



The Only Bankable Solution.

2021 ESG
Report



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Letter from the CEO

Building a sustainable future is at the heart of Kinematics' vision. We are pleased to demonstrate our commitment to this vision with our first ESG report. Our 2021 inaugural ESG report provides insight into our sustainability projects and practices to date, as well as our future goals and initiatives.

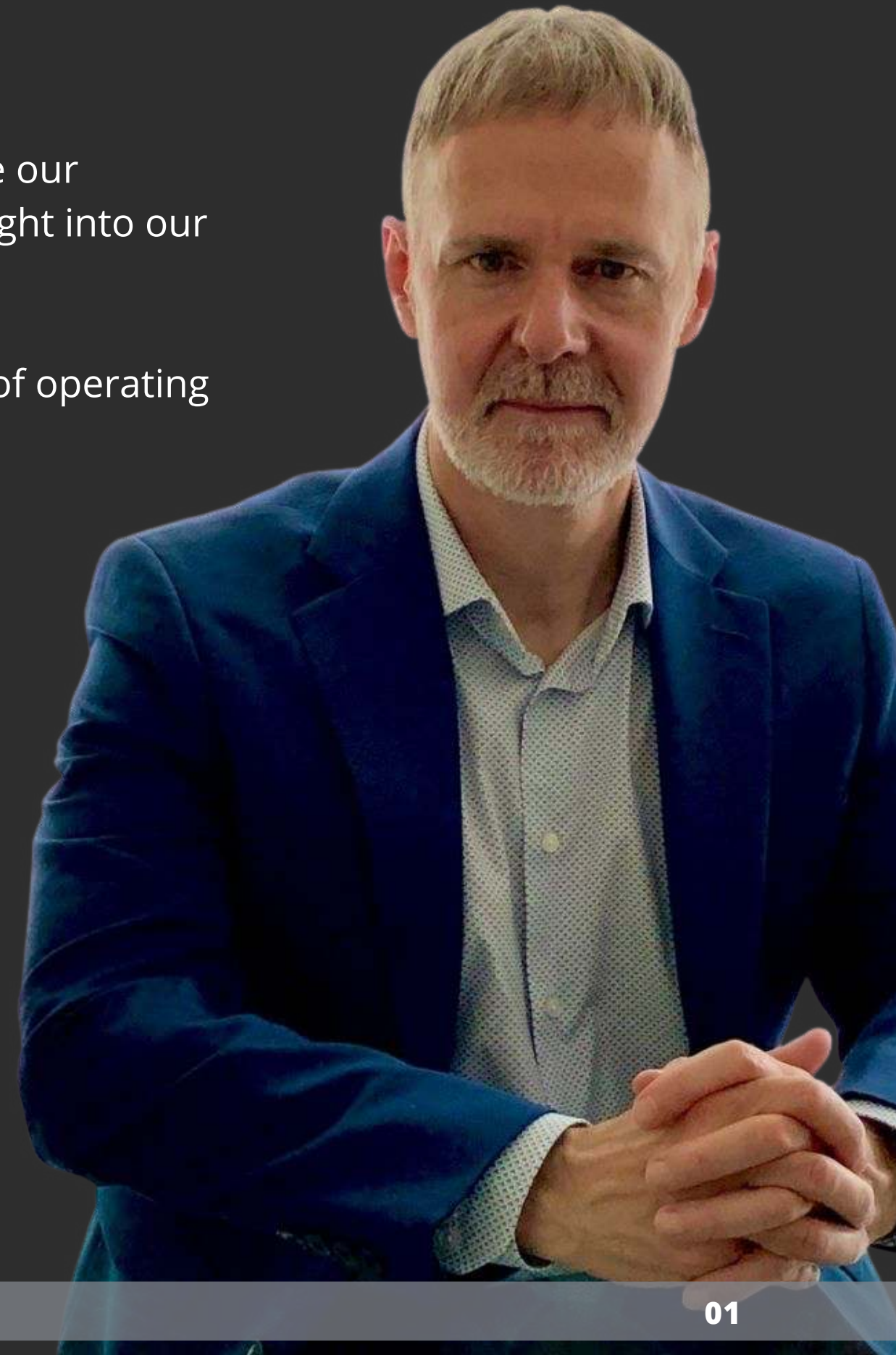
As a key contributor to the renewable energy industry, Kinematics understands the importance of operating sustainably while simultaneously creating long-term value for all of our stakeholders.

Kinematics' sustainability strategy builds on our background of creating responsible, customer-focused solutions that advance our ambition of protecting and preserving the future. Guided by the United Nations Sustainable Development Goals (SDGs), Kinematics is integrating day-to-day sustainability thinking at all of our locations and operations. I would like to thank the Kinematics team for their hard work and performance as we embarked on our sustainability journey, and look forward to improving our sustainability efforts in the future.

John Payne



Chief Executive Officer, Kinematics



2021 Company Highlights



2021 GHG Emissions

Scope 1: 135.52 MT CO₂e
Scope 2: 1,992.85 MT CO₂e

Kinematics products have supported the generation of
53 Gigawatts
of clean solar power since the company was founded in 1996

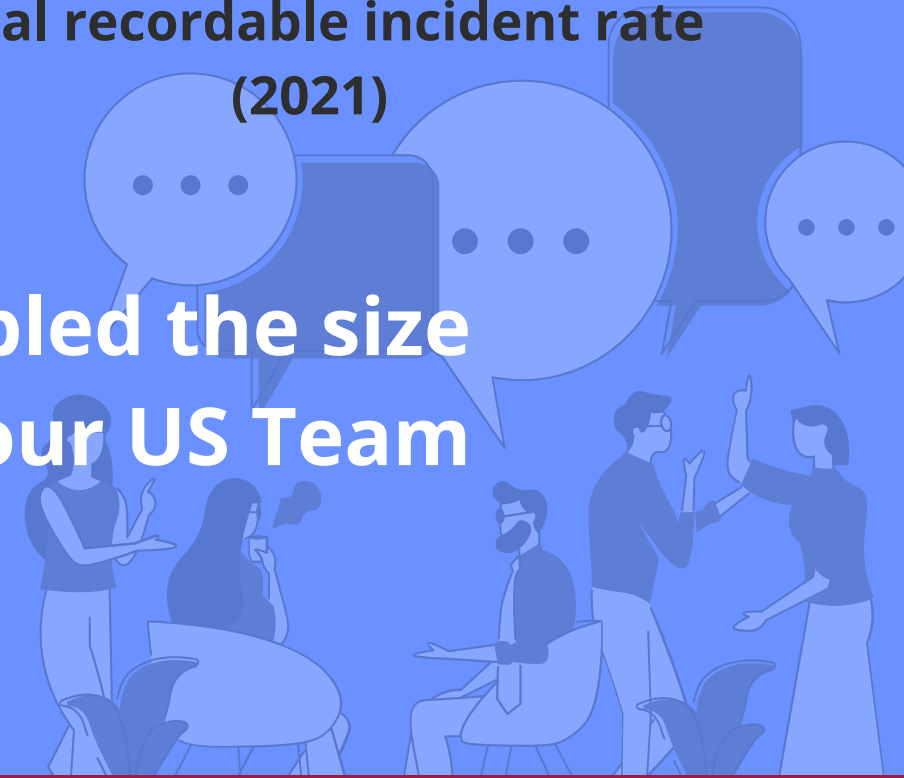
21%
of materials used for products and shipping were from renewable sources

- ✓ Conducted our first Materiality Assessment
- ✓ Launched ESG Committee
- ✓ Implemented Supplier Code of Conduct

First CDP Submission in Kinematics' history

1.46
Total recordable incident rate (2021)

Doubled the size of our US Team



A large white and red mobile crane is the central focus, parked on a gravel surface at a construction site. The crane's boom is extended upwards. In the background, a bridge under construction is visible against a dramatic sunset sky with orange and blue clouds. The sun is low on the horizon, casting a warm glow over the scene. The overall atmosphere is one of industrial activity during the 'golden hour' of the day.

Section 1:

Our Company and Values

About Us

Kinematics has provided controlled torque solutions to many industries and applications since 1996. Our innovations — specifically, high-performance and ultra-reliable integrated slew drives — are widely used in industrial and mobile applications and are essential in fueling the exponential growth of Utility Scale Solar installations worldwide.

With more than 60 patents globally, Kinematics is the leader in rotational motion-control and smart-torque technology, historically trailblazing successive waves of innovation. In addition to being the innovation leader, we are the world's largest producer of slew drives and worm drive reducers.

Kinematics is headquartered in Phoenix, Arizona. Other facility locations include Huntington Beach, California, Nogales, Mexico, and Jiangyin, China.

Vision: Intelligent Motion Control for a Sustainable, Connected Future

Mission: We work towards the long-term success of our chosen customers by:

Applying Our Relationship Aptitude

Leveraging Our Global Presence

Being A Reliable Partner

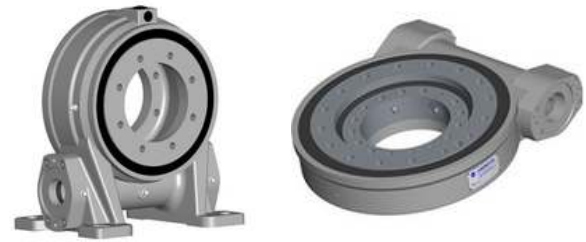
Values:

- Teamwork, Everywhere
- Customer Focus (Internal and External)
- Accountability
- Speed and Agility
- Innovation

Locations



Products



SINGLE AXIS SLEW DRIVES

Rotating around one axis, single axis slewing drives are an industry standard — reliable, easy to install and the most commonly used.

DUAL AXIS SLEW DRIVES

Rotating independently around two separate axes at the same time, dual axis slewing drives are capable of accommodating large loads and a wide range of movement.



SLEWING RINGS

Designed for use in gear drive systems or rotary devices that require carrying axial, radial and overturning moment loads.

SMART DRIVE

Smart Drive is a health and performance intelligence offering that provides actionable insights to lower operational costs and increase reliability and performance. Smart Drive uses special torque, position, and health sensors that we have built directly into our actuators. Unlike currently available health and performance intelligence offerings that rely on indirect or modeled guesses, Smart Drive measures stresses and performance directly from the drive itself.



CUSTOM ENGINEERED SOLUTIONS

Kinematics creates custom intelligent motion control for mission-critical systems in demanding environments. We are based in the U.S. with global operations to deliver huge volumes. Our intelligent motion control technology improves the efficiency, lifespan, and safety of mission-critical systems. 25+ years of experience with 2M systems in the field globally make our actuators the most reliable and bankable solution. Our engineers are experts in many fields but with a focus on motion control for Solar, SATCOM, and Mobile Industrial applications.

Among our many innovations are the first cost-performance optimized drive for interior and exterior solar rows; smaller, stronger environmentally hardened drives; integrated planetary drives and reducers, actuation intelligence sensing technology built into our Kinematics actuator, and the incorporation of motion control elements such as gear trains, multiple axis, and clutches and brakes.

Industries We Support

Utility Solar

longevity at minimum cost



Mobile Industrial

safety critical, highly customized



Satellite

precision and repeatability



Where motion control is critical and depth of relationship is valued

Supporting the Utility Solar Industry

*Largest deployed population of solar
tracking slew drives in the world*



20%

Kinematics' tracker systems are estimated to be 20% more energy efficient than a fixed tilt system

Industry-leading warranties and deeply dedicated expertise

As sophisticated tracker systems have replaced static, ground-mounted systems globally, Utility Scale Solar energy has become increasingly viable. As a result, the industry has nearly doubled since 2015 and is expected to triple by 2025.

With the largest number of slew drives in operation worldwide—by far—Kinematics is at the forefront in helping to drive this exponential growth. Our solutions are proven and reinforced by continuous testing and refining, reducing risk and costs for our customers while solidifying their confidence.

*Kinematics products have
supported the generation of*

53 Gigawatts

*of clean solar power since the
company was founded in 1996*

***We are primed and
proud to help drive
this transformation***

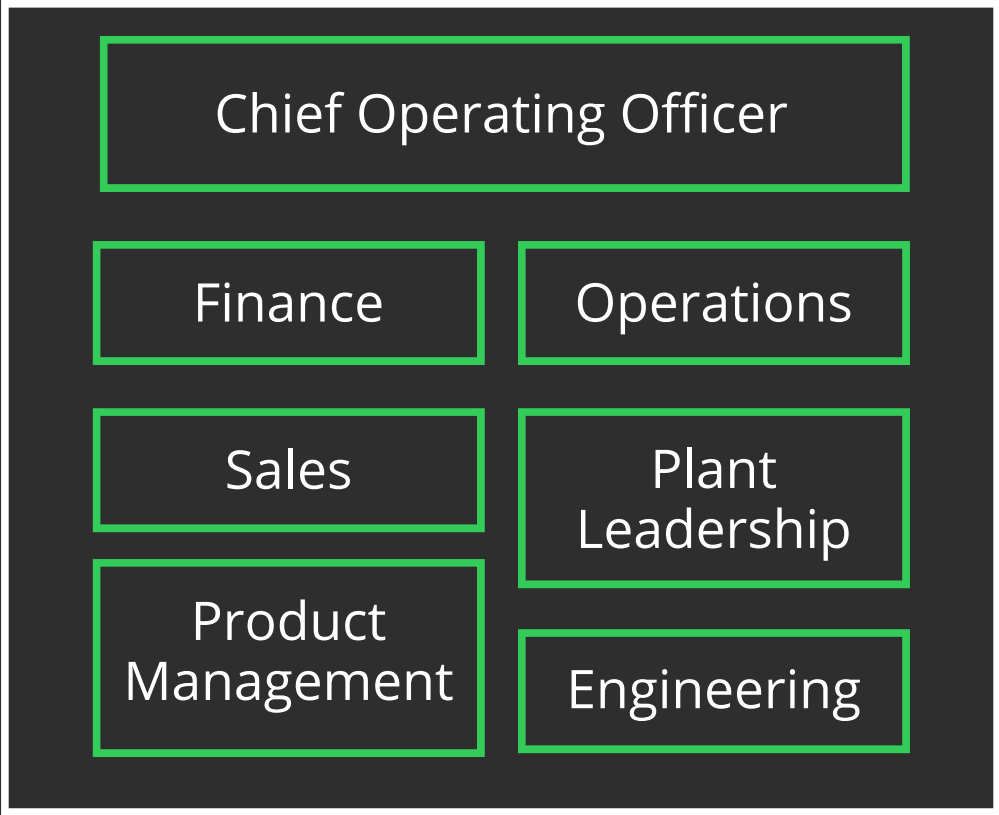
ESG Governance at Kinematics

Sustainable business practices are a driving force for our company. To ensure that our ESG commitments and goals are achieved, we have developed an ESG governance structure to monitor progress, implement new ESG-related programs, and remediate any negative impacts that Kinematics may have on the environment or society.

Our ESG governance is comprised of a cross-functional committee of senior leadership, including representatives from finance, product development, sales, operations, and plant leadership. Our Chief Operating Officer leads the committee. The committee meets each month to set ESG-related targets, review progress on our key initiatives, and define our overall sustainability strategy. Additionally, our ESG committee is responsible for publishing this ESG report and all future ESG reporting, including CDP and EcoVadis.

Going forward, Kinematics is committed to expanding our ESG governance through the addition of personnel dedicated to and specializing in corporate sustainability practices.

ESG Committee



Responsibilities

- Set ESG-related targets
- Review progress on our key initiatives
- Define sustainability strategy
- Oversee ESG reporting

About this Report

Our 2021 Sustainability Report shares our Environmental, Social and Governance (ESG) impacts and performance and provides our ESG plans moving forward. This report is in accordance with the Global Reporting Initiative (GRI) Standards. All data presented in this report is for the period of January 1st, 2021, to December 31st, 2021.

To define Kinematics' ESG material topics, a materiality assessment, including an industry analysis, stakeholder engagement interviews, and a review of the internal strategic plans and goals, was conducted. The results of this assessment helped us better understand sustainability priority areas within our organization.

This report is built upon the materiality assessment and goal setting completed throughout 2021. In addition, it includes an analysis of our ESG material topics and achievements. We look forward to publishing annual ESG reports to update our stakeholders on our ESG performance, impacts, and progress on our initiatives. For questions about this report, please contact torque@gokinematics.com



Material Topics

Internal surveys and interviews were conducted with a cross-functional sample of Kinematics employees and senior leadership, and an industry analysis covering ESG commitments and trends was completed. The material topics covered in this report serve as the focus areas of our company's sustainability strategy and planned initiatives.

Based on the results of the interviews, surveys, and external research, the following ESG material topics have emerged.

Environment

Operational Efficiency

Climate Action

Social

Occupational Health & Wellness

Diversity, Equity & Inclusion (DEI)

Supply Chain Engagement

Employee Engagement

Governance

Business Ethics &
Human Rights

United Nations Sustainable Development Goals

The SDGs were created for nations; however, the private sector has a responsibility to align its efforts to contribute to the goals as well. Kinematics is committed to doing our part to contribute to the Global Goals. As part of the manufacturing industry, we are positioned to lead more sustainable business practices and products through the goals and initiatives we lay out in this report.



Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials

Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater

Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix

Target 7.3: By 2030, double the rate of improvement in energy efficiency

Target 8.8: Protect labor rights and promote safe and secure working environments for all workers

Target 10.2: By 2030, empower and promote the inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory policies and practices

Target 10.4: Adopt policies, and progressively achieve greater equality

Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

Target 13.2: Integrate climate change measures into policies, strategies and planning

Target 16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children

Target 16.5: Substantially reduce corruption and bribery in all their forms

Target 16.6: Develop effective, accountable and transparent institutions

The background of the slide features a photograph of two large tower cranes at a construction site. The cranes are silhouetted against a sky with soft, warm light from a low sun, creating a gradient from orange near the horizon to a pale blue at the top. The cranes are positioned diagonally across the frame, with the larger one on the left and a smaller one on the right. The overall mood is industrial yet serene.

Section 2:

ESG Impacts and Initiatives

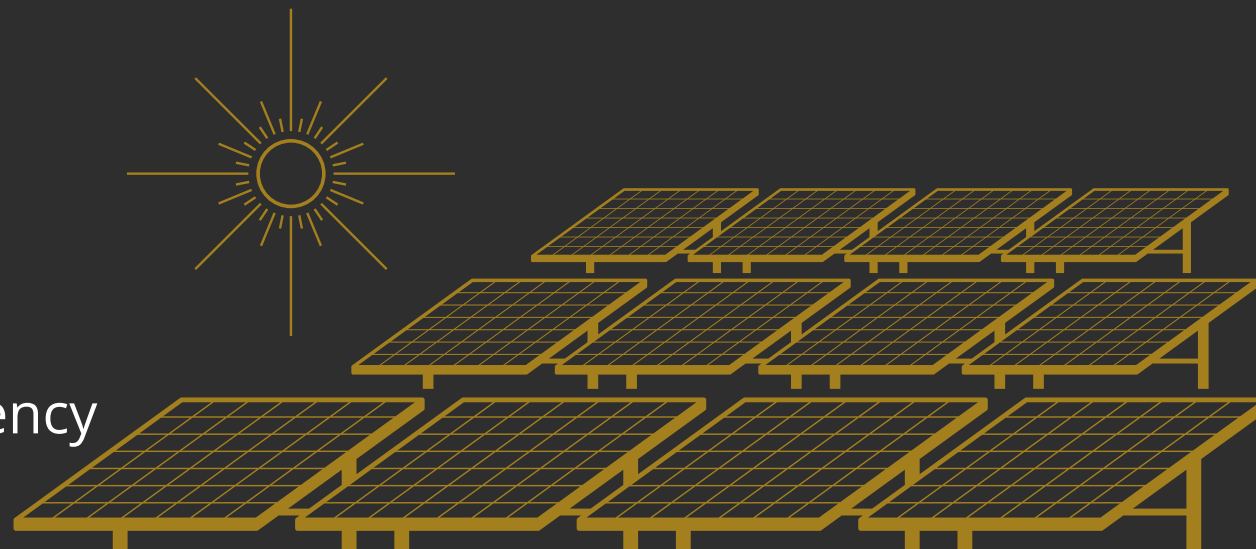
Environment

We recognize the responsibility we have to minimize our environmental impact. From how we manufacture and distribute our products to the positive impact of our products on enhanced shelf life, efficient transport, and product end-of-life management, Kinematics is committed to delivering high-quality products, solutions, and environmentally sustainable services.

To ensure our operations and supply chain meet this commitment, we have implemented a company-wide environmental policy outlining our commitments to operational efficiency and climate action, in addition to a sustainable procurement policy and supplier code of conduct that ensure this environmental commitment is carried through our supply chain as well.

Material Topics

- Climate Action
- Operational Efficiency



Climate Action

Kinematics has completed our baseline greenhouse gas emissions inventory, including a full inventory of scope 1 and scope 2 emissions, and a screening of scope 3 emissions. This baseline inventory prepares us to set strategic emissions reduction targets and begin working toward reducing our emissions in line with those targets in the coming years.

We are also aligned to begin work on a climate risk analysis to understand the risks climate change poses to our operations and business. Understanding these risks allows us to better prepare and respond when disruptions occur.

Kinematics is uniquely positioned to help combat the climate crisis, both within our operations and through our contribution to the renewable energy industry. All of our climate action work is preparing us for a climate transition plan and the role we play in achieving these goals.



Strategic Goals

- Identify hot spot areas where Kinematics has the largest impact outside of operational control
- Incorporate climate change and climate-related risks into key business decisions
- Understand the potential risks and opportunities associated with climate change
- Commit to the Science Based Target Initiative (SBTI)



Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

Target 13.2: Integrate climate change measures into policies, strategies and planning



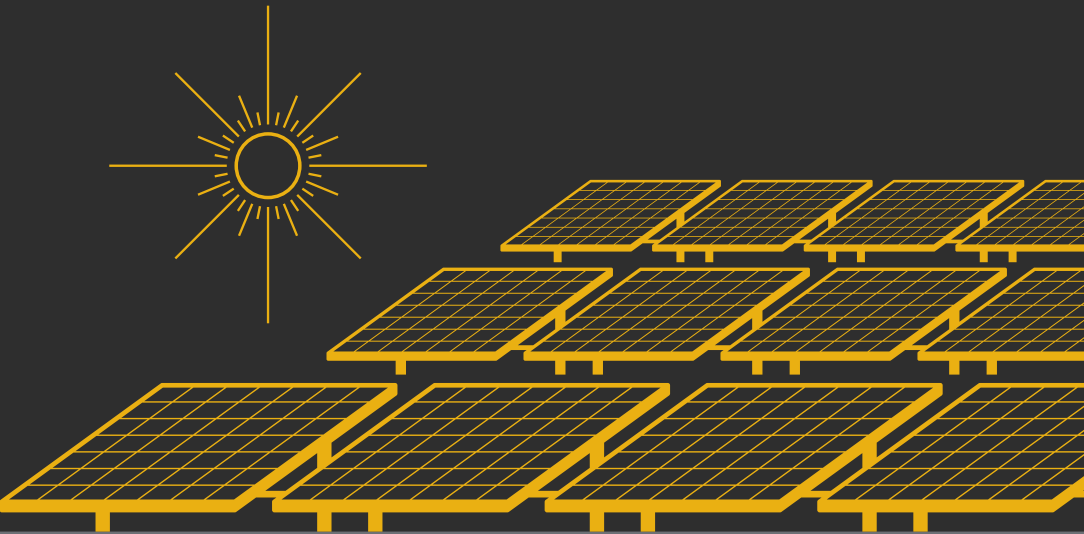
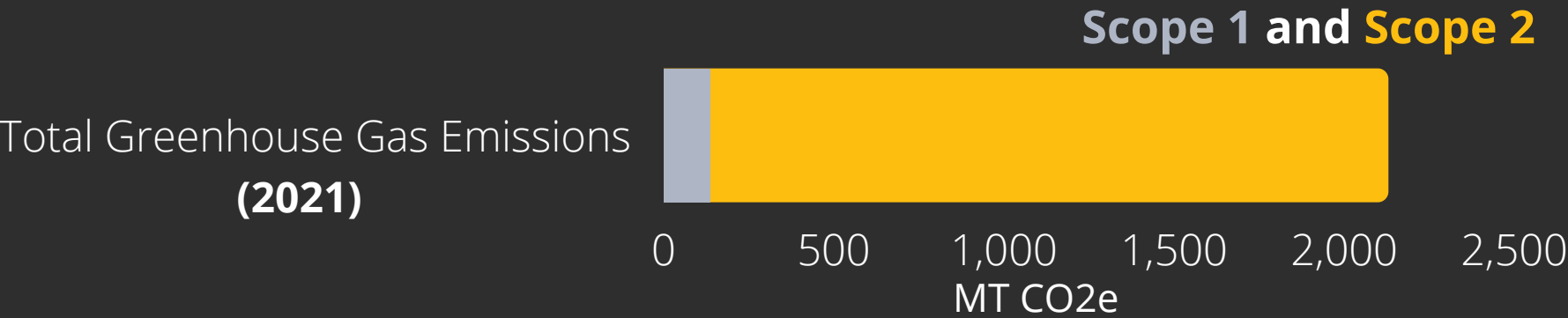
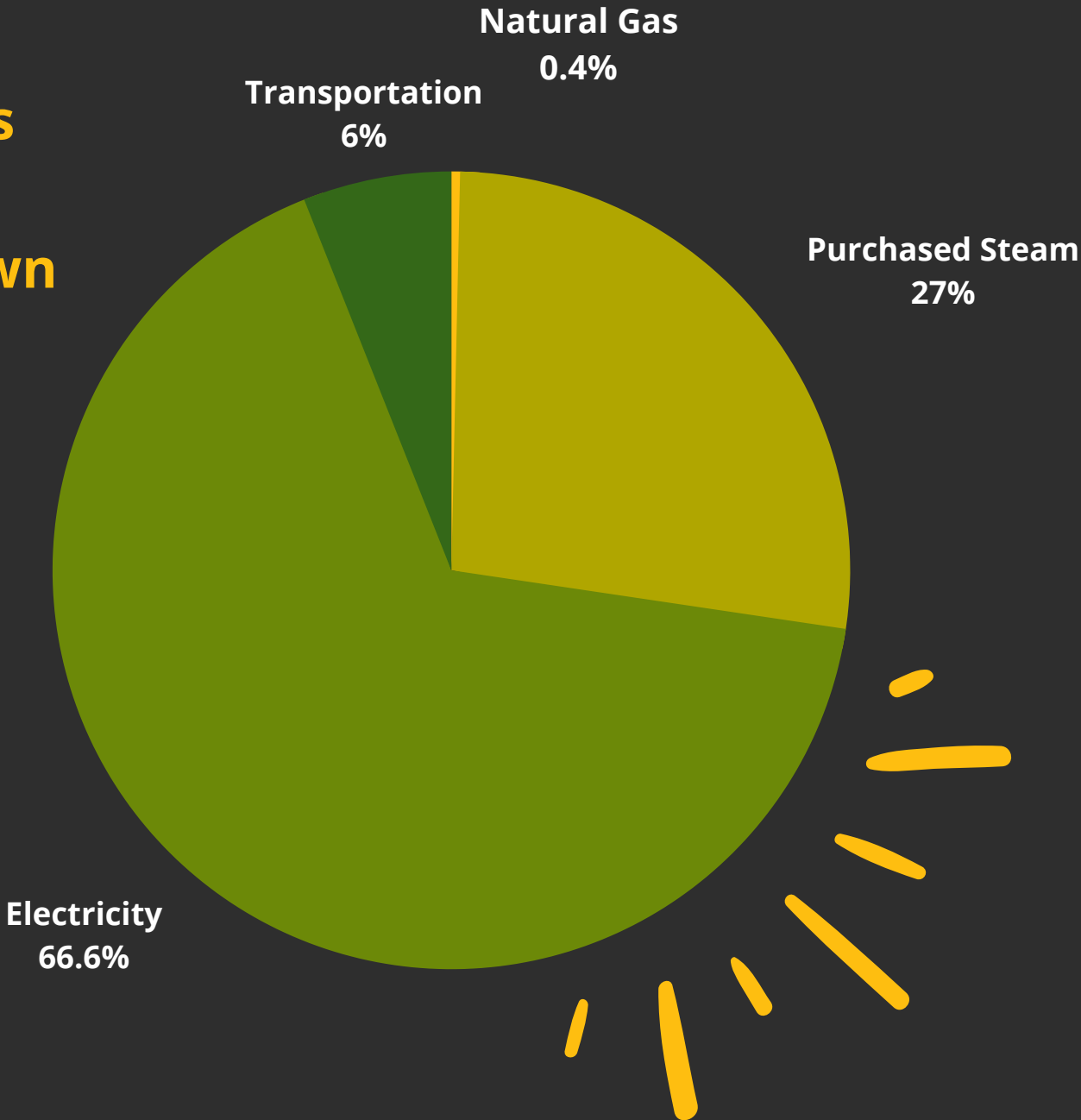
Greenhouse Gas Inventory Overview

In 2021, Kinematics' Scope 1 and Scope 2 Greenhouse Gas Emissions totaled 2,128.37 MT CO2e. Scope 1 emissions attributed 135.52 MT CO2e while location-based Scope 2 emissions attributed the remaining 1,992.85 MT. Our GHG emissions were calculated using the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard. All facilities within our operational control were considered within the boundary of the inventory. Our sources of emissions include: natural gas, mobile combustion (transportation fuel), purchased electricity, and purchased steam.

Our manufacturing facility located in China contributes 90% of our total GHG emissions and their highest emission sources are purchased electricity and purchased steam. Our Chinese facility is our highest emitting facility because it is responsible for the most energy intensive portion of our process.

Our GHG emissions intensity for 2021 was 0.203 MT CO2e per drive produced.

Emissions Source Breakdown



Operational Efficiency

Kinematics is committed to making our operations as efficient as possible to minimize resource use and reduce waste. Efficient operations at Kinematics include materials use, energy, water, and transportation and logistics.

To address this, we have begun collecting and disclosing data on energy efficiency, water use, wastewater, and product end-of-life and recyclability. In the future, we hope to improve our operational efficiency further by implementing a water management program, identifying hotspots for operational inefficiency, and developing a consumption reduction plan.

The following sections describe our approach and disclose data regarding energy, materials use, and water.



Strategic Goal

Designing and implementing a company-wide, integrated management system following the ISO 14001 standard

In the Spotlight: **Life Cycle Analysis**

Kinematics was proud to provide information for a customer's product life cycle analysis (LCA). LCAs calculate the footprint of a product through its life cycle, including each of the component parts. Kinematics was asked to provide information regarding our operations so our customer could complete a full LCA of their assembled tracker system. We provided information such as production output, raw material use, packaging, energy and fuels, water usage, emissions, waste, and water discharge. This data collection can also spotlight high intensity areas in production and the potential to improve our own operations.



Operational Efficiency

Energy

Kinematics has conducted an enterprise-wide energy audit for the first time for 2021 data. This effort is part of our larger commitment to annually track, monitor, and reduce our energy consumption relative to production. Our plant leaders monitor our energy consumption and report to our Chief Operating Officer and the ESG committee. It is the ESG Committee's responsibility to review trends across the organization and ensure that actions are being taken at the plants to ensure sustainable energy consumption.

Kinematics has not yet set energy reduction targets, but the ESG Committee is actively exploring the implementation of these goals.



9,858 Gigajoules
Total energy consumption within the organization



Target 7.2: By 2030, substantially increase the share of renewable energy in the global energy mix
Target 7.3: By 2030, double the rate of improvement in energy efficiency

Operational Efficiency

Transportation & Logistics

Kinematics utilizes a global supply chain that operates in China, Mexico, and the United States. Our supply chain allows us to minimize operational costs but results in high emissions in our upstream transportation. We are actively striving toward a better understanding of our upstream and downstream transportation emissions, as well as other high-impact scope 3 emissions categories. We are committed to identifying, managing, and reducing our scope 3 emissions, including third-party transportation. Our impacts resulting from logistics are managed and overseen by our Chief Operating Officer and ESG committee.

Operational Efficiency

Materials

We consider the environmental impact of our products before, during, and after the manufacturing process. Product end-of-life, or what happens to our products post-consumer, is a challenge that Kinematics is committed to helping overcome.

We are committed to putting knowledge into practice. Kinematics is working to innovate and implement new strategies for minimizing our material input and maximizing materials reuse and recycling. To achieve this, we are analyzing our current manufacturing policies and procedures and looking for ways to reduce waste and optimize manufacturing. One project that is actively being explored is the reuse of packaging materials when materials are transported from one Kinematics location to another.



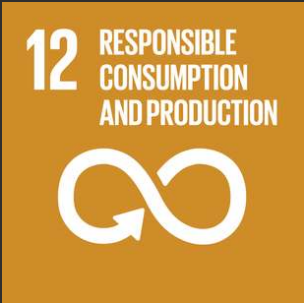
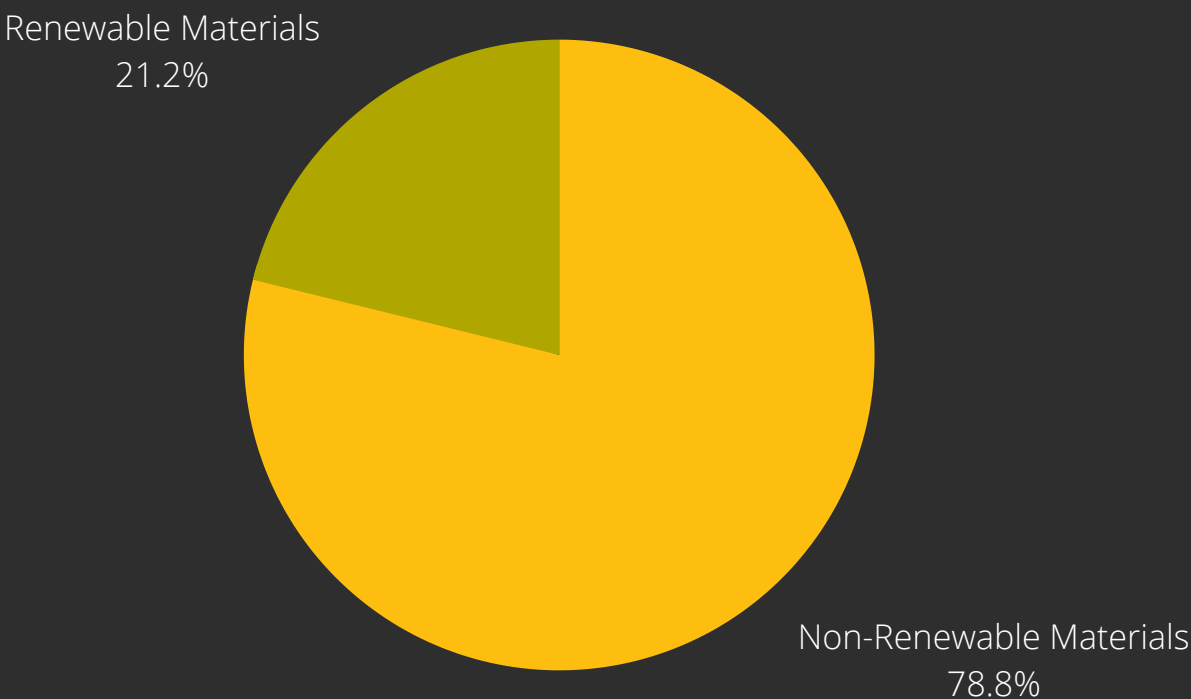
50%
of materials used to manufacture
Kinematics' primary products are recycled.

We also prioritize identifying, labeling, and managing the use of hazardous substances to ensure safe handling, movement, storage, use, recycling or reuse, and disposal.

Renewable vs. Non-Renewable Materials

Used in Kinematics Products and Packaging*

*Data collected using direct measures



Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

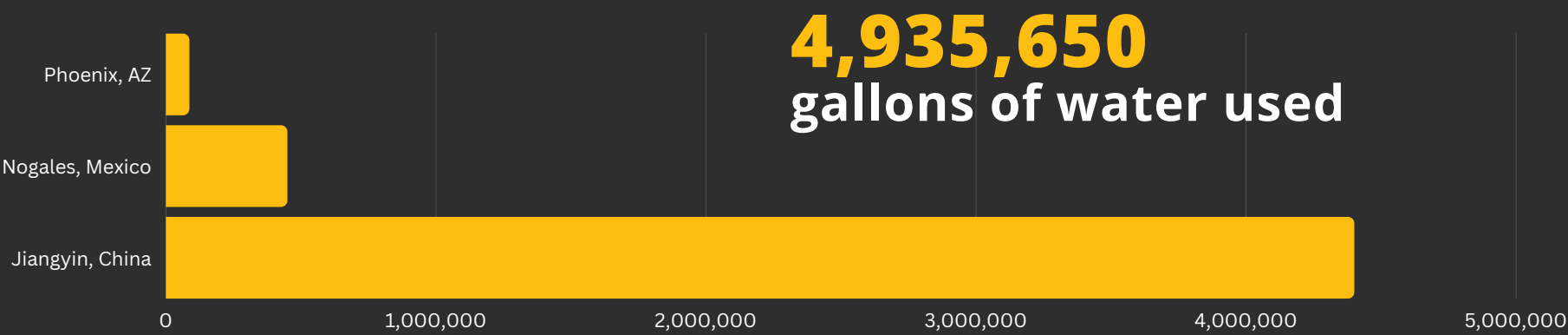


Operational Efficiency

Water

In order to ensure efficient water use and minimize waste, Kinematics has created and implemented a water management policy. Per this policy, water is conserved where possible and channels of contamination are minimized. All wastewater is monitored, controlled, and treated to required standards prior to discharge or disposal. Water consumption is managed by our plant leaders and is monitored by our ESG committee.

Kinematics is committed to efficient water use within our operations and among our suppliers. We strive to reduce our water use and ensure that water discharge is free of harmful pollutants. In the past year, we have instituted a Supplier Code of Conduct and Sustainable Procurement Policy to help ensure that our suppliers also prioritize sustainable water consumption.



Water is withdrawn, consumed, and discharged in each of our facilities. In our facility in Mexico, water consumption is used for hygienic purposes such as handwashing and toilets as well as climatizing the facility with the use of swamp coolers. In the facilities in the United States, our water use is limited to hygienic purposes. In our facility in China, water is used in production operations.

A professional water treatment company is entrusted with ensuring that all wastewater is handled appropriately to reduce negative environmental impact.

We are committed to implementing water-related risk assessments and impact analyses in the future.



- Target 6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials
- Target 6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater



Social

Kinematics is deeply committed to the people we serve, emphasizing the importance of engagement with our employees and with our customers through our collaborative and innovative approach to product design. Promoting a healthy, safe, and inclusive work environment where employees are encouraged to enjoy healthy a work-life balance and develop professionally is crucial to our own sustainability journey. We are devoted to ensuring our employers and customers the best practices by focusing on the highlighted social impacts.

Material Topics

- Occupational Health and Wellness
- Diversity, Equity & Inclusion (DEI)
- Supply Chain Engagement
- Employee Engagement



Occupational Health and Wellness

Health and wellness is a top priority for all employees at Kinematics, and to ensure that we are a leader in promoting a safe work environment, we have incorporated health and safety into the business through policies and actions. We recognize that a safe and healthy work environment minimizes work-related injury and illness, enhances the quality of products and services, consistency of production, and improves worker retention and morale.

Kinematics has begun setting key performance indicators for employee health and safety this year. In the future, we plan to conduct regular health and safety risk assessments and implement a health and safety management system (ISO 45001).

Occupational Health and Wellness is overseen by our plant leaders and the Chief Operating Officer.



Strategic Goal

Implement company-wide safety program focusing on occupational safety and employee well-being

Nine

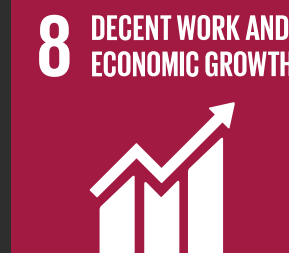
Work - Related Injuries (2021)

Zero

Work - Related Illnesses (2021)

1.46

TRIR (2021)



Target 8.8: Protect labor rights and promote safe and secure working environments for all workers

Diversity, Equity, and Inclusion (DEI)

Establishing a diverse workforce in an inclusive environment is crucial to fostering the culture of empowerment and respect within Kinematics. We believe that our employees are the most important element in achieving our mission and they will be treated with respect, honesty, and integrity regardless of race, sex, national origin, age and orientation. At Kinematics, we believe in diversity, since it provides a wide range of ideas, backgrounds and different talents. We want our employees to feel engaged, valued and positioned for success to improve Kinematics' competitive position.

Kinematics is working to improve our Diversity, Equity, and Inclusion efforts by implementing various DEI trainings, employee engagement surveys, and developing labor and human rights management systems consistent with ISO 26000.



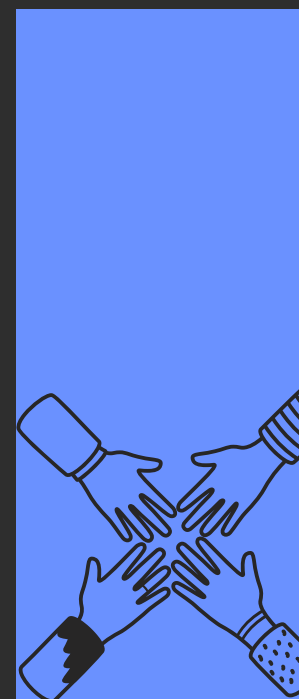
Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making



Target 10.2: By 2030, empower and promote the inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory policies and practices

Target 10.4: Adopt policies and progressively achieve greater equality




Supply Chain Engagement

At Kinematics, we know that the sustainability of our products starts with the sustainability, traceability, and transparency of our supply chain. Therefore, we have begun implementing procurement policies and supplier codes of conduct that ensure we are partnering with sustainable suppliers across our operations.

Kinematics has recently developed a Conflict Minerals Policy as part of our sustainable procurement policy. This policy emphasizes our commitment to ethical sourcing consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

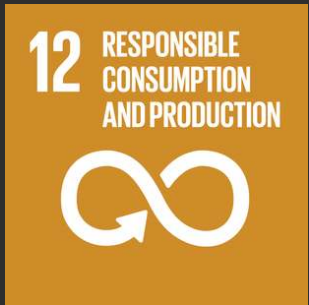
In the future, we will complete supplier ESG risk assessments and questionnaires to ensure that our supply chain meets the standards set out in our procurement policy and supplier code of conduct.

Our Chief Operating Officer oversees Supply Chain engagement.

 **100%** of the procurement budget at our Chinese facility is spent on local suppliers



Strategic Goal
Implement Supply Chain Engagement program focusing on high-risk suppliers



Target 12.7: Promote procurement practices that are sustainable



Employee Engagement

In addition to encouraging employee professional development, Kinematics strives to engage its workforce in meaningful work, emphasizing work-life balance and developing a culture in which our employees are challenged to be leaders, inspired to be innovators, and are personally rewarded for their work.

To support our workforce, we have implemented a Labor and Human Rights Policy and a Health and Safety Policy that commits to providing a safe, healthy, and supportive work environment for all employees free from harassment, discrimination, and avoidable hazards.

To continue to improve our employee engagement, we will be implementing new employee training programs on ESG and Unconscious Bias, aligning with ISO 26000 guidance and distributing employee engagement surveys to better understand our employees concerns and opportunities for improvement.

Employee Engagement is overseen by our plant leaders and human resources department.



Strategic Goal

Engage and understand employees' needs and concerns





In the Spotlight: **Community Engagement**

INSPIRING THE NEXT GENERATION OF WOMEN LEADERS

Since 2019, Kinematics has supported Step Up, a mentorship nonprofit for girls (and those who identify with girlhood) living or going to school in under-resourced communities. Through structured programs, focused support, and inspiring connections, they help girls define and achieve their unique visions of success.

In 2022, Kinematics participated in a Step Up Experienceship session focused on mentoring Step Up first-generation college students interested in career exploration, including in STEM fields, and educating them on how their skills and passions can lead to fulfilling careers.

Jenn Cangelosi, Vice President of Global Sales and Business Development, volunteered her time sharing her own career journey and her leadership role at Kinematics with a cohort of college students. Jenn presented a career roadmap slide encouraging the young women to plan out their future career goals.

In the Spotlight: **Community Engagement**

Following the recent flooding in North West Mexico, the Nogales team spoke with local emergency services and learned that while the flooding in the city of Nogales was severe, it was fortunately concentrated to a relatively small area, no one was displaced from their home, and assistance was being provided. However, help and resources were needed in Guaymas and Empalme. In order to support these areas, the team purchased items to donate to those most impacted by the flooding.

100 families helped
through the donation of food, hygiene
supplies, and baby supplies

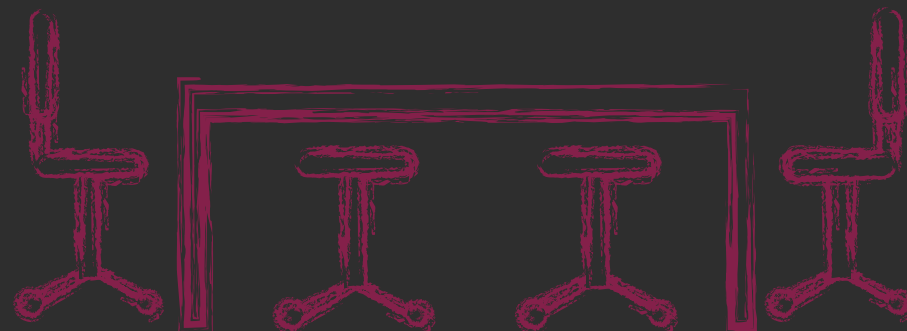


Governance

We aim to continuously improve our products and services to meet our customers' needs. By operating with integrity, ensuring product safety, and managing data privacy and security, we build trust with our customers. Likewise, we use documented systems to identify, monitor, and verify all laws, regulations, standards, codes, and other legislative and regulatory requirements for social aspects.

Material Topics

➤ Business Ethics and Human Rights



Business Ethics and Human Rights

Kinematics is committed to upholding the highest standard of ethics across our locations and for all employees. To demonstrate this commitment and to provide additional guidance to our employees, Kinematics has developed and implemented a business ethics policy. The policy covers topics related to business integrity, intellectual property, employee protections, and fair market competition and states our commitment to tracking and continuously improving our business ethics and human right KPIs.

Furthermore, Kinematics has also committed to upholding the human rights of our workers and treating each employee with respect and dignity. Commitment areas include working hours, freedom of association, preventing child labor and compulsory labor, and non-discrimination. These policies are outlined in our labor and human rights policy and are communicated to all global employees.

Our CEO oversees topics related to business ethics and human rights.

Zero
incidents of confirmed discrimination

Zero
complaints received concerning breaches of customer privacy

Zero
identified leaks, thefts, or losses of customer data



Target 16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children

Target 16.5: Substantially reduce corruption and bribery in all their forms

Target 16.6: Develop effective, accountable and transparent institutions





Appendix

GRI Index

GRI 2: General Disclosures 2021

2-1 Organization Details: Legal Name	Kinematics LLC
2-1 Organization Details: Nature of ownership and legal form	Privately held company
2-1 Organization Details: Location of its headquarters	Kinematics LLC, 21410 N. 15th Lane, Suite 104, Phoenix, AZ 85027, USA.
2-1 Organizational details: Countries of operation	United States, Mexico, China
2-2 Entities included in the organization’s sustainability reporting	Kinematics LLC and Kinematics LLC, Nogales, Mexico Plant.
2-2 Specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting	Kinematics is a privately held company that does not publicly report financial information.
2-2 If the organization consists of multiple entities, explain the approach used for consolidating the information	Kinematics LLC, Nogales, Mexico Plant., is part of our materiality approach, data collection, and reporting.
2-3 Reporting period, frequency and contact point	The reporting period is January 1, 2021 through December 31, 2021. The Sustainability Report is published annually and covers the same reporting period as the annual financial report. Any need for contact can be directed to torque@gokinematics.com

GRI 2: General Disclosures 2021																																		
2-3 Publication date of the report or reported information	N/A																																	
2-4 Restatements of information	N/A																																	
2-5 Policy and practice for seeking external assurance	Kinematics is considering the feasibility of seeking external assurance for future reporting.																																	
2-5 Sustainability reporting assurance	Kinematics LLC is not seeking assurance for this year’s ESG report.																																	
2-6 Value chain	About Us, pg 04 Kinematics serves a global market with our supply chain consisting of product manufacturing in China and assembly in Mexico.																																	
2-6 Other relevant business relationships	N/A																																	
2-7 Employees	<div>Full time employees by region</div> <table><tr><th>Region</th><th></th></tr><tr><td>China</td><td>235</td></tr><tr><td>Mexico</td><td>55</td></tr><tr><td>United States</td><td>23</td></tr></table>	Region		China	235	Mexico	55	United States	23	<div>Temporary employees by region</div> <table><tr><th>Region</th><th></th></tr><tr><td>China</td><td>77</td></tr><tr><td>Mexico</td><td>0</td></tr><tr><td>United States</td><td>0</td></tr></table>	Region		China	77	Mexico	0	United States	0	<div>Full time Employees by Gender</div> <table><tr><th>Gender</th><th></th></tr><tr><td>Female</td><td>47</td></tr><tr><td>Male</td><td>266</td></tr></table>	Gender		Female	47	Male	266	<div>Temporary Employees by Gender</div> <table><tr><th>Gender</th><th></th></tr><tr><td>Female</td><td>2</td></tr><tr><td>Male</td><td>68</td></tr><tr><td>Undisclosed</td><td>7</td></tr></table>	Gender		Female	2	Male	68	Undisclosed	7
Region																																		
China	235																																	
Mexico	55																																	
United States	23																																	
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Mexico	0																																	
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Male	266																																	
Gender																																		
Female	2																																	
Male	68																																	
Undisclosed	7																																	
2-8 Workers who are not employees	None																																	
2-9 Governance structure and composition	ESG Governance at Kinematics, pg: 09																																	
2-10 Nomination and selection of the highest governance body	Our governing bodies are determined by our ownership group.																																	

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GRI 2: General Disclosures 2021

2-11 Chair of the highest governance body	Jim O'Leary, Chairman of the Board
2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance at Kinematics, pg: 09
2-13 Delegation of responsibility for managing impacts	ESG Governance at Kinematics, pg: 09
2-14 Role of the highest governance body in sustainability reporting	ESG Governance at Kinematics, pg: 09
2-15 Conflicts of interest	As a privately held company, Kinematics does not disclose information on this topic.
2-16 Communication of critical concerns	As necessary, senior leadership escalates issues of critical concerns to our Board of Directors.
2-17 Collective knowledge of the highest governance body	ESG Governance at Kinematics, pg: 09
2-18 Evaluation of the performance of the highest governance body	As a privately held company, Kinematics does not disclose information on this topic.
2-19 Remuneration policies	As a privately held company, Kinematics does not disclose remuneration information.

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GRI 2: General Disclosures 2021

2-20 Process to determine remuneration	As a privately held company, Kinematics does not disclose remuneration information.
2-21 Annual total compensation ratio	As a privately held company, Kinematics does not disclose information on this topic.
2-22 Statement on sustainable development strategy	CEO Letter, pg: 01
2-23 Policy commitments	CEO Letter, pg: 01, Business Ethics and Human Rights, pg 29
2-24 Embedding policy commitments	ESG Governance at Kinematics, pg 09
2-25 Processes to remediate negative impacts	ESG Governance at Kinematics, pg 09
2-26 Mechanisms for seeking advice and raising concerns	ESG Governance at Kinematics, pg 09
2-27 Compliance with laws and regulations	<p>Kinematics LLC has one instance of non-compliance with laws and regulations. In July 2021, the Environmental Protection Bureau found the company's TVOC emission exceeded the standard by monitoring. Now our Chinese facility has completed the improvement program and has replaced the spraying process with low-VOC raw materials.</p> <p>During the reporting year the company received one fine due to non-compliance with laws and regulations totaling to \$10.022.00 USD</p>
2-28 Membership associations	Solar Energy Industries Association
2-29 Approach to stakeholder engagement	Materials Topics, pg 11

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GRI 2: General Disclosures 2021

2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
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GRI 3: Material Topics 2021

3-1 Process to determine material topics	Material Topics, pg: 11
3-2 List of material topics	Operation efficiency, Climate action, Occupational health & wellness, Diversity, equity, & inclusion (DEI), Supply chain engagement, Employee engagement, and Business ethics & human rights

GRI 205: Anti-Corruption

205-1 Risk related to corruption	None of our operations have been assessed for risks related to corruption, but we are considering additional risk assessments for future reporting.
205-2 Communication of anticorruption policies and procedures	100% of our employees at our operations in China have had anti-corruption policies, procedures, and trainings communicated to them. 0% of employees at our operations in the United States and Mexico had anti-corruption policies, procedures, and trainings communicated to them.
205-3 Number of corruption incidents	Our company has had zero incidents of corruption during the 2021 reporting period.

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GRI 301: Materials

3-3 Management of material topics	Operational Efficiency Materials, pg: 17-20		
301-1 Materials used by weight or volume	Mexico Non-Renewable Materials Used: 822,165 kg Mexico Renewable Materials Used: 2,124,524 kg	China Non-Renewable Materials Used: 15,830,612 kg China Renewable Materials Used: 2,346,031 kg	Total Non-Renewable Materials Used: 16,652,777 kg Total Renewable Materials Used: 4,470,555 kg
301-2 Recycled input materials used	50% of materials used to manufacture Kinematics' primary products are recycled. More information can be found within Operational Efficiency Materials, pg: 17-20.		
301-3 Reclaimed products and their packaging materials	Kinematics has chosen to omit this disclosure for the 2021 reporting period. This is a future consideration for packaging between our facilities.		

GRI 302: Energy

3-3 Management of material topics	Operational Efficiency Energy, pg: 17-20
302-1 Energy consumption within the organization	Energy Consumption within the organization (Direct): 9,858 Gigajoules Total fuel consumption from non-renewable sources: 9,858 Gigajoules
302-2 Energy consumption outside of the organization	Not calculated in 2021
302-3 Energy intensity	0.1864 Gigajoules per drive unit produced

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GRI 302: Energy

302-4 Reduction of energy consumption	Energy consumption in 2021 will be utilized as our baseline in the future.
302-5 Reductions in energy requirements of products and services	Kinematics has chosen to omit this disclosure for the 2021 reporting period. We are looking to track and monitor this information in the future

GRI 305: Emissions

3-3 Management of material topics	Climate Action, pg: 15
305-1 Direct (Scope 1) GHG emissions	135.52 MT CO2e. More information can be found within Climate Action, pg: 15
305-2 Energy indirect (Scope 2) GHG emissions	11992.85 MT CO2e. More information can be found within Climate Action, pg: 15
305-3 Other indirect (Scope 3) GHG emissions	Kinematics has chosen to omit this disclosure for the 2021 reporting period. We are looking to track and monitor this information in the future
305-4 GHG emissions intensity	0.2031 MT CO2e per drive unit produced
305-5 Reduction of GHG emissions	Emissions in 2021 will be utilized as our baseline in the future.
305-6 Emissions of ozone- depleting substances (ODS)	Kinematics has chosen to omit this disclosure for the 2021 reporting period. We are looking to track and monitor this information in the future
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Kinematics has chosen to omit this disclosure for the 2021 reporting period. We are looking to track and monitor this information in the future

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GRI 308: Supplier Environmental Assessment

3-3 Management of material topics Supply Chain Engagement, pg: 24

308-1 New suppliers that were screened using environmental criteria Supply Chain Engagement, pg: 24

308-2 Negative environmental impacts in the supply chain and actions taken Supply Chain Engagement, pg: 24

GRI 401: Employment

3-3 Management of material topics Diversity, Equity, & Inclusion, pg: 23

401-1 New employee hires and employee turnover

Employee New Hires by Age

Age	
Under 30 years	28
30-50 years	50
Over 50 years	10

Employee Turnover by Age

Age	
Under 30 years	6
30-50 years	14
Over 50 years	2

Employee New Hires by Gender

Gender	
Female	11
Male	77

Employee Turnover by Gender

Gender	
Female	2
Male	20

Employee New Hires by Region

Region	
China	14
Mexico	64
United States	10

Employee Turnover by Region

Region	
China	26
Mexico	18
United States	12

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403: Occupational Health and Safety

3-3 Management of material topics	Occupational Health and Wellness , pg: 22
403-1 Occupational health and safety management system	Occupational Health and Wellness , pg: 22
403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Wellness , pg: 22
403-3 Occupational health services	Occupational Health and Wellness , pg: 22
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Wellness , pg: 22
403-5 Worker training on occupational health and safety	Occupational Health and Wellness , pg: 22
403-6 Promotion of worker health	Occupational Health and Wellness , pg: 22
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Wellness , pg: 22
403-8 Workers covered by an occupational health and safety management system	Occupational Health and Wellness , pg: 22
403-9 Work-related injuries	Occupational Health and Wellness , pg: 22
403-10 Work-related ill health	Occupational Health and Wellness , pg: 22

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GRI 404: Training and Education

3-3 Management of material topics	Employee Engagement pg: 25		
404-1 Average hours of training per year per employee	Mexico Average hours of training per year per employees: Female: 102 hours Male: 105 hours	China Average hours of training per year per employees: Female: 16 hours Male: 16 hours	United States Average hours of training per year per employees: Female: 0 hours Male: 0 hours
404-2 Programs for upgrading employee skills and transition assistance programs	Employee Engagement pg: 25		
404-3 Percentage of employees receiving regular performance and career development reviews	Mexico percentage of employees receiving annual performance reviews: Female: 0% Male: 0%	China percentage of employees receiving annual performance reviews: Female: 100% Male: 100%	United States percentage of employees receiving annual performance reviews: Female: 100% Male: 100%

GRI 405: Diversity and Equal Opportunity

3-3 Management of material topics

Diversity, Equity, and Inclusion (DEI), pg: 23

405-1 Diversity of governance bodies and employees

Employees by Gender		Employees by Age Group		Employee Demographics		Executive Demographics	
Gender		Age		Demographic		Demographic	
Female	47	Under 30 years	63	Asian – Chinese	305	Female	2
Male	266	30-50 years	263	Black or African American	1	Male	7
		Over 50 years	60	Hispanic or Latino	59	30-50 years old	4
				White	21	Over 50 years old	5
						White	9

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GRI 405: Diversity and Equal Opportunity

405-2 Ratio of basic salary and remuneration of women to men	Kinematics has chosen to omit this disclosure for the 2021 reporting period.
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GRI 406: Non-Discrimination

3-3 Management of material topics	Diversity, Equity, and Inclusion (DEI), pg: 23
406-1 Discrimination Incidents	We have had zero incidents of descrimination during the 2021 reporting year.

GRI 410: Security Practices

3-3 Management of material topics	Diversity, Equity, and Inclusion (DEI), pg: 23
410-1 Security training	Kinematics has chosen to omit this disclosure for the 2021 reporting period. This disclosure is currently not applicable.

GRI 414: Supplier Social Assessment

3-3 Management of material topics	Supply Chain Engagement, pg: 24
414-1 New suppliers that were screened using social criteria	Kinematics is implementing a sustainable procurement policy and supply code of conduct. These procedures will be our baseline for screening our suppliers on social and environmental criteria.
414-2 Negative social impacts in the supply chain and actions taken	Kinematics has chosen to omit this disclosure for the 2021 reporting period. We are looking to track and monitor this information in the future.