electricity purchased from the grid is renewable or low carbon. Our smaller sites and offices use an electricity mix from the local grid.

In 2024, there was more energy consumed while the energy intensity (energy consumption/net sales) decreased by 6%. The area of research and development as well as quality assurance of engines accounted for 72% of INNIO Group's natural gas consumption. The remaining 28% of natural gas was used for the manufacturing processes. The demand for purchased energy fell slightly in 2024. Due to the availability of more accurate natural gas consumption data at the Welland site, including prior years, the energy figures have been adjusted and show higher values compared to the last report.

Energy	Availability of information	Unit	2024
Total energy consumption[4]			196,194
Energy intensity (MWh energy consumption/total net sales)			0.00010
Energy intensity (kWh energy consumption/total net sales)			0.09750
Non-renewable sources on site			182,859
Natural gas			182,859
Renewable sources on site			1,488
Hydropower			103
Photovoltaics			935
Others (balancing power)			450
Purchased energy	Group level	MWh	31,789
Purchased electricity			31,679
Purchased heat			110
Purchased cooling			0
Purchased steam			0
Sold energy			19,942
Electricity sold			19,573
Heat sold			369
Cooling sold			0
Steam sold			0

Table 09

4 Total energy consumption within the organization = Non-renewable sources on site + Renewable sources on site + Purchased energy - Sold energy

Gross Scopes 1, 2, 3, and total GHG emissions

The GHG emissions for own operations (Scope 1 and 2) decreased by 2 percentage points in 2024 in comparison to the previous year, and by 5 percentage points compared to the base year 2020. The Scope 1 and 2 emissions intensity (tons of CO_2e/net revenues) decreased by 10 percentage points year on year.

Regarding Scope 3, the use phase emissions of sold products represent the biggest share. For this category, two figures are disclosed, use phase emissions representing the reporting year only and use phase emissions covering one life cycle of an engine (60,000 operating hours). For the use phase emissions in the reporting year only, there was a decrease of 658,747 tons of CO_2e in 2024, whereas for the full life-cycle emissions in the use phase, an increase was identified.

The calculation model relies on the operating model of the engines (actual operating hours), fuel application, and energy generated. INNIO Group's engines are designed for longevity and to operate for multiple life cycles. With this approach, the life cycle of engines can be extended and operated for a longer period in the field. Although there are higher GHG emissions in the use phase because of the extended life cycle, over time this extended life-cycle results in a decrease in upstream emissions by supporting the concept of circularity and protection of virgin resources. In the reporting year, the scope of the use phase calculation was expanded to now include remanufactured engines after their first life cycles. The figures have been updated back to the base year 2020.

GHG emissions total (metric $ktCO_2e$)	Base year 2020	2021	2022	2023	2024
Total GHG emissions (Scope 1, 2, and 3) – life cycle of sold engines[5]	50,158	60,419	67,377	77,940	82,741
Total GHG emissions (Scope 1, 2, and 3) – reporting year	5,175	6,145	6,998	8,148	7,509
Scope 1, 2, and 3 emissions reductions – reporting year	n/a	970	854	1,150	-640

Table 10

GHG emissions intensity	Base year 2020	2021	2022	2023	2024
Scope 1 and Scope 2 (market-based) emission intensity (tons of CO_2e/net revenues)	0.000033	0.000027	0.000022	0.000023	0.000021
Scope 3 emission intensity (tons of CO_2e/net revenues) – reporting year only	0.003718	0.004157	0.004070	0.004257	0.003599
Scope 3 emission intensity (tons of CO_2e/net revenues) – full life cycle	0.037515	0.042217	0.040420	0.041860	0.040991

Table 11

GHG emissions in detail	Base year 2020	2021	2022	2023	2024
Scope 1 and 2 emissions – in thousand tons of CO_2e [metric $ktCO_2e$]					
Scope 1	35.92	31.43	30.73	36.35	35.56
Scope 2 emissions (location-based)	9.17	7.27	7.26	7.65	7.31
Scope 2 emissions (market-based)	8.39	6.58	6.03	6.60	6.40
Scope 1 and 2 emissions (location-based)	45.09	38.69	37.99	43.99	42.86
Scope 1 and 2 emissions (market-based)	44.31	38.01	36.76	42.95	41.96
Scope 3 emissions – in thousand tons of CO_2e [metric $ktCO_2e$]					
Total Scope 3 (reporting year)	5,131	6,107	6,962	8,105	7,467
Total Scope 3 (life cycle)[5]	50,113	60,381	67,340	77,897	82,699
3.1 Purchased goods	106.01	105.04	120.24	113.06	109.63
3.2 Capital goods	29.46	28.61	29.89	40.82	65.81
3.3 Indirect fuel- and energy-related activities	14.01	12.32	12.23	10.52	10.29
3.4 Upstream raw material transport[6]	9.31	11.43	9.68	10.32	9.91
3.5 Waste	2.37	1.17	3.06	2.96	3.06
3.6 Business travel[6]	0.33	0.28	0.75	0.71	0.75
3.7 Employee commuting[6]	2.54	2.96	4.41	3.91	4.22
3.8 Upstream leased assets[6]	1.76	3.08	3.72	3.64	3.28
3.9 Downstream product transport[6]	1.72	2.10	4.20	4.44	3.66
Use of sold products (reporting year)	4,949	5,928	6,760	7,901	7,242
3.11 Use of sold products (life cycle)[5]	49,932	60,202	67,138	77,692	82,475
3.12 End of life	13.84	11.61	13.52	14.35	14.22
Total transportation emissions (Well-to-Wheel)[7]	20.06	25.43	29.79	30.01	29.80

Table 12

5 One life cycle represents 60,000 operating hours of an engine. Total emissions during the life cycle of a product are dependent on the application and the operational model. INNIO Group's engines are designed and built to operate for multiple life cycles, significantly supporting the concept of circularity.
6 Tank-to-Wheel boundary including direct emissions from fuel combustion.
7 Well-to-Wheel boundary including direct emissions of fuel combustion and indirect emissions from upstream activities.
The energy-related data for our main facilities comes from bills and on-site calculations and is used to calculate emissions for both Scope 1 and 2 emissions. Estimates are used where primary data is not available and are based on employee headcount. INNIO Group reports Scope 3 emissions for all relevant categories. For total GHG emissions, the market-based Scope 2 figures are used. For more details about INNIO Group's GHG inventory, please see page 38.

Detailed GHG emissions inventory

In the previous reporting year, all potential material emission sources of the INNIO Group were analyzed and calculated in accordance with the World Resource Institute Greenhouse Gas Protocol (GHG Protocol). Building on this, the focus in 2024 was on further expanding data quality. Based on the standards of the GHG Protocol, INNIO Group's corporate carbon footprint is structured in: Scope 1 emissions include all direct emissions from a company's activities or from activities under its control, including the combustion of fuels on site. Scope 2 emissions include indirect emissions from the purchase and use of electricity and heat by the company. Scope 3 emissions are defined as all other indirect emissions from activities of the company that originate from sources that the company neither owns nor controls, as well as emissions along the value chain.

As part of INNIO Group's climate target submission to SBTi, we re-evaluated all Scope 3 categories in the reporting year. The following Scope 3 categories are considered to be relevant for INNIO Group's business model and therefore included in the corporate carbon footprint: 3.1 Purchased Goods, 3.2 Capital Goods, 3.3 Fuel Indirect, 3.4 Upstream Raw Material Transport, 3.5 Waste, 3.6 Business Travel, 3.7 Employee Commuting, 3.8 Upstream Leased Assets, 3.9 Downstream Product Transport, 3.11 Use Phase, and 3.12 End of Life. In the reporting year, figures for Scope 1, Scope 2, Scope 3.1 Purchased materials, 3.3 Indirect energy-related emissions, 3.4 Upstream Transport, 3.11 Use phase of sold products, 3.12 End-of-Life of sold products were updated back to the base year due to the availability of more accurate data. In line with SBTi, we consider not only the tank-to-wheel but also the well-to-wheel method for all transport-related emissions. The emissions are demonstrated in tons of CO_2-equivalents and cover more than 98% of the INNIO Group, using the financial control approach. For the calculation, we used actual data, including data provided by suppliers or other value chain partners. In some cases, model-based assumptions were made. To be more specific, in some of our office locations where data was not available, emissions from natural gas, electricity, and waste generation were estimated based on employee headcount at each location. CO_2 emissions factors are used from suppliers and databases, such as the U.S. Environmental Protection Agency (U.S. EPA), Environment Agency Austria (UBA-GmbH), Agence de la transition écologique (ADEME), and ecoinvent. GHG emissions include CO_2 ($GWP_{100} = 1$), CH_4 ($GWP_{100} = 25$), and N_2O ($GWP_{100} = 298$) based on the Fourth Assessment Report (AR4) by the Intergovernmental Panel on Climate Change (IPCC). For some categories, emissions from F-gases also are considered. Our near-term targets have been validated by the SBTi. INNIO Group commits to reduce Scope 1 and 2 GHG emissions 50% by 2030 from a 2020 base year. 2020 was chosen as the base year because since then the data for all applicable categories across the three scopes has been available in the required availability and quality. In addition, INNIO Group commits to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2020 base year. INNIO Group is a proud supporter of Race to Zero, a global campaign established by the United Nations Framework Convention on Climate Change (UNFCCC) to bring together global leadership for a healthy, resilient, and zero-carbon future.

E3 – Water

Water mainly is used in production for cooling our engines and cleaning purposes, while outside of production its main uses are for the canteen and sanitation. Because INNIO Group only uses third-party and groundwater, marine resources are not material.

Actions and resources

Water management at INNIO Group's main sites is covered by our IMS. In addition, our headquarters in Austria is ISO 140001 certified. Dedicated experts from INNIO Group are responsible for monitoring and managing water-related activities to help ensure that INNIO Group is compliant with applicable laws, regulations, and standards. Goals, KPIs, and corresponding management approaches are monitored regularly and communicated to the Executive Board at least quarterly. The Executive Board then provides feedback.

INNIO Group uses international tools and indexes to conduct high-level water risk assessments on an annual basis. Since 2020, INNIO Group has adopted the Water Risk Atlas from the World Resources Institute (WRI) to evaluate water-related risks for our facilities. According to the results, the Waukesha and Welland sites both have a medium-high risk, while the Jenbach facility has a low overall water risk.

INNIO Group withdraws water from two sources, groundwater and third-party water. Regarding discharge quality, INNIO Group adheres to locally legislated requirements. We systematically monitor and appropriately manage all water discharge. In addition, local regulatory authorities are involved, helping to ensure that we follow environmental regulations and obtain all required permits for direct and indirect water discharges.

Targets

INNIO Group's VPs of Operations and the Operations team are responsible for the sustainable management of our operating procedures. The team sets both internal and external environmental goals, some of which are described in INNIO Group's Environmental Policy.

Additionally, the team implements new sustainability-related projects for our operations and conducts external audits (such as the ISO14001 surveillance audit) to help ensure that our procedures align with applicable international standards, local laws, and regulations.

Water withdrawal, discharge, and consumption

In 2024, the amount of water withdrawn increased, while consumption decreased at the same time. The reasons for the increased water withdrawal are, on the one hand, the increased production volume in the reporting year and identified leaks that already have been remedied. Compared to previous reports, more precise figures can be shown for the discharged water, which is why this report also shows discharges into surface waters.

Water[8]	Availability of information	Unit	2024
Total water withdrawn	Group level	mL	1,109
Groundwater			924
Third-party water			185
Surface water			n/a
Total water discharge			1,083
Groundwater			699
Third-party water			159
Surface water			225
Total water consumption			26

Table 13

8 Primary data is used to calculate water withdrawal, discharge, and consumption where INNIO Group operates, and in some cases estimations were made where primary data is not available. Water withdrawals are based on data from utility bills from our largest sites. Estimates are based on employee headcount.

E5 – Resource use and circular economy

Services and remanufacturing

A circular economy is characterized by the continuous circulation of products and materials via processes such as maintenance, reuse, refurbishment, remanufacturing, recycling, and composting. These principles, outlined by the Ellen MacArthur Foundation, are central to INNIO Group's circular economy strategy. To reduce the systematic waste of finite materials, products can be shared, maintained, reused and redistributed, refurbished or remanufactured, or recycled.

With a global network, INNIO Group's Services offerings encompass a wide range of areas including maintenance, training, the provision of spare parts and consumables, upgrades, service agreements, digital solutions, consultancy, and remanufacturing. These services are designed to cover every aspect of our products' life cycle and assist in achieving peak performance. The Services portfolio provides our customers with better control over maintenance costs, more uptime, access to technical support, and predictive maintenance. For more information about our digital services, please refer to chapter "S4 – Consumers and end users" on page 60.

Remanufacturing

The aim of INNIO Group's Remanufacturing program is to follow a process of returning end-of-life products to the same condition as new ones. In our holistic and systematic five-step Remanufacturing process, our engines and parts are carefully re-assembled and comprehensively tested before delivery. In this way, we help ensure that all parts work together in harmony for optimal system performance. The five steps of our Remanufacturing process are:

1. Disassembly & Cleaning
Engines and parts are disassembled and cleaned by skilled personnel to eliminate and remove elements that can hide flaws.

2. Inspection
All engines and parts are carefully inspected and thoroughly tested. We use OEM dimensions and tolerances to help ensure specifications are met.

3. Machine & Assembly
Skilled assemblers follow exact standards and specifications from the most current engineering drawings when remanufacturing parts. All worn parts that do not meet our strict requirements are replaced by new OEM parts.

4. Testing
Every engine and part that leaves the factory has been comprehensively checked. Each test is recorded and stored electronically to maintain quality control.

5. Painting, Packing, & Shipping
Engines and parts are painted or preserved and carefully packaged to help protect them from the elements. They can be installed right out of the box.

The Remanufacturing program includes both the overhaul of an entire engine (reUp engine) as well as remanufactured core parts (reUp spare parts), such as cylinder heads, bypass valves, and intercooler as well as water and oil pumps.

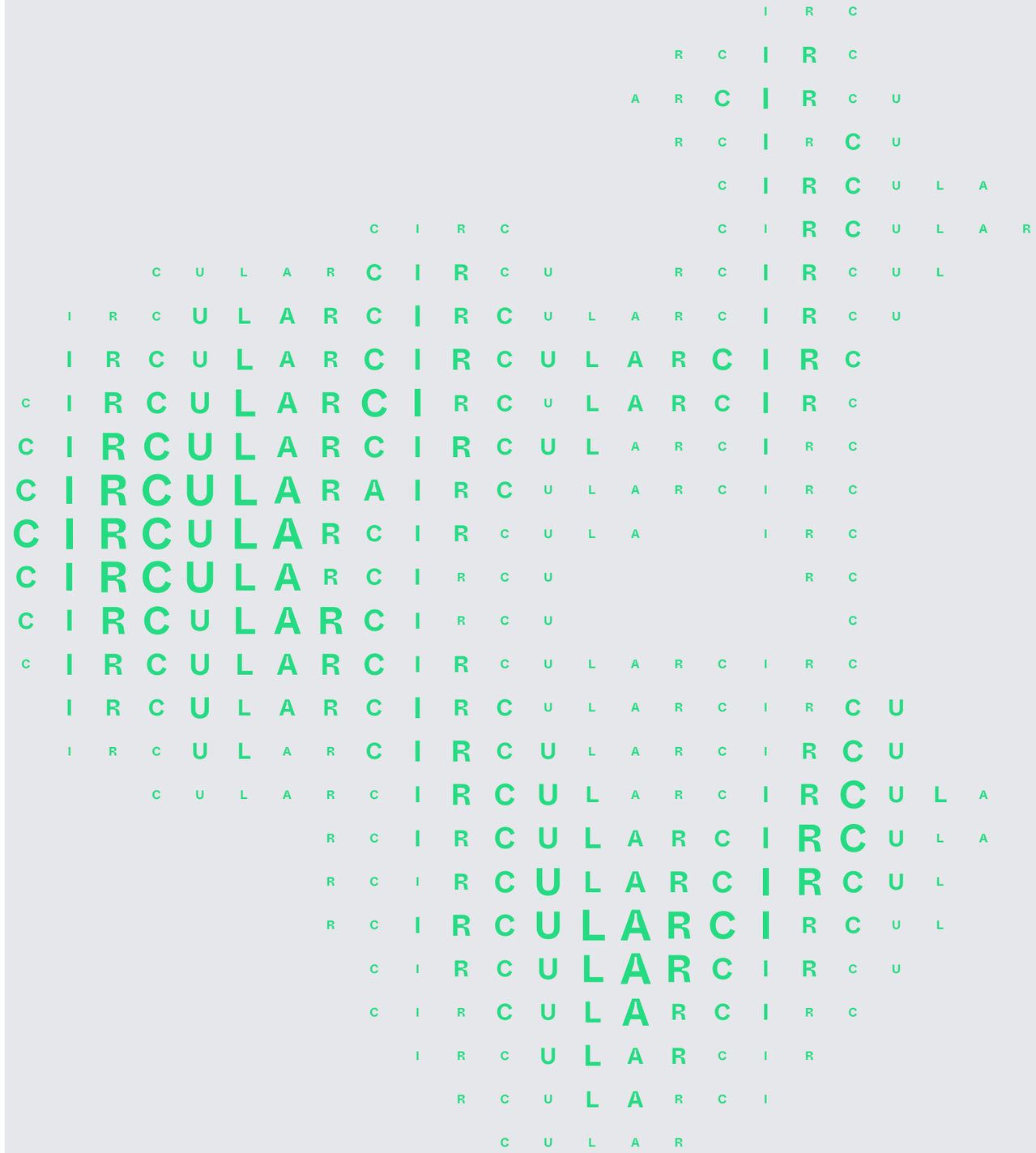
Remanufacturing processes are well established across INNIO Group's entire product portfolio. Both our Jenbacher and Waukesha reUp programs give an engine and all its parts a new, longer life by returning used components to like-new conditions. Customers who buy Jenbacher or Waukesha remanufacturing products get the same OEM quality and product reliability – all with a smaller environmental impact.

Material resource inflows

From an average baseline of 50% recycled materials across Jenbacher and Waukesha engines in 2022, the Sustainable Procurement team increased this average to 58% in 2024. We continue to refine our methodology with the use of academic Life Cycle Inventory Assessment (LCIA) databases, thereby improving the accuracy of our calculations as well. INNIO Group has been working with and training suppliers to improve and increase the recycled content of their products to increase the circularity of our engines.

Materials	Availability of information	Unit	2024
Total material usage	Group level	Tons	56,386
Material by type (weight or volume):			
Metals	Group level	Tons	49,673
Wood			1,480
Paper			210
Sand			67
Chemicals			667
Others			4,289
Percentage of recycled input materials used to manufacture the organization's primary products and services		Rate (%)	58

Table 14



Waste

Waste management

INNIO Group's waste management strategies abide by the principle of waste minimization, resource recycling, and reuse maximization. Our activities generate solid and liquid waste, including non-hazardous waste. Total waste increased in 2024 due to increased factory output. Around 84% of our waste is non-hazardous, such as municipal waste, paper, and wood waste. Hazardous waste makes up about 16% of INNIO Group's waste. Examples of hazardous waste include emulsion and alkali mixtures, waste oils, and waste from cleaning and specialty detergents. The Procurement team has set clear packaging and process guidelines for our suppliers to ensure packaging is performed in an efficient and resource-responsible way. The recycling or reuse of raw materials is prioritized to reduce the amount of waste disposal. At our Jenbach site, we use an internal software platform for documenting and monitoring both the different types and weights of waste used as well as assessing their potential hazards. Finally, INNIO Group follows applicable local laws and regulations and regularly collects waste for outsourced treatment. INNIO Group regularly reports on our waste management procedures to local authorities. Waste data was updated in the reporting year back to 2022 as more accurate data regarding disposal methods became available.

Waste[9]	Availability of information	Unit	2024
Total waste generated	Group level	Tons	12,227
Total hazardous waste			1,921
Total non-hazardous waste			10,306
Total weight of waste – diverted from disposal			9,334
Hazardous waste			70
Non-hazardous waste			9,264
Total weight of waste – directed to disposal			2,893
Hazardous waste			1,851
Non-hazardous waste			1,042

Table 15

Spill prevention

INNIO Group defines spill management as the prevention and management of spills in operations and those resulting from an incident. Our management approach includes identifying hazards, conducting related risk assessments, taking preventive measures, and creating plans to respond to specific business conditions and emergencies as well as cleanup procedures. Our spill management plan, which is under the direct control of INNIO Group's EHS team, identifies the people responsible for dealing with spills and sets out the necessary clear responsibilities and actions should a spill occur. Our goal is simple: zero spill incidents. In 2024, and for several prior consecutive years, INNIO Group recorded no spill incidents in our main operations (including oil, fuel, and spills from wastes or chemicals). We are committed to continuing to follow best practices in our operations and maintaining our zero spill incidents track record.

Spills	Availability of information	Unit	2024
Number of recorded significant spills	Jenbach, Waukesha, Welland	No.	0
Oil spills			0
Fuel spills			0
Spills of wastes			0
Spills of chemicals			0
Others			0

Table 16

9 Primary data is used to calculate waste generation where INNIO Group operates. Estimates are used where primary data is not available. Waste generated is based on data from invoices and/or vendor/third-party reports. In the absence of actual data, estimations and assumptions are used based on this source for commercial offices and on employee headcount.

03

Social

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S1 – Own workforce

Policies and employee engagement

INNIO Group is committed to maintaining a comprehensive suite of policies that govern and guide our workforce:

- **Code of Conduct**
- **Human Rights Policy**
- **Anti-Discrimination and Anti-Harassment Policy**
- **Travel and Living Policy**
- **EHS Policy**

Each of these policies plays a crucial role in helping to ensure a fair, safe, and ethical work environment for all our employees. INNIO Group's Human Rights Policy, which is readily accessible to the public, comprehensively addresses an array of critical issues. These include trafficking of human beings, forced or compulsory labor, and child labor.

At INNIO Group, our Human Resources (HR) department is steadfastly dedicated to fostering an open dialogue with our employees on a broad spectrum of topics. This commitment is facilitated through various platforms and forums designed to ensure comprehensive communication and engagement.

Our intranet platform serves as a central hub for company-wide announcements, policies, procedures, and training materials. It is also the primary resource for all matters related to company culture and engagement. This platform is integral to maintaining transparency and fostering a sense of unity within our organization.

In addition, we leverage the social networking service Yammer and email communications to help ensure that our employees are well-informed and engaged. These platforms allow us to maintain a constant line of communication, enabling all employees to keep abreast of the latest developments within the company.

In 2024, INNIO Group introduced a new Anti-Discrimination and Anti-Harassment Policy covering a broad range of examples and addressing the grounds of discrimination and harassment, including sexual harassment. The policy also includes various mitigation measures.

Accompanying this policy, a mandatory e-training was rolled out for all employees. The policy is available in English, German, Italian, Spanish, Portuguese, Hungarian, Dutch, Polish, and Czech to accommodate all INNIO Group employees, including those whose first language is not English, so the policy can be understood by all. The policy was introduced to our INNIO Group employees via email and was followed by mandatory online training.

The HR team at INNIO Group is dedicated to fostering robust communication within the workforce. Regular touchpoints are maintained with people leaders, employees, and Works Councils to enable continuous dialogue. At all locations that have employee representative bodies, such as Works Councils and/or unions, HR managers hold regular meetings with the employee representatives, strengthening our commitment to open and effective communication. A regular calendar of meetings with the European Work Council (EWC) helps maintain the dialogue between INNIO Group site representatives and INNIO Group as represented by the VP Human Resources.

Process for remediation

INNIO Group's whistleblowing platform SPEAK UP! is open to all internal and external stakeholders and all kinds of concerns. In 2024, a number of HR-related concerns were raised via the various SPEAK UP! channels. All HR-related concerns were investigated and addressed by HR managers and the VP Compliance. Depending on the nature of the concern, several cases were investigated together.

All concerns raised via the various SPEAK UP! channels are tracked and categorized in ServiceNow. SPEAK UP! KPIs and relevant cases are reported to INNIO Group's Risk & Audit Committee on a quarterly basis. Regular communication on the SPEAK UP! platform particularly includes INNIO Group's Compliance Ambassadors.

Characteristics of employees

Number of employees

	Full-time Equivalent[10]	Headcount
Average	4,410[11]	4,650
End of reporting period	4,532	4,778

Table 17

Number of non-employees[12]

	Number of non-employees
Total number of non-employees	166
Employer of Record (EOR)	49
Independent Contractor	40
Leased Worker	77

Table 18

In 2024, we updated our methodology relating to employees and non-employees. In previous years, Employer of Record (EOR) was included in “employees,” and internships were excluded from “employees.” Since 2024, internships are now included as “employees,” and EORs are now classified as “non-employees.”[13]

10 Includes part-time employees with their actual scope of hours, does not account for employees who are on leave.
11 Number provided in the financial statement.
12 Since 2024, EORs are now classified as non-employees rather than employees.
13 According to previous years’ methodology, the total number of employees for 2024 would be 4,704. This included 49 EOR, and 4,655 employees (excluding interns).
14 Top management refers to executives and directors.
15 Non-guaranteed hours employees are not a relevant category for INNIO Group. In some departments we provide temporary contracts for the first period of employment.

Number of employees by gender

	Number of employees
Employee headcount	4,778
Male	3,877
Female	901

Table 19

Gender distribution in number and percentage at top management[14] level

	Number of employees	Rate
Employees at top management level	110	
Male	96	87%
Female	14	13%

Table 20

Number of employees in countries with 50 or more employees

Country	Number of employees
Austria	2,370
Germany	635
United States of America	526
Canada	344
Hungary	335
The Netherlands	170
Italy	120
Spain	74

Table 21

Number of employees by permanent, temporary, and non-guaranteed hours, and by gender

	Female	Male	Total number
Permanent	804	3,602	4,406
Temporary[15]	97	275	372
Total number	901	3,877	4,778

Table 22

Recruitment

Our recruitment practices reflect our commitment to promoting equal opportunities for everyone. We pay close attention at every step of the hiring process to manage unconscious bias. For instance, with every new job opening, we check the description for biased language. We use gender-neutral pronouns, avoid gender-charged words, and keep the number of job requirements concise to avoid deterring any candidate from applying. We advertise our job openings on a broad range of platforms, easily accessible to everyone.

In our commitment to fostering diversity and inclusion, we ensure that every search conducted with external consultants includes gender diversity in the short list of candidates. In 2024, we enhanced our recruitment process by implementing a gender self-declaration option in our Job Vite tool. This initiative aims to provide better insights into the gender diversity of our applicants, enabling us to continuously improve our recruitment practices to support all genders.

New employee-hires	Total number	Rate
Total number of new employee hires	840	
By Gender		
Male	648	77%
Female	192	23%
By Age group		
< 30 years	439	52%
30 – 50	340	40%
> 50 years	61	7%
By Region		
Europe	618	**74%**
Americas	220	**26%**
Asia	2	**0.2%**

Table 23

Employee retention and promotion

At INNIO Group, we focus not only on attracting the best talent but also on furnishing conditions for growth and ensuring retention in the long term. Employee development opportunities and succession processes are based on merit at INNIO Group.

INNIO Group believes in the power of continuous learning and development. We invest heavily in our employees' growth, offering a wide range of training programs, workshops, and opportunities for further education. In 2024, we enhanced our comprehensive performance and talent management process to make it even more instrumental in identifying and cultivating talent within the organization. The HR department conducted a number of training courses to educate people managers and employees about the new process. This concentrated approach to talent and development not only facilitates the retention of our most valuable employees but also ensures a pipeline of skilled and capable leaders for the future.

We are committed to understanding and improving employee retention. To achieve this, we continuously track and monitor the reasons for resignations. Additionally, we use the off-boarding process and an online interview form in Workday to gather feedback from departing employees. This approach helps us identify key retention factors and enhance our practices to foster a more inclusive work environment.

INNIO Group continues to strive to fulfill internal transfers and promotions to meet both rising demand for organizational growth and the need for personal career development. In 2024, approximately 29% of vacancies were filled through internal transfer. Additionally, of 541 promotions and lateral moves within INNIO Group in 2023, 24% were awarded to female employees. Internal transfers reduce turnover rates and build long-term career paths within INNIO Group. With that, we can create opportunities for individuals to gain valuable experience, acquire other perspectives, and expand their network.

We believe that to ensure talent mobility and long-term growth, a natural employee turnover rate should not exceed 10%. This excludes the consideration of external influences such as economic shifts, international business factors, or unforeseen regional or global events that impact the business environment.

One of our long-term ambitions, then, is to keep the annual employee turnover rate under 10%. According to Table 24, the Group's total employee turnover rate in 2024 was 8% amongst permanent employees.

Number of employees who left during the reporting period

Employee turnover	Number	Rate
Total number of employee turnover	582	13%
By gender		
Male	439	75%
Female	143	25%
By age group		
< 30 years	278	48%
30 – 50	211	36%
> 50 years	93	16%
By region		
Americas	156	27%
Asia	6	1%
Europe	420	72%

Table 24

Turnover rate total[16]	**13%**
Turnover rate of permanent employees[17]	**8%**

Table 25

16 The employee turnover rate is determined by dividing the number of employees who left the company during the reporting period (the numerator) by the average number of employees during the same reporting period (the denominator). Methodology changed in 2024 to include internships.

17 The employee turnover rate is determined by dividing the number of permanent employees who left the company during the reporting period (the numerator) by the average number of permanent employees during the same reporting period (the denominator).

Collective bargaining

At INNIO Group, 67% of employees are covered by collective bargaining.

Diversity

INNIO Group is committed to cultivating a culture of diversity that embraces all employees. In line with this, three goals were established for 2024:

1. Foster a culture of cross-generation inclusiveness
2. Ensure a work environment free of discrimination or harassment
3. Promote Employee Resource Group programs and initiatives

In 2024, we further enhanced our Employee Resource Groups' (ERGs) activities to foster inclusiveness and community engagement. Our Diversity, Equity, and Inclusion (DEI) Network Group at our headquarters in Jenbach organized regular lunches to bring employees together and promote an inclusive culture. The group hosted a variety of open sessions, including:

- Inclusive leadership workshop
- Inclusive culture sessions
- Women in leadership panel
- Parents at work discussions

Our Waukesha enERGize groups actively supported local communities through various volunteering actions, such as:

- Veterans' Day events
- Blood drives
- Voluntary donations to local societies and families in need
- Other community volunteering events

In 2024, we connected the INNIO Group ERGs to collaborate on initiatives, transcending borders and reaching all employees worldwide.

Living wages

INNIO Group is committed to fair pay. All employees receive more than 100% of the living wage in their respective country.

In 2023, we conducted an annual living wage analysis covering 100% of our employees. After comparing the contractual base salary as of October 1, 2024, with living wages, 100% of employees are above the target. INNIO Group consistently delivers more pay (+50%) or much more pay (+150%) than the living wage in all countries. This methodology does not include any extra payments or benefits made to employees.

Because the employee count in some countries is extremely limited, with some nations having only one INNIO Group representative, specific countries are not identified in our reports. In this way, we maintain the confidentiality of our employees' information.

Social protection

At INNIO Group, our largest employee populations are based in Austria, Germany, Hungary, the U.S., Canada, Italy, and the Netherlands. We are committed to ensuring that our workforce is safeguarded through either public programs or benefits provided by INNIO Group.

In certain countries, we go above and beyond to provide additional benefits to our employees. These include private medical care in some locations, supplementary sickness coverage, accident insurance, and short- and long-term disability insurance. We also adhere to the statutory severance labor laws of the respective employment country. Our approach aligns with our commitment to social responsibility and our dedication to our employees' welfare.

Support for employees and their families

At INNIO Group, it is important for us to support the needs of employees outside, as well as within, the workplace. In 2024, our headquarters in Austria ran multiple activity weeks for the children of employees over the summer holidays. This year, 76 of our employees' children ages 5-14 took part from July through September. Our varied program included four forestry weeks, one tennis week, one theater week, two alpine weeks, one soundtrack week, one excursion week, one panda week, one dance and gymnastics week, and one football week.

At our shared service center in Hungary, we organized an "open day" for employees and their friends and families. In locations in the U.S., Canada, Hungary, Germany, and Italy we organized several initiatives for employees throughout 2024, such as barbecues and summer parties.

Training and skills development

Learning and development are central to the positive and continuous growth of our employees and for INNIO Group. Our trainings support our organization's long-term strategy and growth by encouraging our employees' personal development. INNIO Group promotes learning and development in three ways: goal setting, regular performance feedback, and the promotion of internal opportunities. In addition, all employees are encouraged to undertake their own professional and personal development through the various training pillars available to them.

INNIO Group's training offerings range from general, often mandatory, content that is applicable to all employees to tailored, specialized, and function-specific packages. Our learning platform is hosted by our global Training Center team, and we are constantly working on keeping our training programs up-to-date and improving the digital features.

INNIO Group has two major pillars for training. The first is "INNIO Learning," created to help employees continuously develop their personal and professional skills. Through a variety of development offerings like eTrainings, workshops, and other programs, employees can learn from renowned external trainers and coaches as well as directly from their colleagues in cross-functional teamworking sessions.

The second pillar covers “Technical Product Training” for the Waukesha and Jenbacher product portfolios. This pillar is aimed at internal employees as well as distributors, customers, and maintenance personnel. Product training usually is carried out at a global Training Center with a primary focus on hands-on activities, in-class exercises, live online training, and eTrainings. To broaden employee perspectives on business-relevant topics and marketplace trends, corporate lectures led by INNIO Group’s leaders and subject matter experts are offered as live events.

Those completing Technical Product Training must pass an exam and then are awarded a specific certificate. In 2024, 129,178 hours of internal and external training for Jenbacher and Waukesha products were completed.

INNIO Group recognizes that our ongoing success and sustainable growth are driven by our employees’ commitment and innovative engagement. During 2024, our employees completed 133,033 hours of training, an average of 29 hours of training per employee. The completion target for the mandatory annual trainings, which includes topics such as Legal & Compliance, Health and Safety, and Corruption Prevention, is 100%. In 2024, the completion rate for mandatory trainings was over 98%.

Training and development	Availability of information	Unit	2024
Total number of training hours provided to employees	Group level	No.	133,033
Average hours of training that the organization’s employees have undertaken[18]			29
Total number of training hours provided to customers			101,965
Percentage of total employees who received a regular performance and career development review		Rate (%)	access 100, executed 97

Table 26

18 Average training hours per employee = Total number of training hours / Full-time equivalent

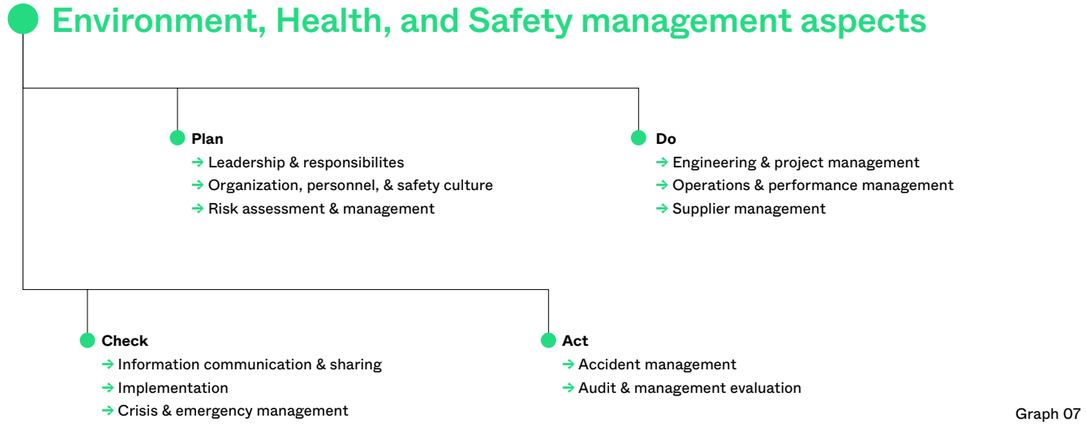
Health and safety

We provide our employees and contractors with a safe workplace, and we implement mitigation measures to prevent accidents. For this reason, our two major production sites receive periodic re-certification to ISO 45001: Occupational Health and Safety Management System following an independent third-party certification process.

INNIO Waukesha Canada Corporation was recognized for its strong ESG programs, dedication to social progress, and impressive health and safety policies. In 2024 our factory in Welland, Ontario, was recognized with Canada’s Safest Employer 2024 Award. Additionally, our Welland site also successfully met the requirements for a second year in a row as “Supporting Ontario’s Safe Workplaces.” This recognition applies to the Supporting Ontario's Safe Employers Program and is recognized by the Chief Prevention Officer for investing in health and safety.

Incidents, hazards, EHS internal audits, and findings are reported and tracked in health and safety tools that help us find the causes of incidents and implement suitable measures to prevent their recurrence. We regularly review, evaluate, and monitor our health and safety mitigation measures.

Health and safety risks are incorporated into our overall enterprise risk management process and are reviewed by the company’s top management. Our Executive Board exhibits strong leadership and commitment to this goal. INNIO Group’s EHS management acts according to the Plan-Do-Check-Act cycle that enables us to improve our EHS performance through visible active leadership (Graph 7).



Graph 07

Safety and security training for site visitors

At all three main sites, INNIO Group provides an advanced electronic check-in system to enable the security of our visitors. In this protocol, all visitors to INNIO Group’s headquarters must complete an interactive safety and security training and pass a quiz before being granted a photo ID visitor’s badge. This security and safety course is accessible in different languages.

Environment, Health, and Safety (EHS) governance

INNIO Group's Executive Board	
Global EHS Steering Committee	→ Establishes global EHS policy and EHS guidelines → Defines annual targets and plans according to international standards, regulations, and international benchmarks → Ensures that EHS policy and EHS guidelines are shared with all employees → Ensures the continual improvement of the EHS management system → Supports the implementation of EHS trainings → Collaborates closely with the local EHS teams and/or EHS representatives → Demonstrates commitment through visible active leadership
Local EHS teams and/or EHS representatives	→ Control the implementation, maintenance, and continual improvement of the EHS management system → Provide information such as local regulations to local management → Support the implementation of necessary training programs to ensure that all employees, contractors, and other relevant parties are informed and aware of the INNIO EHS policy and EHS guidelines → Support the implementation, maintenance, and continual improvement of the EHS management system → Provide EHS-relevant data for regular EHS reviews
Department management	→ Ensures that EHS responsibilities and accountabilities are formally documented for the individual employee as well as known and understood by him/her → Ensures that employees are accountable for all aspects of EHS in their area of control → Performs a follow-up on reported incidents, accidents, and unsafe conditions, works on the root cause analysis, and implements respective CAPAs → Demonstrates commitment through visible active leadership
All employees	→ Co-operate and follow the INNIO EHS policy, EHS guidelines, and regulations → Work in a safety-conscious manner and consider environmental protection in daily work → Support and encourage colleagues in safe work practices → Report all incidents, accidents, and unsafe conditions always immediately to the supervisor and/or EHS representative

Table 27

Health and safety	Unit	2024
Number of recordable work-related injuries	No.	46
Number of fatalities as a result of work-related injury	No.	0
Number of high-consequence work-related injuries (excluding fatalities)[19]	No.	1
Number of near misses identified	No.	93
Near miss frequency rate (NMFR)	Rate	2.27
Lost-time injuries frequency rate (LTIFR)	Rate	5.61
Lost-time injury rate (LTIR)	Rate	1.12

Table 28

As illustrated in Table 28, INNIO Group had no fatalities in the reporting year. In 2024, there was one high-consequence work-related injury at our headquarters in Jenbach. The other 46 recordable work-related injuries were minor, without further implications or, in some cases, resulting in only a few days of medical leave.

Work-life balance

Employee well-being is at the heart of our culture at INNIO Group. We understand that our employees are our most valuable asset, and their well-being directly impacts our productivity and success. Therefore, we have implemented a comprehensive program that includes physical, mental, and financial well-being initiatives. These range from health and fitness programs and mental health support to financial planning assistance. We also encourage a healthy work-life balance through flexible working hours and remote work options. Our commitment to employee well-being is not just about ticking a box, but about creating a culture of care and support.

Since 2022, INNIO Group has implemented New Way of Working (New WOW) rules for all employees. These clear rules on office and remote work emphasize our commitment to a healthy and balanced lifestyle. To support this initiative, we provide gym memberships, fitness card support, or reimbursement for various wellness activities across 14 of our locations. This effort underscores our dedication to fostering a healthy work environment and promoting the well-being of our employees.

19 The definition of "high-consequence" is a work-related injury that results in a fatality or injury from which the employee cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

Health Matters

To promote health and well-being among our employees, INNIO Group's U.S. team provides a workplace wellness program, Health Matters. The Health Matters program includes up-to-date resources and forums that promote a healthful work environment and support the adoption of healthy habits by employees who want to improve their mental and physical health.

Health We Care

Analogous to the Health Matters program, Health We Care was launched in 2012 in Austria. The initiative is designed to support and motivate employees to live healthier lives through healthy leadership, individual or team sporting activities, preventative healthcare, healthy nutrition, and mindfulness. The initiative also provides employees with information about trends in workplace health through dedicated digital newsletters.

Remuneration metrics

Gender pay gap analysis

INNIO Group is committed to fair pay. Since 2023, our pay gap analysis has covered 100% of our employees. Salaries and bonus programs are dependent on position, employee group, and/or country location. They are equal for eligible employees regardless of gender. Globally, when looking at comparable jobs aggregated by job level, women's average annual base salary ranges between -5% to -1% when compared to men. Potential gaps might be justified by individual levels of expertise, skills, and level of contribution. We are committed to maintaining a high level of continuous diligence and data analysis in this ongoing process.

Our legal entities in Spain and Italy already have achieved official certification for equal gender pay, in accordance with Directive (EU) 2023/970 of the European Parliament and the Council.

Gender pay gap[20]

Level	1	2	3	4	5	6
Global	–	–	99%	95%	96%	98%

Table 29

Bonus payments

Bonus payments are made annually in March for the previous year. In 2024, all employees who were in the company and actively working for a minimum of three months in 2023 received a bonus payment either through the regular bonus program or by receiving a "Flexibility and Recognition Premium."

Community engagement

In 2024, INNIO Group supported various initiatives by donating time, funds, and goods for local people and communities. For example, near our headquarters in Austria, we have sponsored various local cultural and theater festivals and supported sports tournaments. We regularly deliver food from our canteen to a social institution and support various social projects in the area. We also have collected donations in kind. Through the Culture Council Team in Welland, employees raised money for local charities such as The Hope Centre, SPCA Ontario, and Men's Mental Health. Additionally, employees from across the Waukesha business unit collected non-monetary donations such as food, toys, safety boots, and winter clothing.

20 Gender pay gap analysis based upon annual base salary as of November 1, 2023. The analysis is run on a yearly basis November-October. For gender pay gap calculations, we currently consider Annual Base Pay. INNIO Group has six different company levels. Level 1 and Level 2 are excluded as, in these company levels, there are no positions held by both male and female employees. Therefore, an accurate gender pay gap analysis cannot be performed.

S2 – Workers in the value chain

Policies

Following are our policies involving workers in the value chain:

- Conflict Minerals Policy
- Supplier Code of Conduct
- Procurement and Supply Chain
- Labor and Human Rights Policy

INNIO Group is committed to upholding fair labor practices. We adhere to all local and international labor laws and standards, and we have zero tolerance for any form of forced or child labor. Our commitment to fair labor practices extends to our supply chain, where we expect our suppliers to adhere to the same high standards.

INNIO Group's Know Your Customer (KYC) and Know Your Supplier (KYS) processes are integral to our commitment to compliance and risk management. The KYC process involves verifying the identity and legitimacy of customers to prevent fraud and ensure compliance with legal and regulatory requirements. Similarly, the KYS process involves assessing and validating suppliers to ensure they meet INNIO Group's standards for quality, reliability, and ethical practices. These processes help us maintain strong, trustworthy relationships with our business partners while mitigating risks and upholding the company's values and reputation.

Our engagement with our suppliers involves regularly conducting both in-person and virtual meetings in a spirit of collaborative stakeholder engagement. These meetings serve as a platform for open dialogue, mutual learning, and continuous improvement. They allow us to work hand in hand with our suppliers, ensuring that we are all working toward the same goals.

Diversity is now an integral part of INNIO Group's sustainability policy and, at the start of 2023, INNIO Group introduced Diversity and Occupational Health and Safety to the supplier scorecard sustainability section. The five UN-based diversity indicators cover trainings, measures, and policy. We grant a point if at least three out of five are met. We continue to achieve our goal of improving on the baseline of 20 diversity mature suppliers by reaching 70 at the end of 2024.

New suppliers screened for social impacts[21]

6	suppliers identified as having significant actual and potential negative social impacts
29	significant actual and potential negative social impacts identified in the supply chain

→ **91% of INNIO Group's new suppliers have been screened.**

Table 30

21 INNIO Group has addressed all instances of identified actual or potential impact.

S4 – Consumers and end users

Health and safety

Product safety and quality

We are determined to deliver safe, high-quality products, and exploring ways to reduce our products' environmental impact throughout their life cycle continues to be a priority for us. Indeed, INNIO Group has set the company-wide goal of zero product defects and recalls. Through the provision of top quality and safe equipment, we earn and maintain our customers' trust. INNIO Group has comprehensive systems in place to promote quality improvement globally, with top executives taking responsibility for ensuring these promotions are successful. Safety as a quality aspect is regulated by the EU Machinery Directive, which INNIO Group complies with as an original equipment manufacturer. A machinery safety risk assessment is carried out in accordance with EN ISO 12100, and a residual risk study is provided. Regarding North American manufactured equipment, INNIO Group aligns with the National Fire Protection Association, the Canadian Standards Association, the UL standards, and other guidelines. Our overall product offerings, new product introductions (NPIs), research and development, and safety are governed by the Chief Technology Officer, who is also a member of the Executive Board. The Product Safety Board, which includes INNIO Group's vice presidents of Quality, Products, and Services, meets on a weekly basis and governs all reactive product safety. We use a business process modeling tool to manage INNIO Group's policies, instructions, operating procedures, safety instructions, and safe operation handbooks. The end users of our products and services have digital access to the guidelines and instructions, and they sign conformity as part of each contract. Conformity for product and service safety is provided by external audits and the issuance of ISO 9001, which covers 100% of INNIO Group's production facilities and products.

Access to quality information

The INNIO Group Customer Portal is the customer platform for technical documentation. Among other important information, technical instructions and drawings as well as maintenance instructions and schedules are provided. Additionally, during the engine commissioning process, customers are sent hard copies detailing the individual operation for their plant, the maintenance manual, and the spare parts list. Collectively, this customer documentation should be kept available as hard copies near the engine.

Based on our original equipment manufacturer (OEM) expertise, our highly experienced trainers help operators develop the skills and knowledge needed for faster, better, and more economical work performance that gets the most from the INNIO Group system. To make sure our training covers the latest developments, we support strong collaboration between our Jenbacher and Waukesha Training Centers and our engineering experts. We invest heavily in the professional development of our worldwide product trainers, who represent more than 20 countries through our global certified trainer network. With training offered in multiple languages, it is efficient and easy for operators to attend our classes. In 2024, a total of 101,965 training hours for our customers were conducted. Our excellent training infrastructure includes practice engines and simulators to help optimize daily operations. Advanced digital tools, such as e-learnings, special augmented reality applications, and 3D engine views, bring the learning experience to the next level.

Finally, INNIO Group's proprietary myplant digital platform empowers customers to increase the resilience and economics of their entire power plant while decreasing its carbon emissions. Using artificial intelligence to reduce costs, predict service calls, and forecast electricity prices, the myplant platform combines advanced technology and leading industry expertise to enable industries and communities to make the most of their energy systems. More than 11,000 engines are connected to this digital system in about 100 countries, with applications ranging from municipal utilities or energy providers to farmers.

For information regarding data privacy, please refer to chapter "Information Security" on page 69.

04

Governance

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63 The roles of bodies related to business conduct
63 Policies and mechanisms
64 Prevention and detection of corruption or bribery
65 Confirmed incidents of corruption and bribery
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G1 – Business conduct

The roles of bodies related to business conduct

INNIO Group's CEO is the main driver of ethics and compliance, and he communicates regularly to all INNIO Group employees on this topic. VP Compliance is a direct report to INNIO Group's CEO, and the Compliance function reports on a monthly basis to the Executive Board and quarterly to INNIO Group's Risk & Audit Committee. Because board members potentially could be involved in reported alleged misconduct, a direct reporting line exists to the chairpersons of INNIO Group's Advisory Board and Risk & Audit Committee.

Policies and mechanisms

INNIO Group's Code of Conduct applies to all employees, regardless of their level of position in the company, and it is available on INNIO Group's website and intranet in English, German, Spanish, Italian, and Portuguese. It is important to us that employees internalize these rules and values. For this reason, all new and existing employees are required to complete annual mandatory compliance trainings. These trainings enable our employees to familiarize themselves with all aspects of compliance and the general principles of conduct that apply in day-to-day business. INNIO Group's Code of Conduct provides to all our internal and external stakeholders a framework and description of ethical and compliance standards, rules, and regulations as well as actions around business conduct.

In 2024, INNIO Group's new Anti-Bribery & Anti-Corruption Policy (in English and German) was approved by the Executive Board and communicated to all INNIO Group employees on the same day. The policy was drafted with support from a leading international law firm and reflects all relevant jurisdictions (U.S. FCPA, UK Bribery Act, German and Austrian Strafgesetzbuch). Along with the new policy, a dedicated eTraining on the topic of anti-bribery and anti-corruption was rolled out in 2024. The eTraining is mandatory for all office workers and must be repeated on an annual basis.

INNIO Group's Competition Law Policy describes the competition law "Do's and Don'ts" in a clear and concise format. Additional guidelines on the key areas of Trade Associations, Handling Competitively Sensitive Information, and Contacts with Distributors and Customers (including Dual Distribution) also were implemented. To foster a deeper understanding of the Competition Law Policy, two eTrainings on competition law are provided. The General Principles eTraining is mandatory for all office employees. For employees in the Sales and Sales Support teams, an additional Competition Law & Distribution eTraining is mandated.

Reporting a compliance concern

We expect all employees who observe or become aware of potential or actual misconduct or violations of internal rules or statutory regulations – whether committed by other employees or business associates – to report these incidents.

At INNIO Group, employees have seven ways to speak up, including reaching out to their respective manager, Compliance leader, or Compliance Ambassadors. Concerns also can be raised via INNIO Group's webpage and a dedicated SharePoint in INNIO Group's intranet. Our dedicated whistleblower platform, SPEAK UP!, is available to all internal and external stakeholders,

since we believe that all stakeholders represent a valuable source of information that can help identify breaches of ethical standards. An additional SPEAK UP! channel is accessible to everyone – both INNIO Group employees and those outside the company.

There is no limitation to “classic” compliance topics like Anti-Bribery & Anti-Corruption or Competition Law. In addition, all kind of concerns can be reported, and all reports are investigated, either by the Compliance function itself or by the relevant departments (HR, EHS, etc.). All reports are analyzed with the utmost discretion by INNIO Group’s dedicated Compliance experts, and SPEAK UP! data is treated with the highest confidentiality. In fact, stakeholders can report an incident completely anonymously, if desired, without fear of retaliation as long as they have reasonable grounds to believe that their information is true at the time of reporting.

INNIO Group's strict no-retaliation policy is highlighted and communicated in our Code of Conduct and in our Whistleblower Protection Policy. INNIO Group's Whistleblower Protection Policy was published in December 2023 and is available in English, German, Spanish, Dutch, Italian, and Hungarian. The policy was published on INNIO Group's webpage and on the Group’s intranet.

In November 2024, an awareness campaign was initiated to promote the SPEAK UP! team of Compliance Ambassadors as a particularly important way to raise concerns or complaints. The network of Compliance Ambassadors covers several countries in Europe, North America, Latin America, APAC, and MENAT. Our Compliance Ambassadors act as personal contacts who enable INNIO Group’s employees to submit concerns in their native language. The awareness campaign included the distribution of posters across all our global locations and used various communication channels to emphasize the importance of whistleblower protection. In 2024, there were three confirmed cases of discrimination.

Prevention and detection of corruption or bribery

Before we engage with new business associates, INNIO Group conducts exhaustive due diligence assessments. Such assessments involve the potential business associate as well as its direct and indirect shareholders, investors, and directly or indirectly involved legal entities. INNIO Group performs checks on counterparties to obtain information focused on corruption, money laundering, other criminal conduct, and related sanctions as per the Group’s standardized Know Your Customer (KYC) and Know Your Supplier (KYS) processes. Key red flags are connections to government officials and companies referred to in high-attention media reports related to political and corruption cases, sanctioned entities, or any other suspected involvement in criminal conduct.

Compliance investigations at INNIO Group are carried out by the Compliance function with support from external specialists (auditors, lawyers, forensic experts) if further expertise or resources are required.

INNIO Group has implemented a Compliance Management System (CMS) in accordance with the IDW Assurance Standard 980 (IDW PS 980 Grundsätze ordnungsmäßiger Prüfung von Compliance Management Systemen) for the areas of Anti-Bribery & Anti-Corruption and Competition Law.

INNIO Group’s established CMS enables us to manage compliance within the organization. Consisting of an integrated system of documents, processes, tools, controls, and functions, the CMS helps us better address risk management by assuring that our policies and procedures adhere to the requirements of applicable laws and regulations. It also enables us to address our culture of compliance, which includes goals, risk identification, program, organization, training, communication, continuous monitoring, and corrective actions. At INNIO Group, we make sure that our employees know their responsibilities regarding compliance and that compliance requirements are integrated into our business processes. We conduct periodic reviews to evaluate the effectiveness of the CMS. These reviews can include internal or external audits to deter, detect, and investigate bribery and other non-compliant behavior, risk assessment processes, and effectiveness testing. We report and provide periodic updates of the findings of these reviews to our Executive Board members, who ultimately are responsible for the management and improvement of our CMS.

Policies are communicated to those for whom they are relevant via the INNIO Group intranet and by email.

Confirmed incidents of corruption and bribery

In 2024, INNIO Group had no convictions or fines for violation of anti-corruption and antibribery laws. There were no confirmed incidents of corruption and bribery in 2024.

Political contributions

INNIO Group strives to always implement the highest standards of corporate governance and transparency, gaining the trust and respect of our stakeholders. The Head of Global Government Affairs and Policy and the VP Compliance are responsible for oversight of political influence and lobbying activities. The VP Compliance reports directly to the CEO.

INNIO Group’s lobbying guidelines forbid any financial or in-kind political contributions to political parties. Currently, the main topics covered by lobbying activities are biogas, CHP, electricity market design, municipal heat planning, and hydrogen. However, the Group’s main positions are still in development. INNIO Group is registered in the European Transparency Register as well as the German Lobby Register. No members of the Group’s management body held comparable positions in public administration in the two years preceding their appointment.

Additionally, INNIO Group follows or is a member of several initiatives. We are determined to remain fully transparent about our participation in different associations, and we are fully compliant with all reporting obligations and transparency requirements.

Management with suppliers

In 2023, INNIO Group introduced a new Code of Conduct for our suppliers. The objective of this Supplier Code of Conduct is to establish a basis for the positive development of sustainable procurement practices through regular dialogues and ongoing working relationships with our suppliers. The new Supplier Code of Conduct also has been integrated into our Terms of Purchase. INNIO Group now reserves the right to conduct audits to verify the supplier’s compliance with its obligations under this Code, and to take action in case of severe violations of the Code, including and up to the termination of contracts.

05

Other sustainability disclosures

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Enterprise risk management

Effective risk assessment and management are essential aspects of our success. Besides the conventional risk types – such as financial risks, operational risks, legal risks, and strategic risks – the management of non-financial risks is becoming increasingly important. ESG, including climate and regulations, data protection, and information or cybersecurity, plays a significant role within the spectrum of enterprise risks. INNIO Group's enterprise risk management sets the framework under which proper identification, impact assessment, evaluation, and quantification of such risks occurs. Through risk management, INNIO Group provides comprehensive direction to mitigate potential exposures and safeguard value for the company, our employees, customers, suppliers, and both financial and non-financial stakeholders. The purpose of risk management is to address risk areas throughout the organization in structured review cycles, allowing for objective monitoring and control of various elements in the best interest of the organization.

Risk identification and management

INNIO Group identifies risks through continuous monitoring of our internal and external environment. We use structured risk identification techniques such as workshops with functional risk managers and ongoing interviews with senior management, subject matter experts, and executives. Furthermore, we use heat maps and/or risk matrices to support the assessment process, helping us identify probability ranges and the related potential financial and/or non-financial effects of the identified risks. Regarding the risk management process, we use a bottom-up and top-down approach, which provides a comprehensive risk profile of the organization. INNIO Group performs a rolling risk cycle twice a year to help ensure accuracy in the entire risk identification and valuation process in a continuously changing environment.

Strategy and target-setting

INNIO Group's Executive Board establishes overarching strategic goals and sets financial targets that are communicated to all functions, ensuring alignment across the organization. Senior management is responsible for the achievement of these goals and objectives. The goals and objectives of the departments and individual employees generally are aligned with the goals of the entire organization.

Risk identification and assessment

INNIO Group's Risk Management function is responsible for the identification of risks that might affect our ability to achieve established goals and objectives. Functional leaders work with the Group's Risk Management function to determine the appropriate way to address identified risks. Risk activities can be avoided, accepted, mitigated, or transferred, depending on the circumstances. A Group-wide policy and guidelines have been established and communicated to define how we identify, assess, mitigate, and monitor risk. INNIO Group's functional leaders are responsible for the implementation of the policy and guidelines as well as for identifying where improvements might be needed.

Review and revision

To ensure that risks are effectively assessed, and appropriate risk responses are in place, we perform regular assessments of our risk management processes. Our Risk Management function and the Internal Risk Committee monitor enterprise risks and the effectiveness of the risk mitigation activities, and they report the results of the assessment to the Executive Board and the Group's Audit and Risk Committee. Mandatory annual risk trainings (e.g., cybersecurity) are provided to all INNIO Group employees. Additionally, further information is provided to employees through direct

communications or via the intranet. Regular emails or memos summarizing key learnings from incidents or other identified trends also are provided to employees. INNIO Group's Code of Conduct and other formal policies are in place to provide detailed guidance regarding incidents of non-compliance, adverse events, or critical unmitigated risks. Finally, INNIO Group's SPEAK UP! digital platform offers all employees, suppliers, and others a formal mechanism to anonymously report potential violations of laws, regulations, or policies, or to raise concerns about safety, security, or ethical behavior.

Risk governance and oversight

INNIO Group's Executive Board oversees the senior leadership's management of risks. The board meets regularly with the Risk Management function and functional leaders to review and discuss risk factors related to the Group.

Tax transparency

INNIO Group supports tax policies and incentives that encourage enterprise innovation and foster economic growth. For this reason, the Group aims to be transparent about our tax approach disclosure. INNIO Group's business activities generate a substantial amount and variety of taxes. INNIO Group pays corporate federal, state, and local income taxes, stamp duties, and a variety of other taxes. In addition, we collect and remit not only payroll taxes but also indirect taxes such as excise duties and VAT. The taxes we collect and pay represent a significant part of our economic contribution to the countries in which we do business. We are committed to always acting in compliance with applicable laws and regulations, being transparent in our financial reporting disclosures, and developing strong, mutually respectful relationships with tax authorities based on transparency and trust. INNIO Group files a country-by-country report with the Austrian tax authorities in accordance with the Sec. 3 Transfer pricing documentation act and Action 13 of OECD'S Base Erosion and Profit Shifting Action Plan. Among other areas from the consolidated financial statements, this report breaks down the annual tax payments INNIO Group has made in the countries in which INNIO Group owns a legal presence.

Information security

Data protection

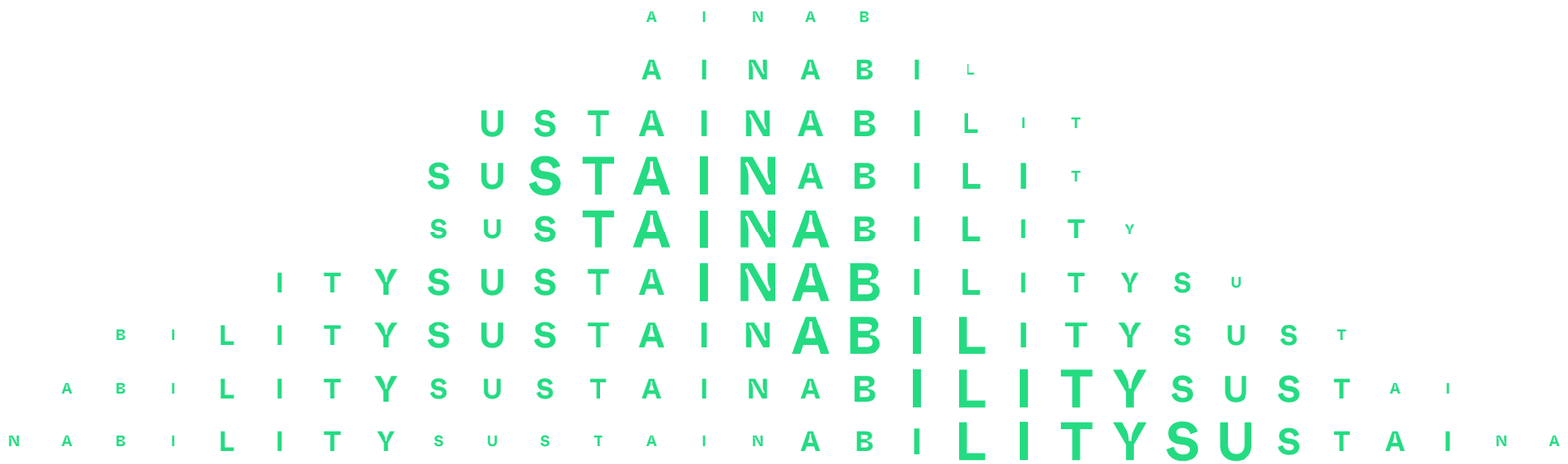
Data and proprietary information protection and security are commitments from the INNIO Group to our stakeholders, including customers, employees, and providers of capital. The Group's Chief Information Security Officer (CISO), the Information Technology (IT) department, and the Information Security team oversee information security, policy formulation and implementation, risk management, and security audits. The Information Security team meets regularly to review and resolve guidelines and policies and carry out formulated information security measures. Every month, the Executive Board, which is responsible for monitoring our corporate information security, and cybersecurity management receive reports and updates on IT management performance-related issues and directions. Advanced technologies and services are used to achieve the expected high level of internal and external security. In addition, INNIO Group has implemented organizational measures such as annual mandatory security awareness training and security alerts for employees as well as phishing simulations. The Group uses numerous security tools to prevent and respond to all types of attacks and to block intrusion attempts. These include adaptive security measures such as firewalls, anti-virus tools, intrusion protection, VPN capabilities, artificial intelligence systems that predict and prevent threats in real time, and cloud and endpoint security platforms designed to help enterprise networks investigate and respond to advanced threats. In addition, INNIO Group has multi-factor authentication (MFA) deployed for all employees to further prevent intrusion attempts.

Vulnerability Review Board

The Group has continuous vulnerability management programs in place, including scheduled vulnerability scanning and patching. These programs review systems, networks, and applications for updates that remediate security vulnerabilities. INNIO Group's bi-weekly Vulnerability Review Board reviews the vulnerability status to ensure remediation is happening and assist with any issues.

ISO 27001 accreditation

INNIO Group was accredited with ISO 27001 at the end of 2023.



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Appendix

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Key performance indicators

Financial information	Availability of information	Unit	2022	2023	2024
Net sales	Group level	EUR (in million)	1,651	1,856	2,012

Board effectiveness	Availability of information	Unit	2022	2023	2024
Average board meeting attendance	Group level	Rate (%)	0.88	0.90	0.90
Minimum of attendance of members required			0.57	0.57	0.57
Average board tenure		Months	27 (range 15-45 months)	39 (range 27-57 months)	49 (range 32-69 months)

Compliance	Availability of information	Unit	2022	2023	2024
Significant fines and non-monetary sanctions for non-compliance with law and/or regulations in the social and economic area	Group level	No.	0	0	0
Total monetary value of significant fines		EUR	0	0	0
Total number of non-monetary sanctions		No.	0	0	0
Cases brought through dispute resolution mechanism			0	0	0

Cybersecurity	Availability of information	Unit	2022	2023	2024
Number of security incidents	Group level	No.	2	0	0
ISO 27001 certification		yes/no	n/a	yes	yes

Environmental compliance[22]	Availability of information	Unit	2022	2023	2024
Total monetary value of significant fines for non-compliance with environmental laws and/or regulations	Jenbach, Waukesha, Welland	EUR	0	0	0
Total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations		No.	0	0	0
Cases brought through dispute resolution mechanisms		No.	0	0	0

22 INNIO Group uses environmental, energy, and occupational health & safety law compliance management tools, integrated into our Integrated Management System. These software-based tools provide the list of relevant EHS legal obligations the company must comply with, formulated as task, as well as changes in the law and a comparison of the previous and new legal situation. In this way, compliance with Environment, Health, and Safety laws is reassured.

Supply chain management	Availability of information	Unit	2022	2023	2024
Supplier environmental assessments					
Percentage (%) of new suppliers that were screened using environmental criteria	Group level	Rate (%)	100	100	91
Number of suppliers assessed for environmental impacts		No.	109	85	763
Number of suppliers identified as having significant actual and potential negative environmental impacts			6	5	4
Significant actual and potential negative environmental impacts identified in the supply chain			17	14	6
Percentage (%) of suppliers identified as having significant actual and potential negative environmental impacts – improvements were agreed upon as a result of assessment		Rate (%)	100	100	100
Percentage (%) of suppliers identified as having significant actual and potential negative environmental impacts – relationships were terminated as a result of assessment and an explanation related to the termination provided			0	0	0
Supplier social assessments					
Percentage (%) of new suppliers that were screened using social criteria	Group level	Rate (%)	100	100	91
Number of suppliers assessed for social impacts		No.	109	85	763
Number of suppliers identified as having significant actual and potential negative social impacts			5	8	6
Significant actual and potential negative social impacts identified in the supply chain			12	29	29
Percentage (%) of suppliers identified as having significant actual and potential negative social impacts – improvements were agreed upon as a result of assessment		Rate (%)	100	100	100
Percentage (%) of suppliers identified as having significant actual and potential negative social impacts – relationships were terminated as a result of assessment and an explanation related to the termination provided			0	0	0

Workforce[23]	Availability of information	Unit	2022	2023	2024
Full-time equivalent (FTE)	Group level	No.	3,991	4,264	4,532
Employee headcount			4,173	4,468	4,778
Permanent			3,885	4,230	4,406
Temporary			288	238	372
Male			3,446	3,661	3,877
Permanent			3,213	3,476	3,602
Temporary			233	185	275
Full-time			3,327	3,521	3,707
Part-time			119	140	170
Female			727	807	901
Permanent			672	754	804
Temporary			55	53	97
Full-time			558	626	682
Part-time			169	181	219
By region (and employment contract)					
Europe	Group level	No.	3,381	3,502	3,788
Permanent			3,110	3,280	3,438
Temporary			271	222	350
America			722	888	950
Permanent			717	886	937
Temporary			5	2	13
Asia & Australia			70	78	40
Permanent			58	64	31
Temporary			12	14	9
By age group					
<30 years	Group level	No.	835	860	995
30 – 50			2,462	2,658	2,786
>50 years			876	950	997

23 Workforce data includes all INNIO Group employees, excluding contractors. INNIO Group's workforce is not subject to any seasonal variations.

New employee hires	Availability of information	Unit	2022	2023	2024
Total number of new employee hires	Group level	No.	680	594	840
By gender					
Male	Group level	No.	529	467	648
Female			151	127	192
By age group					
<30 years	Group level	No.	263	208	439
30 – 50			334	318	340
>50 years			83	68	61
By region					
Europe	Group level	No.	461	382	618
America			207	203	220
Asia & Australia			12	9	2

Employee turnover	Availability of information	Unit	2022	2023	2024
Total employee turnover	Group level	No.	427	394	582
By gender					
Male	Group level	No.	336	314	439
Female			91	80	143
By age group					
<30 years	Group level	No.	107	103	278
30 – 50			231	206	211
>50 years			89	85	93
By region					
Europe	Group level	No.	316	285	420
America			103	102	156
Asia & Australia			8	7	6

Health and safety[24]	Availability of information	Unit	2022	2023	2024
Number of recordable work-related injuries	Group level	No.	34	32	46
Number of fatalities as a result of work-related injury		No.	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)		No.	1	0	1
Number of near misses identified		No.	74	80	93
Near miss frequency rate (NMFR)		Rate	2.05	2.07	2.27
Lost-time injuries frequency rate (LTIFR)		Rate	4.71	4.15	5.61
Lost-time injury rate (LTIR)		Rate	0.94	0.83	1.12

Training and development[25]	Availability of information	Unit	2022	2023	2024
Total number of training hours provided to employees	Group level	No.	115,535	127,321	133,033
Average hours of training that the organization's employees have undertaken			29	30	29
Total number of training hours provided to customers			n/a	100,582	101,965
Percentage of total employees who received a regular performance and career development review		Rate (%)	access 100, executed 97	access 100, executed 98	access 100, executed 97

Non-discrimination	Availability of information	Unit	2022	2023	2024
Total number of incidents of discrimination[26]	Group level	No.	0	3	3

24 The main work-related injuries for 2024 were contact with sharp objects, soreness, and slips. The health and safety data does not include contractors.
Work-related injuries = Lost-time injuries
The numbers of hours worked for 2024 is 8,200,654.
The full-time equivalent (FTE) in 2024 was 4,532.
LTIFR = (Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000
LTIR = (Number of lost-time injuries) / (Total hours worked in accounting period) x 200,000
NMFR = [Number of close calls (near misses; near hits) identified x 200,000] / Number of hours worked for all employees
Working hours: [38.5 Working hours/week * 47 weeks] * FTEs 2024
25 Average training hours per employee = Total number of training hours / Full-time equivalent
26 Three confirmed cases of inappropriate statements and behavior were reported as incidents of discrimination through our whistleblower platform "SPEAK UP!" in the reporting year. In two cases, the employment relationship with the employee concerned was terminated. In one minor case, a written warning was issued.

Energy	Availability of information	Unit	2022	2023	2024
Total energy consumption[27]	Group level	MWh	185,130	192,333	196,194
Energy intensity (MWh energy consumption/total net sales)			0,00011	0,00010	0,00010
Energy intensity (kWh energy consumption/total net sales)			0,11210	0,10360	0,09750
Energy intensity (total energy consumption/tons of materials)			3.05	3.31	3.48
Non-renewable sources on site			159,302	186,101	182,859
Natural gas			159,302	186,101	182,859
Renewable sources on site			1178	992	1488
Hydropower			117	285	103
Photovoltaics			496	361	935
Others (balancing power)			565	346	450
Purchased energy			34,108	31,948	31,789
Purchased electricity			33,982	31,800	31,679
Purchased heat			126	148	110
Purchased cooling			0	0	0
Purchased steam			0	0	0
Sold energy			9,458	26,708	19,942
Electricity sold			9,074	26,324	19,573
Heat sold			384	384	369
Cooling sold			0	0	0
Steam sold			0	0	0

GHG emissions total (metric $ktCO_2e$)	Base year 2020	2021	2022	2023	2024
Total GHG emissions (Scope 1, 2, and 3) – life cycle of sold engines[28]	50,158	60,419	67,377	77,940	82,741
Total GHG emissions (Scope 1, 2, and 3) – reporting year	5,175	6,145	6,998	8,148	7,509
Scope 1, 2, and 3 emissions reductions – reporting year	n/a	970	854	1,150	-640

27 Total energy consumption within the organization = Non-renewable sources on site + Renewable sources on site + Purchased energy - Sold energy
28 One life cycle represents 60,000 operating hours of an engine. Total emissions during the life cycle of a product are dependent on the application and the operational model. INNIO Group's engines are designed and built to operate for multiple life cycles, which significantly supports the concept of circularity.
29 Tank-to-Wheel boundary including direct emissions from fuel combustion.

GHG emissions intensity	Base year 2020	2021	2022	2023	2024
Scope 1 and Scope 2 (market-based) emission intensity (tons of CO_2e/net revenues)	0.000033	0.000027	0.000022	0.000023	0.000021
Scope 3 emission intensity (tons of CO_2e/net revenues) – reporting year only	0.003718	0.004157	0.004070	0.004257	0.003599
Scope 3 emission intensity (tons of CO_2e/net revenues) – full life cycle	0.037515	0.042217	0.040420	0.041860	0.040991

GHG emissions in detail	Base year 2020	2021	2022	2023	2024
Scope 1 and 2 emissions – in thousand tons of CO_2e [metric $ktCO_2e$]					
Scope 1	35.92	31.43	30.73	36.35	35.56
Scope 2 emissions (location-based)	9.17	7.27	7.26	7.65	7.31
Scope 2 emissions (market-based)	8.39	6.58	6.03	6.60	6.40
Scope 1 and 2 emissions (location-based)	45.09	38.69	37.99	43.99	42.86
Scope 1 and 2 emissions (market-based)	44.31	38.01	36.76	42.95	41.96
Scope 3 emissions – in thousand tons of CO_2e [metric $ktCO_2e$]					
Total Scope 3 (reporting year)	5,131	6,107	6,962	8,105	7,467
Total Scope 3 (life cycle)[28]	50,113	60,381	67,340	77,897	82,699
3.1 Purchased goods	106.01	105.04	120.24	113.06	109.63
3.2 Capital goods	29.46	28.61	29.89	40.82	65.81
3.3 Indirect fuel- and energy-related activities	14.01	12.32	12.23	10.52	10.29
3.4 Upstream raw material transport[29]	9.31	11.43	9.68	10.32	9.91
3.5 Waste	2.37	1.17	3.06	2.96	3.06
3.6 Business travel[29]	0.33	0.28	0.75	0.71	0.75
3.7 Employee commuting[29]	2.54	2.96	4.41	3.91	4.22
3.8 Upstream leased assets[29]	1.76	3.08	3.72	3.64	3.28
3.9 Downstream product transport[29]	1.72	2.10	4.20	4.44	3.66
Use of sold products (reporting year)	4,949	5,928	6,760	7,901	7,242
3.11 Use of sold products (life cycle)[28]	49,932	60,202	67,138	77,692	82,475
3.12 End of life	13.84	11.61	13.52	14.35	14.22
Total transportation emissions (Well-to-Wheel)[30]	20.06	25.43	29.79	30.01	29.80

30 Well-to-Wheel boundary including direct emissions of fuel combustion and indirect emissions from upstream activities.
The energy-related data for our main facilities come from bills and on-site calculations and are used to calculate emissions for both Scope 1 and 2 emissions. Estimates are used where primary data is not available and are based on employee headcount. INNIO Group reports Scope 3 emissions for all relevant categories. For total GHG emissions, the market-based Scope 2 figures are used. For more details about INNIO Group's GHG inventory, please see page 38.

Spills	Availability of information	Unit	2022	2023	2024
Number of recorded significant spills	Jenbach, Waukesha, Welland	No.	0	0	0
Oil spills			0	0	0
Fuel spills			0	0	0
Spills of wastes			0	0	0
Spills of chemicals			0	0	0
Others			0	0	0

Waste[31]	Availability of information	Unit	2022	2023	2024
Total waste generated	Group level	Tons	12,033	12,099	12,227
Total hazardous waste			1,480	1,783	1,921
Total non-hazardous waste			10,553	10,316	10,306
Total weight of waste – diverted from disposal			9,735	9,378	9,334
Hazardous waste			n/a	115	70
Non-hazardous waste			9,735	9,263	9,264
Total weight of waste – directed to disposal			2,298	2,721	2,893
Hazardous waste			1,480	1,669	1,851
Non-hazardous waste			818	1,052	1,042

31 Primary data is used to calculate waste generation where INNIO Group operates. Estimates are used where primary data is not available. Waste generated is based on data from invoices and/or vendor/third-party reports. In the absence of actual data, estimations and assumptions are used based on this source for commercial offices and on employee headcount.

Water[32]	Availability of information	Unit	2022	2023	2024
Total water withdrawn	Group level	mL	1,049	918	1,109
Groundwater			906	750	924
Third-party water			144	158	185
Surface water			n/a	10	n/a
Total water discharge			1,019	884	1,083
Groundwater			906	750	699
Third-party water			113	124	159
Surface water			n/a	10	225
Total water consumption			30	34	26

Materials	Availability of information	Unit	2022	2023	2024
Total material usage	Group level	Tons	60,702	58,065	56,386
Material by type (weight or volume):					
Metals	Group level	Tons	56,602	54,143	49,673
Wood			940	900	1,480
Paper			175	167	210
Sand			109	105	67
Chemicals			1,267	1,212	667
Others			1,608	1,538	4,289
Percentage of recycled input materials used to manufacture the organization's primary products and services		Rate (%)	50	55	58

32 Primary data is used to calculate water withdrawal, discharge, and consumption where INNIO Group operates, and in some cases estimations were made where primary data is not available. Water withdrawals are based on data from utility bills from our largest sites. Estimates are based on employee headcount.

GRI index table

GRI standard	Disclosure	Location	UN SDG
GRI 2: General Disclosures 2021	2-1 Organizational details	pp. 6, 88	
	2-2 Entities included in the organization's sustainability reporting	100% operational cover; 99% coverage of INNIO Group's workforce	
	2-3 Reporting period, frequency and contact point	p. 88	
	2-4 Restatements of information	Due to better data availability and calculation model adaptions, recalculations of GHG emissions for the following categories and years were conducted (see pp. 36 – 37 and 76 – 77): → Scope 1 (2020 – 2023): Due to updated natural gas consumption, also in the previous years, GHG emissions were adapted accordingly. → Scope 2 (2020 – 2023): The availability of more accurate CO_2 factors led to an update back to the base year. → Scope 3.1 "Purchased Materials" (2020 – 2023): Due to the availability of more accurate data, the calculation model was adjusted including previous years. → Scope 3.3 "Fuel indirect" (2020 – 2023): Because of the updated natural gas consumption, the indirect energy-related emissions were adapted acoordingly. → Scope 3.4 "Upstream Transportation": Due to the availability of more accurate data, the calculation model was adjusted including previous years. → Scope 3.11 "Use Phase" (2020 – 2023): The adjustment of the calculation model including remanufactured engines resulted in more accurate figures for previous years. → Scope 3.12 "End of life" (2020 – 2023): Due to the availability of more accurate data, the calculation model was adjusted including previous years.	
	2-5 External assurance	pp. 90 – 93	
	2-6 Activities, value chain, and other business relationships	pp. 18 – 25	
	2-11 Chair of the highest governance body	pp. 12 – 13	
	2-12 Role of the highest governance body in overseeing the management of impacts	pp. 12 – 13	
	2-13 Delegation of responsibility for managing impacts	pp. 12 – 13	
	2-14 Role of the highest governance body in sustainability reporting	pp. 12 – 13	
	2-16 Communication of critical concerns	a. pp. 63 – 68 b. zero incidents	
	2-22 Statement on sustainable development strategy	pp. 11, 26	
	2-23 Policy commitments	pp. 30, 47, 59, 63 – 64 innio.com	16
	2-24 Embedding policy commitments	pp. 30, 47, 59, 63 – 64	
	2-25 Processes to remediate negative impacts	pp. 63 – 65	
	2-26 Mechanisms for seeking advice and raising concerns	pp. 63 – 65	16
	2-27 Compliance with laws and regulations	Zero instances (2023: zero instances)	16
	2-28 Membership associations	pp. 14 – 15	
	2-29 Approach to stakeholder engagement	pp. 24 – 25	
	2-30 Collective bargaining agreements	p. 52	8
GRI 3: Material topics 2021	3-1 Process to determine material topics	pp. 18 – 23	
	3-2 List of material topics	pp. 20 – 21	
	3-3 Management of material topics	pp. 28 – 65	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	pp. 63 – 65	
	205-3 Confirmed incidents of corruption and actions taken	Zero incidents (2023: zero incidents)	
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero instances (2023: zero instances)	
GRI 207: Tax 2019	207-1 Approach to tax	p. 68	
	207-2 Tax governance, control, and risk management	p. 68	

GRI standard	Disclosure	Location	UN SDG
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 79	
	301-2 Recycled input materials used	p. 79	8, 9, 12
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 76	7, 8, 12, 13
GRI 303: Water and effluents 2018	303-3 Water withdrawal	p. 79	6
	303-4 Water discharge	p. 79	6
	303-5 Water consumption	p. 79	6
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 77	3, 12, 13, 15
	305-2 Energy indirect (Scope 2) GHG emissions	p. 77	3, 12, 13, 15
	305-3 Other indirect (Scope 3) GHG emissions	p. 77	3, 12, 13, 15
	305-4 GHG emissions intensity	pp. 76 – 77	13, 15
	305-5 Reduction of GHG emissions	pp. 36 – 38, 76 – 77	13, 15
GRI 306: Effluents and waste 2016	306-3 Significant spills	p. 78	3, 6, 12, 15
GRI 306: Waste 2020	306-3 Waste generated	p. 78	3, 6, 12, 15
	306-4 Waste diverted from disposal	p. 78	3, 6, 12, 15
	306-5 Waste directed to disposal	p. 78	3, 6, 12, 15
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 72	
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 72	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 74	5, 8, 10
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	pp. 55 – 58	8
	403-5 Worker training on occupational health and safety	pp. 55 – 58	8
	403-6 Promotion of worker health	pp. 55 – 58	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 55 – 58, 60 – 61	
	403-9 Work-related injuries	p. 75	3, 8, 16
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	p. 75	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 75	5, 8
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Zero incidents (2023: zero incidents)	
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Zero incidents (2023: zero incidents)	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	p. 72	
	414-2 Negative social impacts in the supply chain and actions taken	p. 72	
GRI 415: Public policy 2016	415-1 Political contributions	p. 65	
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 60 – 61	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents (2023: zero incidents)	
GRI 417: Marketing and labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Zero incidents (2023: zero incidents)	
	417-3 Incidents of non-compliance concerning marketing communications	Zero incidents (2023: zero incidents)	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero incidents (2023: zero incidents)	

SASB index table

Topic	Code	Accounting metric	Category	Unit of measure	Description, References
Energy Management	RT-EE 130a.1/RT-IG-130a.1	(1) Total energy consumed	Quantitative	Gigajoules (GJ)	p. 76
		(2) Percentage grid electricity		Percentage (%)	
		(3) Percentage renewable			
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated		Metric tons (t)	pp. 78
		Percentage recycled		Percentage (%)	
		Number of reportable spills		Number	
	RT-EE-150a.2	Aggregate quantity of reportable spills		Kilograms (kg)	
		Quantity recovered			
Product Safety	RT-EE-250a.1	Number of recalls issued		Number	INNIO Group had zero recalls in 2024, and we had no monetary losses as a result of legal proceedings associated with product safety. Please also see pp. 60 – 61 for product safety.
		Total units recalled			
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety		Reporting currency	
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton miles	INNIO Group discloses Scope 3 emissions from products and their life cycles as illustrated on pp. 76 – 77. We do not measure sales-weighted fuel efficiency, but rather overall mechanical, electrical, and thermal product efficiencies. In addition, and specifically in relation to Code RT-IG-410a.4, we are not manufacturing any diesel equipment. Instead, we direct our investments toward research and development related to gas engines that generate fewer direct emissions. Please also refer to "E1 – Climate change."
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment		Gallons per hour	
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators		Watts per gallon	
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NO_x) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines		Grams per kilowatt hour	

Topic	Code	Accounting metric	Category	Unit of measure	Description, References
Materials Sourcing	RT-EE 440a.1/ RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and analysis	n/a	pp. 41 – 79
Remanufacuring Design and Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	INNIO Group's revenues from remanufacturing offerings have been systematically increasing since 2018.
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and analysis	n/a	pp. 63 – 65
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	Zero, p. 71
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations			Zero, p. 71
Employee Health and Safety	RT-IG-320a.1	(1) Total recordable incident rate (TRIR)		Rate	p. 75
	RT-IG-320a.2	(2) Fatality rate			p. 75
	RT-IG-320a.3	(3) Near miss frequency rate (NMFR)			p. 75
Accounting Metrics	RT-IG-000.A/ RT-EE-000.A	Number of units produced by product category		Number	INNIO Group delivers more than 2 GW of newly installed base annually.
	RT-IG-000.B/ RT-EE-000.B	Number of employees			p. 73

TCFD index table

Disclosure	Reference/report section
Governance	
Describe the board's oversight of climate-related risks and opportunities.	Please refer to the chapter "E1 – Climate change" on pp. 30 – 31, as well as to "Enterprise risk management" on p. 67.
Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Please refer to the chapter "E1 – Climate change" on pp. 28 – 29, as well as to "Enterprise risk management" on p. 67.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	INNIO Group is working on expanding our TCFD-related practices by including climate-related scenarios in our initial identification of climate risks and opportunities that will further help us assess the resilience of our climate strategy.
Risk management	
Describe the organization's processes for identifying and assessing climate-related risks.	Please refer to the chapter "E1 – Climate change" on pp. 30 – 31, as well as to "Enterprise risk management" on p. 67.
Describe the organization's processes for managing climate-related risks.	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Please refer to the chapter "E1 – Climate change" on pp. 31 – 34 and 36 – 38.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

UN Global Compact index table

Global Compact principle	Relevant policies & commitments	Sustainability Report reference
Principles 1 & 2		
Businesses should support and respect the protection of internationally proclaimed human rights.	Labor and Human Rights Policy, Supplier Code of Conduct	"Ethical and Transparent Business" section
Businesses should make sure that they are not complicit in human rights abuses.		
Principle 3		
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Labor and Human Rights Policy, Supplier Code of Conduct	"Sustainable Supply Chain" and "Ethical and Transparent Business" sections
Principles 4 & 5		
Businesses should uphold the elimination of all forms of forced and compulsory labor.	Labor and Human Rights Policy, Supplier Code of Conduct	"Sustainable Supply Chain" and "Ethical and Transparent Business" sections
Businesses should uphold the effective abolition of child labor.		
Principle 6		
Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Labor and Human Rights Policy, Diversity, Equity, and Inclusion Policy	"Diversity and Inclusion" and "Ethical and Transparent Business" sections
Principle 7		
Businesses should support a precautionary approach to environmental challenges.	Environmental Policy	"Governance," "Resilient Manufacturing," and "Resource Management" sections
Principle 8		
Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Policy	"Leading the industry through collaborative action," "Sustainability Strategy & Goals," "Progress in action," "Sustainable Supply Chain," and "Resource Management" sections
Principle 9		
Businesses should encourage the development and diffusion of environmentally friendly technologies.	Quality Policy, Environmental Policy	"Progress in action" section
Principle 10		
Businesses should work against corruption in all its forms, including extortion and bribery.	Code of Conduct, Supplier Code of Conduct	"Progress in action" section

About this report

This report is presented for the INNIO Group Holding GmbH, headquartered in Jenbach, Austria. It spans INNIO Group's Jenbacher and Waukesha brands and operations within the 2024 fiscal year. This sustainability report follows the same time span (fiscal year) as the financial report.

Scope, material topics, and boundaries

INNIO Group's 2024 Sustainability Report is a non-financial disclosure published annually. The first Sustainability Report 2020 was published in September 2021.

This 2024 disclosure was prepared with reference to the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). It also includes an initial analysis in line with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations Framework. The report also serves as our Communication on Progress (COP) for the UN Global Compact (UNGC).

Through our non-financial reporting, we describe our management and performance of environmental, social, and governance (ESG) issues. Our disclosures focus on the topics that were deemed most material to our business and stakeholder groups during INNIO Group's materiality assessment performed in mid-2021. INNIO Group's alignment with the United Nations Sustainable Development Goals (UN SDGs) is based on the GRI and the UNGC's Business Reporting on the UN SDGs. This report mainly covers data from 2024. Wherever possible, it also presents a series of data over three years (2022, 2023, and 2024) to make the information transparent, relevant, and comparable.

This Sustainability Report has been externally assured. KPMG Austria GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft has performed an independent limited assurance engagement on the combined consolidated non-financial report ("NFI report") for the financial year 2024. For the assurance report, please see pages 90 – 93. The data presented in the report is consolidated at Group level and covers 100% of business operations and of global location. This boundary applies to all material topics, unless clearly indicated otherwise for a particular material topic in the text of this Sustainability Report. All health, safety, and environmental data, including greenhouse gas (GHG) data for Scope 1, Scope 2, and Scope 3, cover INNIO Group using the financial control approach.

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President & Chief Executive Officer

→ **Dr Dennis Schulze**
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→ **Dr Klaus-Peter Weber**
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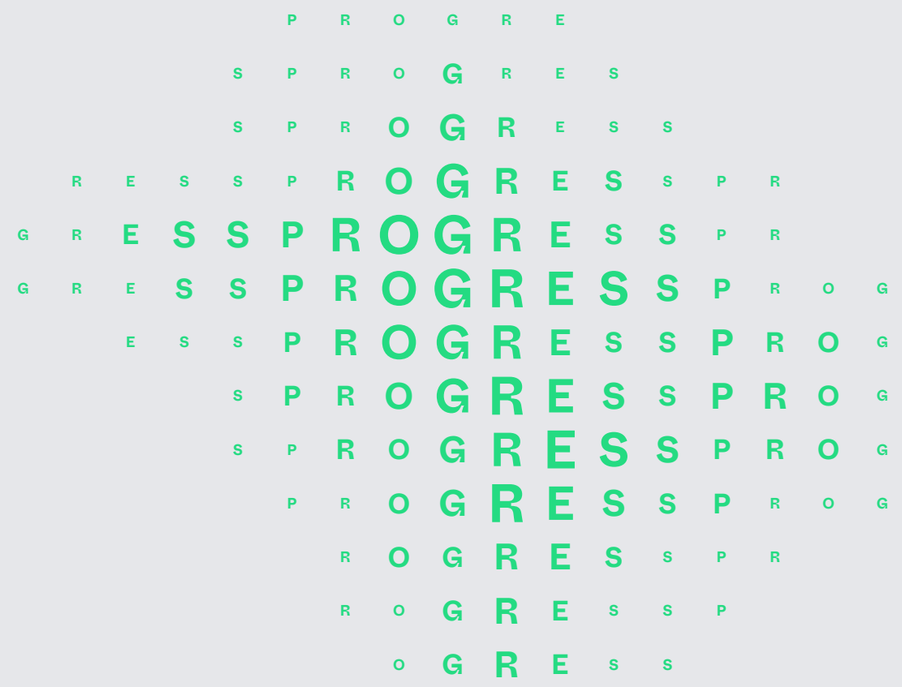


Independent assurance report on the voluntary sustainability reporting

We have performed a limited assurance engagement in the connection with the voluntary consolidated sustainability reporting for the financial year (hereinafter “voluntary sustainability reporting”) for the financial year 2024 the

INNIO Group Holding GmbH, Jenbach (hereinafter also short “INNIO” or “company”),

realized.

Conclusion with limited assurance

On the basis of our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability reporting is not prepared, in all material respects in accordance with the Global Reporting Initiative (GRI Standards) option “with reference to”.

Basis for the summary assessment

Our limited assurance engagement on the sustainability reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance (“limited assurance engagement”) is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance (“reasonable assurance enagement”), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the “Responsibility of the auditor of the consolidated sustainability reporting” section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Responsibility of the company's legal representatives

Management is responsible for the preparation of a sustainability reporting including the determination and implementation of the materiality assessment processes in accordance with the GRI standards (Option “with reference to”). This responsibility includes:

- identification of the sustainability aspects and assessing the materiality these sustainability aspects,
- the preparation of sustainability reporting in compliance with the requirements of the GRI Standards in their current version.

This responsibility includes also the selection and application of appropriate methods for sustainability reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of sustainability reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed

Responsibility of the auditor of voluntary consolidated sustainability reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the voluntary sustainability reporting, including the procedures performed to determine the information to be reported is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this voluntary sustainability reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group’s internal controls;
- design and perform assurance procedures responsive to disclosures in the sustainability reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures – Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the voluntary sustainability reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the sustainability reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the sustainability reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of sustainability reporting.
- We assess whether all relevant information identified by the materiality assessment process carried out by the company has been included in the sustainability reporting.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the sustainability reporting.

- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the sustainability reporting.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We evaluate analytically the data and trends of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- We evaluate the consistency of the GRI Standards, Option "with reference to " to disclosures and indicators of the NFI report, which apply to the Company;
- We evaluate the overall presentation of the disclosures by critically reading the NFI report.

Limitation of Liability, publication and terms of engagement

This limited assurance engagement is a volunatary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the “General Conditions of Contract for the Public Accounting Professions” issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at https://ksw.or.at/berufsrecht/mandatsverhaeltnis/). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims. We agree to the publication of our assurance certificate and sustainability reporting. However, publication may only be performed in its entirety and as a version has been certified by us.

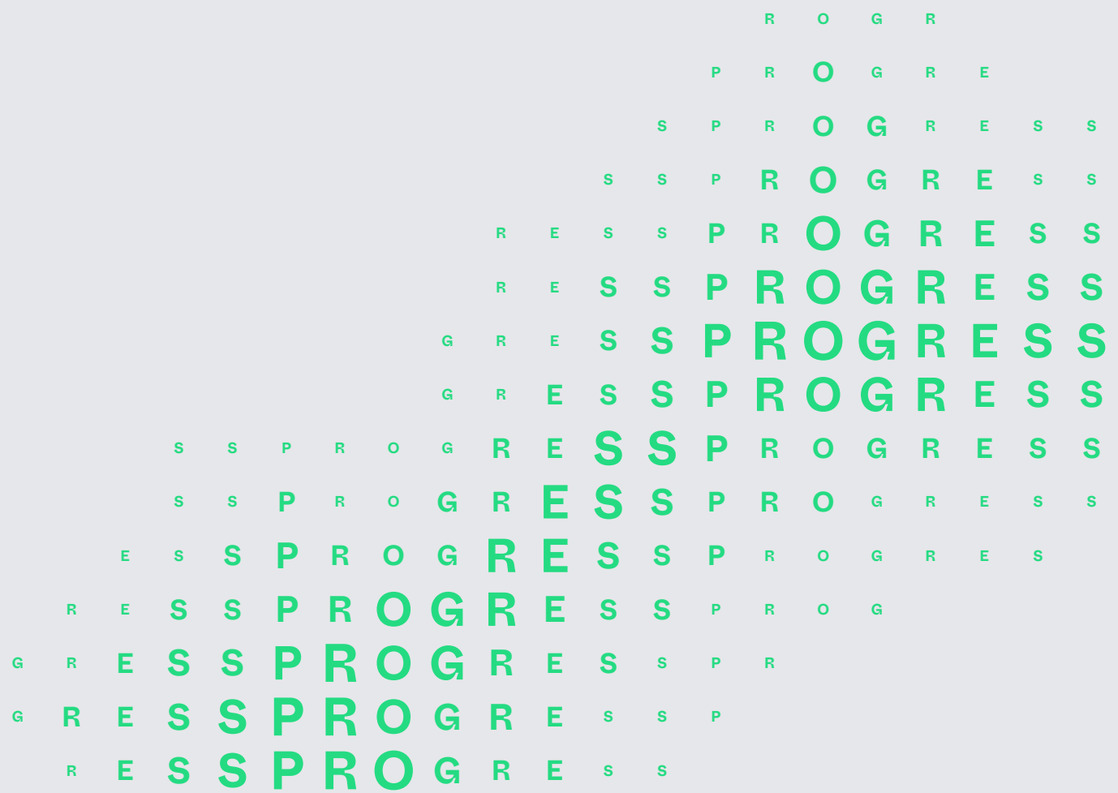
Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of sustainability reporting is [Karl Braun].

Vienna, 27. March, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

- **Karl Braun**
  Wirtschaftsprüfer
  (Austrian Chartered Accountant)



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