



Intelligent Motion Control for a Sustainable, Connected Future

ESG Report 2022-2023

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About this report

Our 2022-2023 ESG Report shares our sustainability impacts and progress thus far and our plans to progress. This report is in accordance with the Global Reporting Initiative (GRI) Standards for the January 1st, 2022-December 31st, 2023, reporting period.

We conducted a materiality assessment to define ESG-related topics relevant to our business and prioritize our goals. The assessment included an industry analysis, stakeholder engagement interviews, and an internal review of strategic plans.

We look forward to yearly reporting on our ESG performance to keep our stakeholders informed of our sustainability efforts.

Please contact torque@gokinematics.com with any questions about this report.



Letter from the CEO

To our Stakeholders:

In 2022, with your help, we carried out a materiality assessment to identify the environmental, social, and governance issues that are most significant to Kinematics. Since then, we have worked hard to develop and advance our sustainability programs and record our progress. I'm thrilled to present Kinematics' sustainability initiatives, accomplishments, and goals in this report and show our commitment to a resilient and sustainable future.



John Payne, Kinematics CEO

Allow me to share some highlights from 2022 and 2023:

Scope 3 Emissions Assessment: We initiated efforts to assess our scope 3 greenhouse gas (GHG) emissions. This marks a significant step in our commitment to understanding and mitigating our environmental impact beyond our direct operations. We are actively working to gain a deeper understanding of our scope 3 emissions profile, which will enable us to identify opportunities for reduction and sustainable practices in our value chain.

Water Risk Assessment: Through our recent water risk assessment, we gained valuable insights into the challenges and opportunities related to water management within our operations. We used these insights to explore effective water management strategies that foster responsible water usage and safeguard against potential water-related disruptions.

Climate Scenario Analysis: We completed a climate scenario analysis that examined various climate scenarios and their potential impacts on our business. By proactively identifying these risks and opportunities, we are more resilient and adaptable in the face of a changing climate.

EcoVadis Medal: In February 2023, we became the first solar actuator provider to receive a sustainability medal from EcoVadis, the world's largest and most reputable evaluator of corporate sustainability performance.

Our approach to sustainability at Kinematics draws upon our history of crafting client-centric solutions that guide us closer to our mission of creating a sustainable future. In alignment with the United Nations' (UN) Sustainable Development Goals (SDGs) and as a proud participant in the UN Global Compact, we are weaving sustainability into the fabric of our day-to-day actions across our facilities and activities. This commitment reflects our dedication to upholding global standards for responsible business conduct and contributing to a more sustainable world.

I extend my heartfelt gratitude to the entire Kinematics team for their dedication and commendable performance as we set forth on this voyage toward sustainability. Together, we can make a lasting impact on the path to a more sustainable and prosperous future for all.

John Payne
Chief Executive Officer, Kinematics



2022-2023

Company highlights



Kinematics earns EcoVadis Silver medal

Kinematics received a Silver medal in its first EcoVadis assessment. This achievement means the company is in the top 25% of all companies assessed. Additionally, Kinematics became the first and only solar actuator provider to receive a sustainability rating from EcoVadis.

Decrease in total recordable incident rate

In 2023, we realized only one recordable work-related injury and had a total recordable incident rate of 0.2. Both figures demonstrate an improvement compared to previous years—a reflection of our ongoing efforts to improve employee health and safety.

Signing on to the UN Global Compact

Kinematics signed on to the United Nations (UN) Global Compact and, in doing so, committed to operating in ways that meet fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption.

Reduction in GHG emissions

Our scope 1 and 2 GHG emissions reduced by 10% in 2023 compared to 2022.

80GW of total clean energy

Kinematics is the largest global supplier of motion control solutions to the utility-scale solar industry, supporting 80GW of total clean energy, with 12GW being added in 2023.



Opening of new facility in China doubles Kinematics' manufacturing capacity

Kinematics has moved its China operations into a new state-of-the-art 270,000 sq ft (25,000 M²) manufacturing facility in Jiangyin, Jiangsu, China. The new facility was brought online in only five months, from start to 100% production capacity. The new manufacturing facility doubles Kinematics' capacity and ensures its ability to annually support up to 33GW of new solar tracking capacity.

Kinematics' significant investment in the latest generation of machining and robotics technology in the facility will reduce its dependence on outside suppliers and increase the energy efficiency of the manufacturing process. The new facility includes state-of-the-art capabilities for validating and testing products and an advanced filtering and treatment system for paint, oil, and water that will reduce emissions and ensure worker safety.

"This new facility represents the very best in drive manufacturing and assembly technologies, with high levels of automation, in-process quality assurance, and optimized production flow to deliver the quality, lead time, and volume demanded by our customers for the next decade," says John Payne, Chief Executive Officer, Kinematics.

Kinematics has manufactured in China since 2006. This new facility and the company's Mexico and United States operations will allow it to meet customers' growing needs. The increased manufacturing capacity realized with this new facility will allow Kinematics to manufacture up to a million units per year.

About us

Since its inception in 1996, Kinematics has been a prominent provider of precision torque solutions across a diverse array of industries and applications. In our 28 years of service, we have achieved hundreds of millions of hours of operating experience and two million of our drives have been installed. We’re proud to have served over 600 customers in 48 different countries across Europe, Asia, Middle East, and North America and are eager to continue expanding our reach globally.

Our trailblazing advancements in the reliability of high-performing integrated drives have found widespread application in the industrial and mobile sectors. These advancements play a pivotal role in propelling the expansion of utility-scale solar installations. Boasting a portfolio of over 60 international patents, Kinematics stands at the forefront of rotational motion-control and intelligent torque technology. We proudly hold the distinction of being the largest global manufacturer of both slew drives and worm drive reducers. Kinematics headquarters are in Phoenix, AZ. The extension of our operations includes Huntington Beach, CA; Nogales, Mexico; and Jiangyin, China.



Locations

- 1

Global HQ (Phoenix, AZ, United States)
- 2

Manufacturing Center (Nogales, Mexico)
- 3

Manufacturing Center/APAC Sales Office (Jiangyin, China)
- 4

Innovation Center (Huntington Beach, CA, United States)

Kinematics is the largest global supplier of motion control solutions to the utility-scale solar industry.

Mission

Our mission is to work towards the long-term success of our chosen customers by:

- Applying Our Relationship Aptitude
- Leveraging Our Global Presence
- Being A Reliable Partner

Vision

Intelligent Motion Control for a Sustainable, Connected Future



Industries we support



Utility Solar

Deliver proven, reliable, cost-effective technology for solar tracking in the most extreme environmental conditions

#1 choice
for motion control solution for the tracker industry

Global utility-scale solar has been made feasible thanks to the replacement of static, ground-mounted systems with advanced tracking systems. Kinematics supplies the largest amount of slew drives worldwide, placing us at the forefront of driving utility-scale solar expansion. Given such great responsibility, our solutions are continuously tested and refined to ensure reliability for our customers with the added benefits of reduced risk and cost.

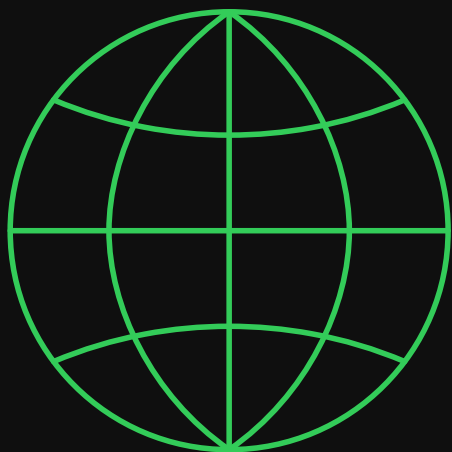
Tracker systems are estimated to be 20% more energy efficient than a fixed tilt system

Kinematics products have supported the generation of 80GW of clean solar power since the company was founded in 1996, with 12GW being added in 2023

Kinematics is the largest global supplier of motion control solutions to the utility-scale solar industry

Industrial Mobile

Provide smooth, steady rotation to ensure the highest safety and efficiency standards



Satellite

Offer a broad range of solutions designed to meet satellite ground station and user terminal reflector positioning requirements



ESG governance

Kinematics is committed to environmental, social, and governance (ESG) practices that promote ethical decision-making, transparency, and accountability across all levels of the organization. We adhere to international standards and best practices, and our ESG policies are integral to the corporate strategy.

Our ESG Committee actively oversees and guides the ESG program. The committee is led by the Global Director of Quality and Compliance — a newly created position — and includes the Chief Executive Officer and senior leadership representatives across business functions. Together, they advance our ESG goals by monitoring company progress, implementing new ESG-related initiatives, and remediating any negative impacts our operations may have on the environment or society. The committee meets monthly to discuss progress toward key initiatives and our overall sustainability strategy.

Kinematics’ approach to ESG governance is not just a compliance measure but a strategic imperative to create enduring value for our stakeholders and contribute positively to the broader global community.

ESG Committee

- Chief Operating Officer
 - Chief Executive Officer
 - Finance
 - Sales
- Operations
 - Plant Leadership
 - Product Management
 - Engineering

Materiality

Kinematics completed a materiality assessment in 2022 to identify our most significant impacts on the environment, society, and the economy. A cross-functional sample of Kinematics employees and senior leadership were selected to participate in surveys and interviews as part of our materiality assessment, alongside an industry analysis covering ESG trends. The material topics, resulting from stakeholder interviews, surveys, and external research, are the focus areas of our sustainability strategy. See our material topics below.



Environment

- Operational Efficiency
- Climate Action



Social

- Occupational Health & Wellness
- Diversity, Equity & Inclusion
- Supply Chain Engagement
- Employee Engagement



Governance

- Business Ethics & Human Rights

United Nations Sustainable Development Goals

To achieve the Sustainable Development Goals (SDGs) outlined by the United Nations (UN), the private sector must be actively engaged in making advancements toward a more sustainable future. Kinematics is committed to playing its part by driving sustainable business practices and products toward the SDGs. This report provides updates regarding our progress on the goals and initiatives outlined below:



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



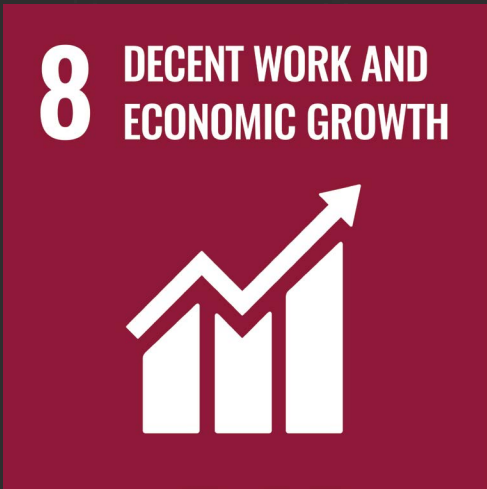
Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials.

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 12.7: Promote procurement practices that are sustainable



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.



Environment

Kinematics recognizes our responsibility to minimize our negative impacts on the environment. We consider the impacts in manufacturing, distribution, and product end-of-life management. To state our commitment to high-quality products, solutions, and environmentally sustainable services, we have a company-wide Environmental Policy outlining our progress in operational efficiency and climate action. Our commitments are further reflected through our supply chain by a Sustainable Procurement Policy and Supplier Code of Conduct.

Material topics:



Climate Action



Operational Efficiency



Climate action



As climate change increasingly affects society, it has become evident that urgent and concerted action is imperative. In response to this global challenge, Kinematics works to do our part in combating the climate crisis. Our commitment to climate action is overseen by our ESG Committee and facility managers in collaboration with key stakeholders across various departments. This interdisciplinary approach ensures that our climate-related initiatives are strategically aligned with our broader business objectives and sustainability goals. By proactively managing our carbon footprint, reducing greenhouse gas emissions, and enhancing energy efficiency, we not only mitigate environmental risks but also position ourselves for long-term success in a carbon-constrained world. Furthermore, embracing climate action presents opportunities for innovation, cost savings, and competitive advantage, reinforcing our commitment to sustainability as a driver of value creation.

To better understand business impacts, risks, and opportunities, Kinematics conducted a climate risk analysis. Knowing these risks allows us to better prepare and respond when disruptions occur, advancing our progress towards SDG target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters. Additionally, this analysis is a first step in exploring opportunities to integrate climate change measures into our decision-making—a crucial piece in achieving SDG target 13.2: Integrate climate change measures into policies, strategies and planning.

Strategic goals:

- Incorporate climate change and climate-related risks into key business decisions.
- Understand the potential risks and opportunities associated with climate change.

UN Sustainable Development Goal



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.



Climate risk and opportunities

In our ongoing commitment to sustainability, Kinematics has taken proactive steps to address and prepare for climate-related risks. Recognizing the significance of these challenges, we have assessed our operations to identify vulnerabilities and prioritize areas for resilience. This initiative involves evaluating potential impacts across various climate scenarios and establishing strategies to mitigate risks associated with both physical and transitional factors. By adopting a forward-thinking approach, Kinematics is not only safeguarding its operations but also contributing to the broader global effort to address climate change.

As our economy transitions away from fossil fuel dependency, we acknowledge the presence of both physical and transitional risks that could impact our operations and value generation. Transition risks manifest in policy and legal developments, technological shifts, market dynamics, and potential effects on reputation, while physical risks are categorized as chronic or acute.

Transition Risks

With the increasing enactment of climate-related policies supporting emissions reduction and a shift towards a low-carbon economy, Kinematics may encounter uncertainties in market signals, elevated costs of raw materials, and changes in consumer preferences. Proactive measures must be taken to align with the evolving sustainability needs of clients and society.

Physical Risks

Given its location, Kinematics' manufacturing facility in Jiangyin, China, faces risks in air quality, sea level rise, changing precipitation, changing temperature, and water stress. Operations, revenues, employee health and safety, and value chain distribution may be disrupted due to these risks. To mitigate these risks, senior leadership consistently investigates opportunities for energy and water efficiency and safety.

Opportunities

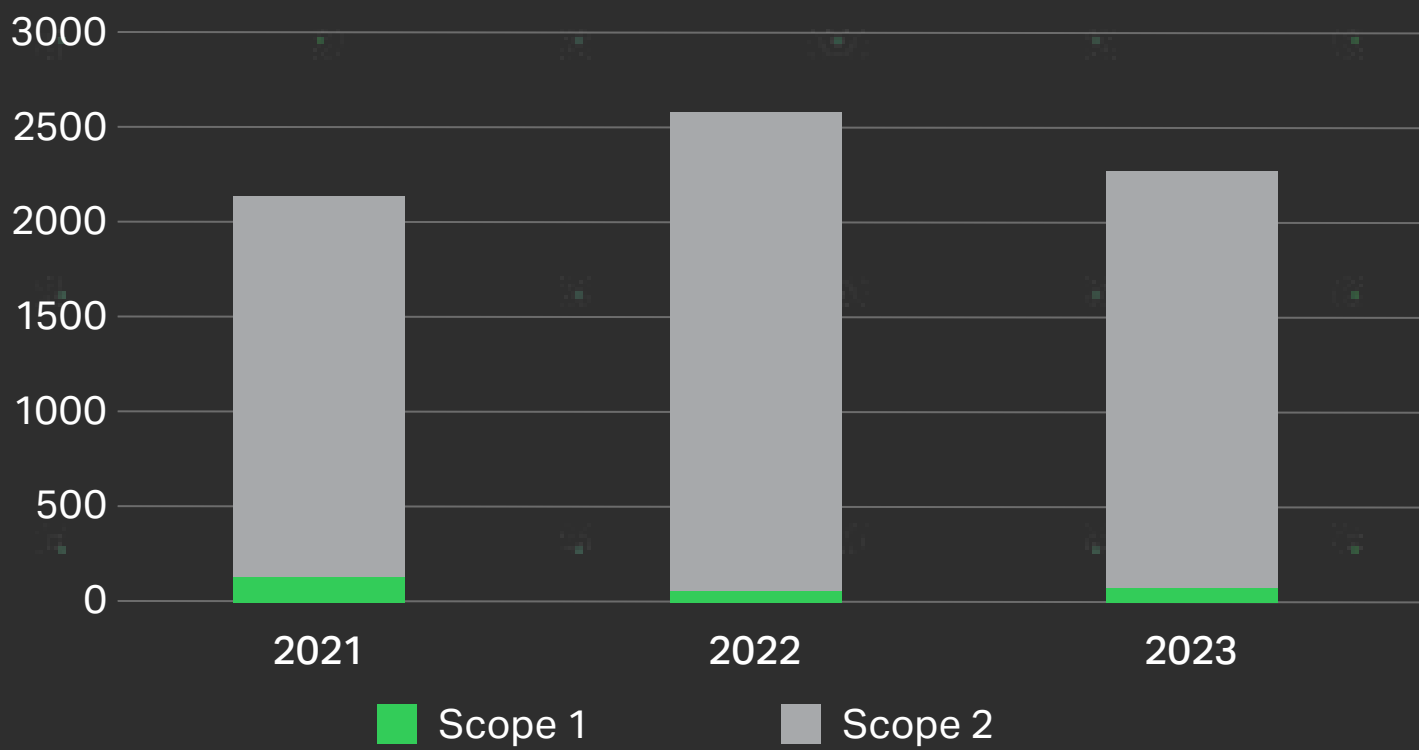
As a leading manufacturer of solar tracking components, Kinematics is strategically positioned to seize opportunities within the renewable energy sector. The transition to a low-carbon economy has created a burgeoning market for solar energy, presenting Kinematics with the chance to expand its market share and capitalize on the growing demand for sustainable solutions. Leveraging our expertise in manufacturing parts critical to solar tracking functionality, we are well-positioned to play a pivotal role in the global shift toward renewable energy sources. As governments and industries increasingly prioritize sustainable practices, Kinematics is poised to not only contribute to mitigating climate change but also to thrive in a market where environmental consciousness and clean energy solutions are paramount.



Greenhouse gas emissions

In our pursuit of transparency and accountability, Kinematics presents the GHG emissions data from 2021-2023, aligning with the Greenhouse Gas Protocol’s Corporate Accounting and Reporting Standard and ISO 14064-1. An independent third party provided limited assurance for our 2021 and 2022 GHG inventory, with active efforts to secure a similar attestation for our 2023 data.

Scope 1 and 2 GHG Emissions (MT CO2e)



In 2022, Kinematics reported a total of 2,579 metric tons of CO2 equivalent (MT CO2e) in GHG emissions. Within this, 63 MT CO2e were attributed to scope 1 and the majority, 2,516 MT CO2e, to location-based scope 2 emissions. Emissions sources include natural gas, mobile combustion, purchased electricity, and purchased steam.

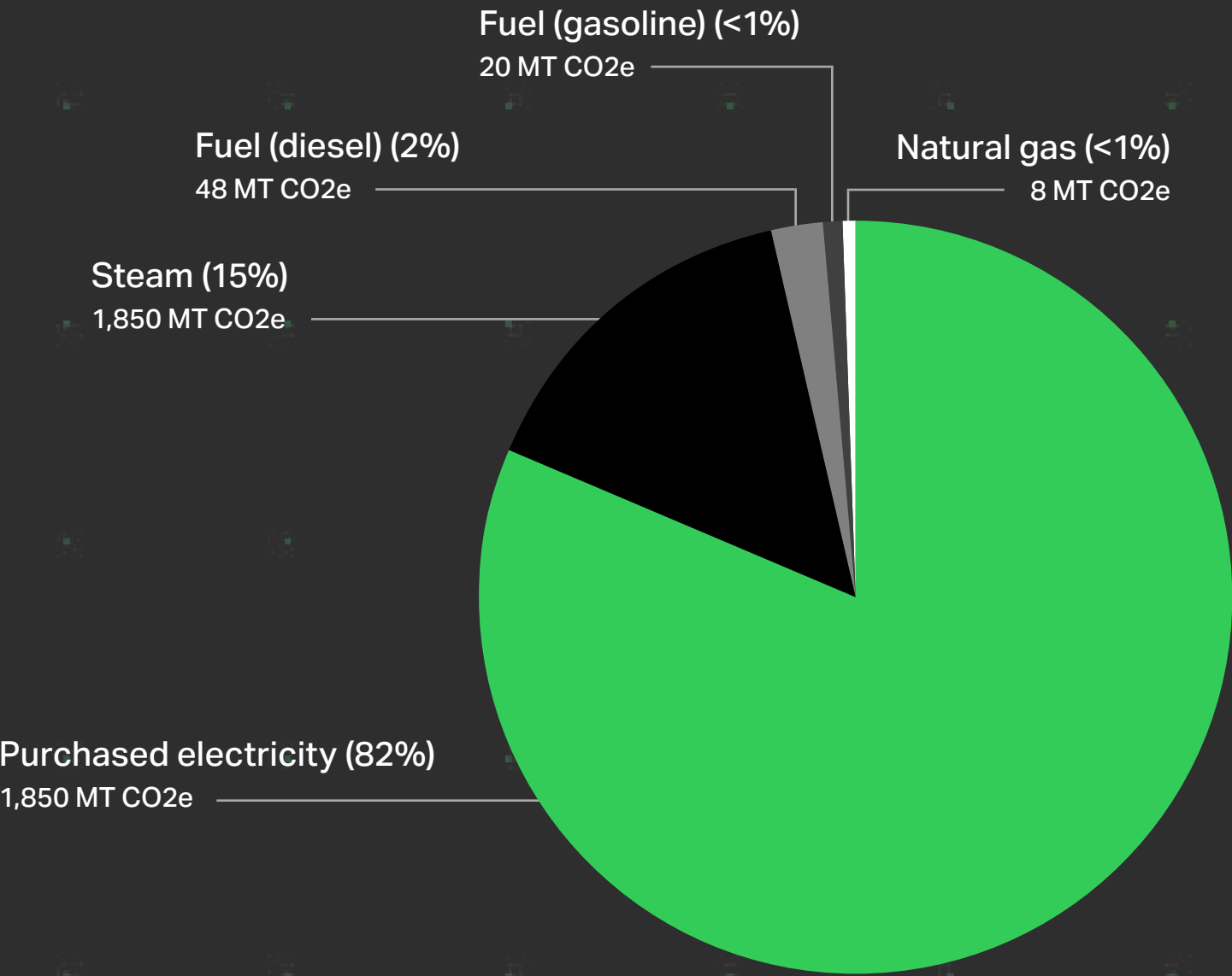
Our primary manufacturing facility in China is a focal point, contributing 98% of scope 1 and 2 GHG emissions. Predominantly, the emissions result from the consumption of purchased electricity and steam, reflecting the energy-intensive nature of this facility’s role in our production process.

In 2022, our scope 1 and 2 GHG emissions intensity was 4.47 kg CO2e per drive produced. In 2023, scope 1 and 2 GHG emissions intensity increased by 3.1% to 4.61 kg CO2e per drive produced. In 2022, Kinematics initiated its first analysis of scope 3 emissions, encompassing purchased goods and services, fuel and energy-related activities, employee commuting, and downstream transportation and distribution. The breakdown of MT CO2e associated with each category in 2023 is provided in the figure to the right. Going forward, we are dedicated to enhancing the data collection and reporting of our highest impact scope 3 categories.¹

2023 Scope 3 GHG Emissions by Category

Activity	Category	MT CO2e
Purchased goods and services	1	20,257
Fuel- and energy-related activities	3	920
Upstream transportation and distribution	4	9,148
Waste generated in operations	5	313
Business travel	6	10
Employee commuting	7	161
Upstream leased assets	8	23
Downstream transportation and distribution	9	5,473
End-of-life treatment of sold products	12	2,004

2023 Scope 1 and 2 GHG Emissions Breakdown



¹ Scope 3 – Fuel- and energy-related activities were based on Kinematics’ scope 1 and 2 emissions. For fuel-related activities in China and Mexico, proxy emission factors from DEFRA were used due to the unavailability of country-specific emission factors. Emission factors for fuel- and energy-related activities were all obtained from DEFRA. DEFRA published well-to-tank electricity generation emission factors overseas until 2021 and published T&D factors for overseas until 2017. Remote work-related emissions were not included due to the lack of information. Downstream transportation and distribution that occurred in China and Mexico also used proxy emission factors from EPA. In addition, the vehicle-mile emission factor was used for domestic trucking in China with an assumption that the entire truck was dedicated to transporting Kinematics’ products. Kinematics only provided the number of employees and estimated percentage of workdays on-site for each location. As a result, the emission factor was estimated based on the average one-way commuting distance in Arizona and the national average commute method. EPA Emission Factors 2022 was used for each transportation method.

Operational efficiency



Kinematics has made advancements in optimizing our operational processes to achieve heightened efficiency through resource management and waste management. Two of our three facilities received ISO 14001 certification, demonstrating our commitment to reducing our environmental footprint through diligent environmental management.

Materials use, energy, water, and transportation and logistics are the largest impact areas where we are prioritizing efficiencies. We are actively taking steps to improve our data collection and operational efficiency plans across our facilities. In 2023, we conducted a water risk analysis to pinpoint water management focal points and align our efforts with more effective water-related targets and goals.

To complement our efficiency pursuits, we relocated our facility in China to a more advanced and efficient building.

Operational efficiency is overseen by our ESG Committee and Director of Quality and Compliance. The following sections describe our approach and disclose data regarding energy, transportation and logistics, materials and waste, and water.

Strategic goal:

- Achieve an integrated management system following the ISO 14001 standard at 100% of facilities by 2027.

UN Sustainable Development Goals



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.

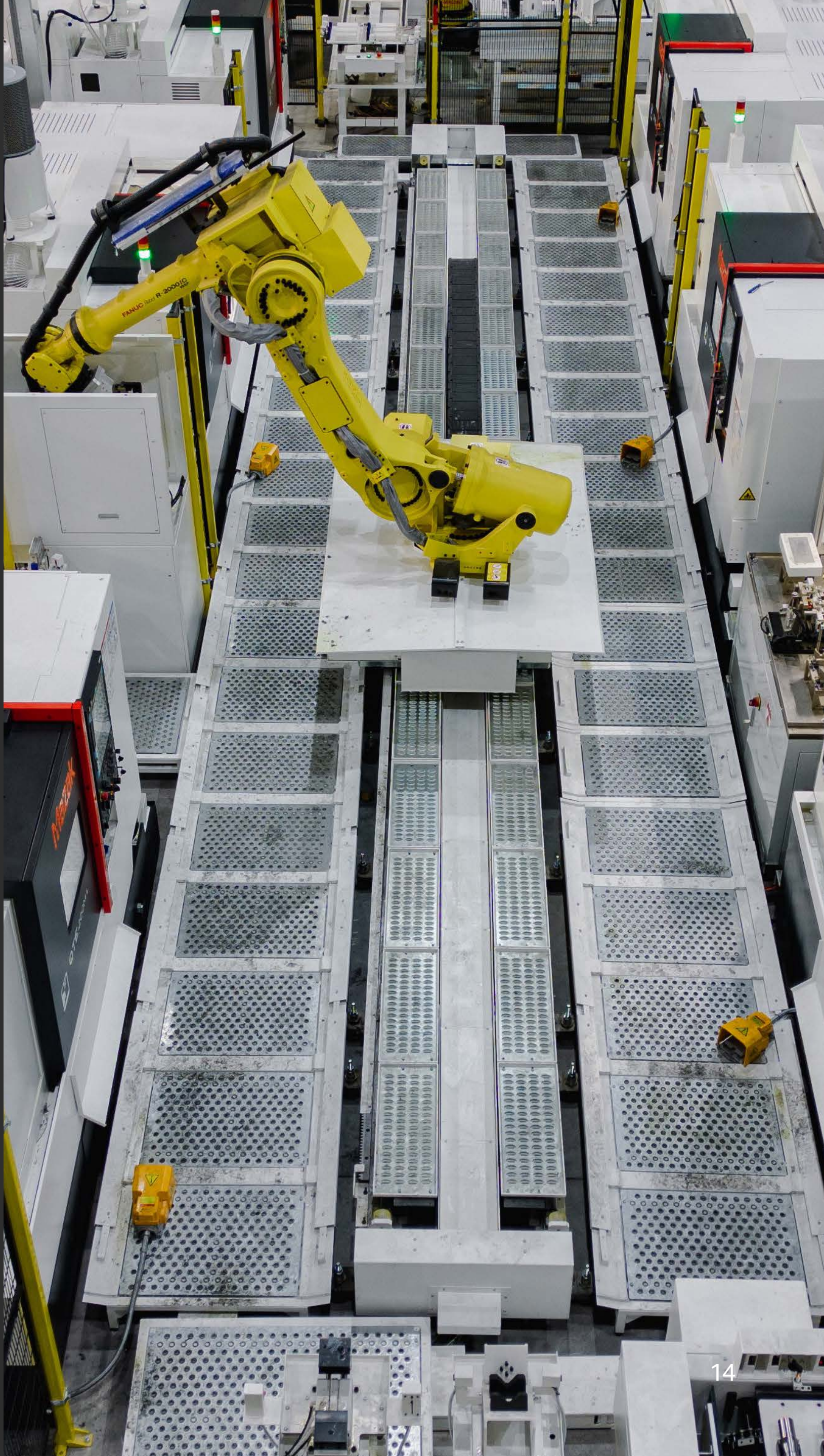


Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

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



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



Energy

Kinematics plays a critical role in advancing the use of renewable energy in the global energy mix and achievement of SDG target 7.2, but we also recognize that our energy usage is a factor in global energy use. Kinematics is dedicated to yearly monitoring of and decreasing our energy consumption in proportion to our production output. We plan to meet this commitment by establishing and implementing an energy reduction strategy. The Chief Operating Officer works with the ESG Committee to implement measures to promote sustainable energy consumption within our facilities.



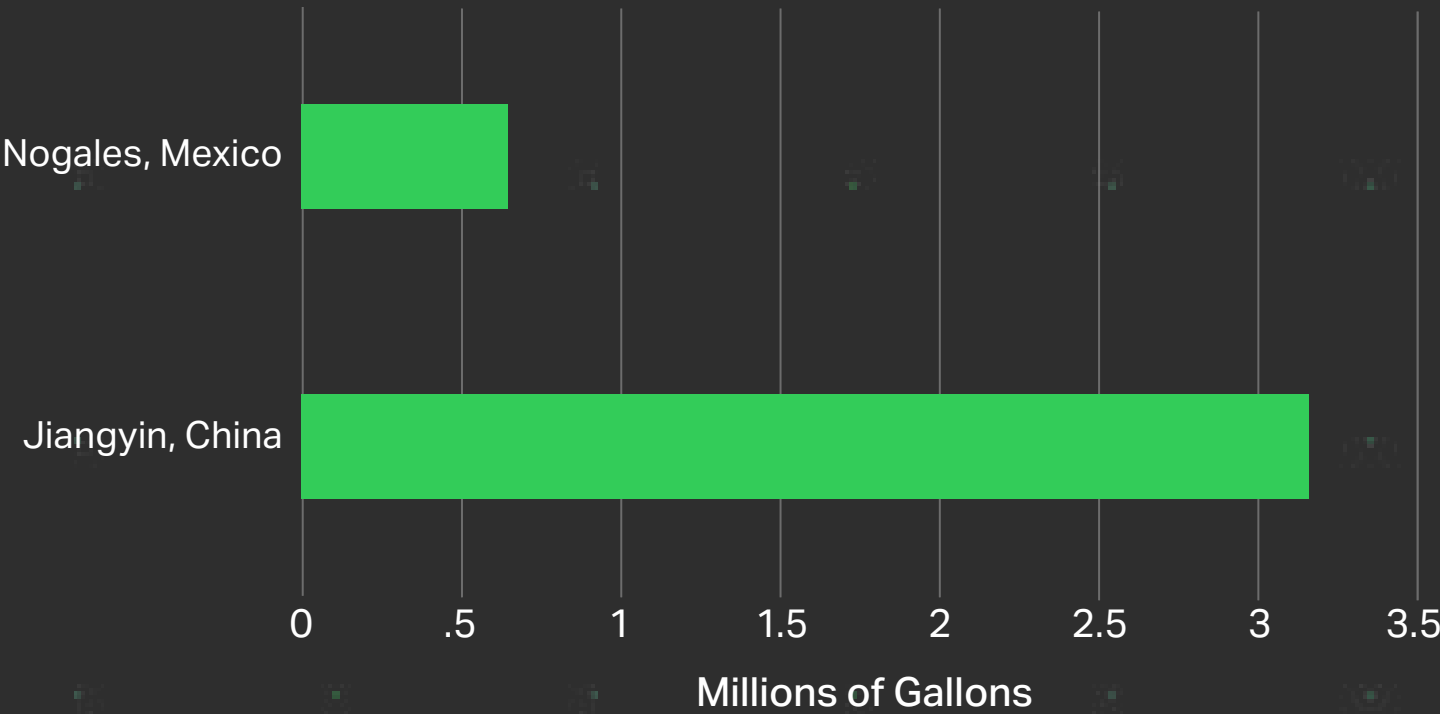
5,828,908 kWh
of energy consumed
in 2023

Water

Maintaining sustainable water usage is pivotal for the sustainability of our business. In 2023, we expanded our responsible water usage efforts by conducting a water risk assessment that reviewed risks associated with the geographical locations and operational factors for each of our facilities. By identifying these risks and their key drivers, we aim to pinpoint strategic areas where our water reduction initiatives should be concentrated. Additionally, this equips Kinematics to adapt to anticipated shifts in climate patterns. The water risk assessment is the first step for us to identify our impacts on water-related topics and incorporate a water efficiency plan into our operations, contributing to SDG target 6.4.

To minimize adverse ecological impacts, we entrusted the responsibility of appropriately handling our wastewater to a specialized water treatment company.

2022 Water Usage



Total gallons: 3,817,161



Materials and waste

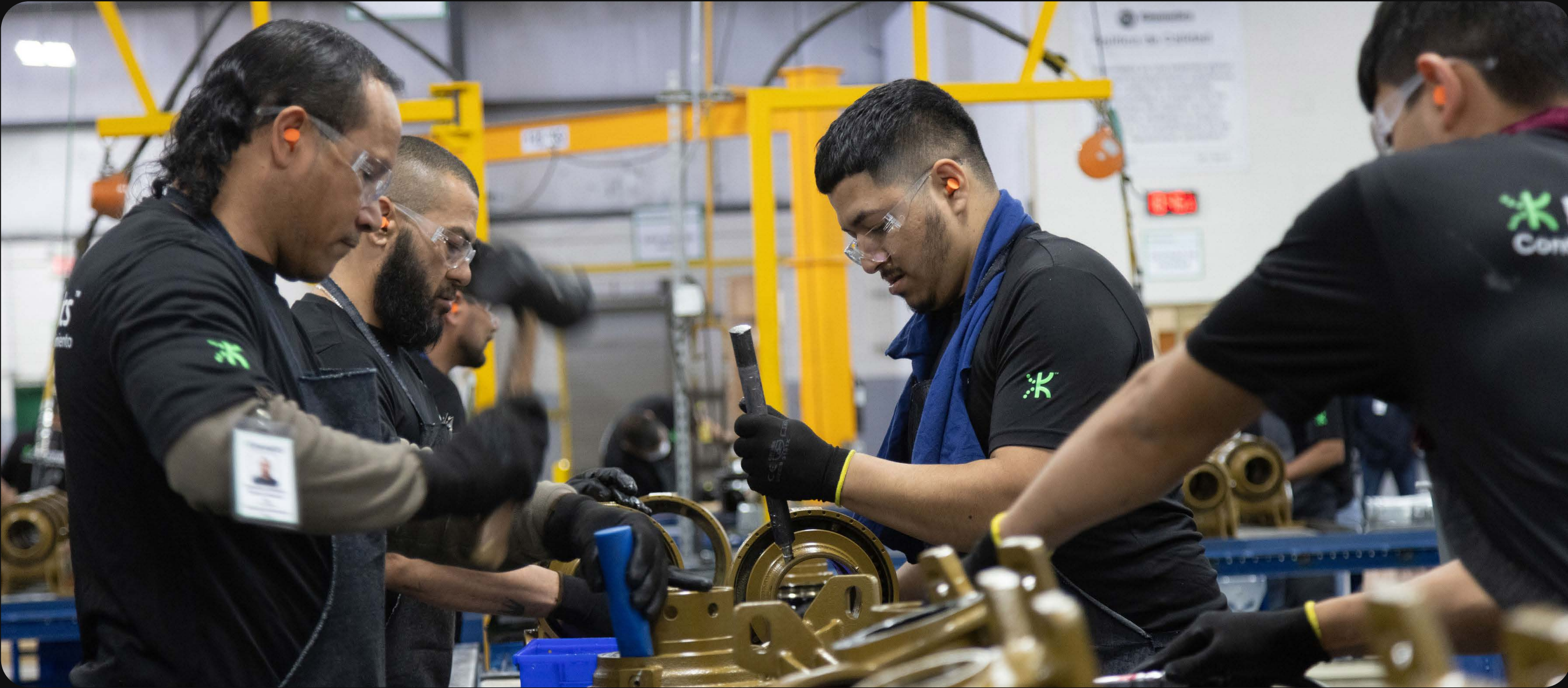
Kinematics remains steadfast in its efforts to address the environmental impact of our material usage and product life cycle—from the pre-production stages of manufacturing to the post-consumer product end-of-life. Notably, over the past year, we reduced our overall material consumption and waste generation at our facilities while increasing the utilization of reclaimed materials and the amount of waste diverted from landfills, with 63% of waste successfully diverted in 2023. Our operations manage various types of waste, including non-hazardous materials such as wood, iron chips, plastics, and domestic rubbish, as well as hazardous waste like paints and cutting and quenching liquid. We strive for sustainable improvements in our operations wherever possible. In our China facility, for instance, 50% of steel is recycled. Additionally, our Mexico facility operates a reusable crate program, allowing us to reclaim 27% of wooden crates used in shipping. These initiatives help contribute to SDG target 12.5 by promoting more sustainable consumption and production patterns, thus minimizing environmental degradation and fostering responsible resource management practices.

Additionally, as part of our dedication to mitigating the environmental impact of our products, we are developing a Product End-of-life Policy to provide our customers with valuable information regarding product disassembly and disposal. Through informational materials, we want to empower our customers with environmentally responsible options for product disposal. By proactively addressing these aspects, we strive to minimize waste and align our products with best practices to lead to a circular economy.

Spotlight

Operational efficiency

Reducing and managing waste, especially hazardous waste, is crucial to minimizing our environmental impact. We updated our Environmental Policy to promote the proper disposal at the end of our products’ useful life. This policy provides customers with information regarding the appropriate disassembly, recycling, and disposal of each component of our products.



Social

Sustainability encompasses more than just environmental considerations; it extends to the well-being and inclusivity of the individuals contributing to its success. This section highlights initiatives promoting safety, diversity, and engagement with employees and suppliers, and shares how Kinematics is making a lasting positive impact on our people and society.

Material topics:



Occupational Health and Wellness



Diversity, Equity, & Inclusion



Supply Chain Engagement



Employee Engagement



Occupational health and wellness



At Kinematics, we believe that the success of our business starts with the health and well-being of our employees. Our Health and Safety Policy outlines our commitment to providing a secure and safe work environment.

In 2023, we realized only one recordable work-related injury, marking the lowest number on record and reflecting our ongoing efforts to decrease injuries. The primary type of work-related injury remains object strikes, though we are continuously implementing measures to mitigate such incidents. Notably, there were

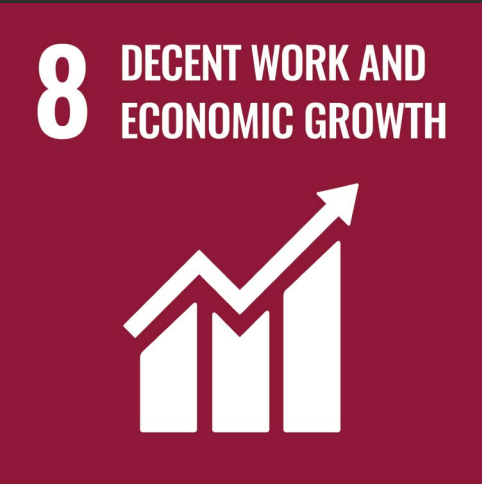
zero work-related ill health incidents reported in 2022 and 2023. Our total recordable incident rate in 2023 stands at 0.2², an improvement of 86% compared to 2022. Through safety protocols and ongoing monitoring, Kinematics remains devoted to fostering a safe and healthy work environment for all employees across our international manufacturing facilities.

Occupational health and wellness are overseen by our plant leaders and the Chief Operating Officer.

Strategic goal:

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

UN Sustainable Development Goal



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

2023 highlights

Currently, 67% of our facilities are ISO 45001 certified, with the remaining facilities slated for certification in 2025.

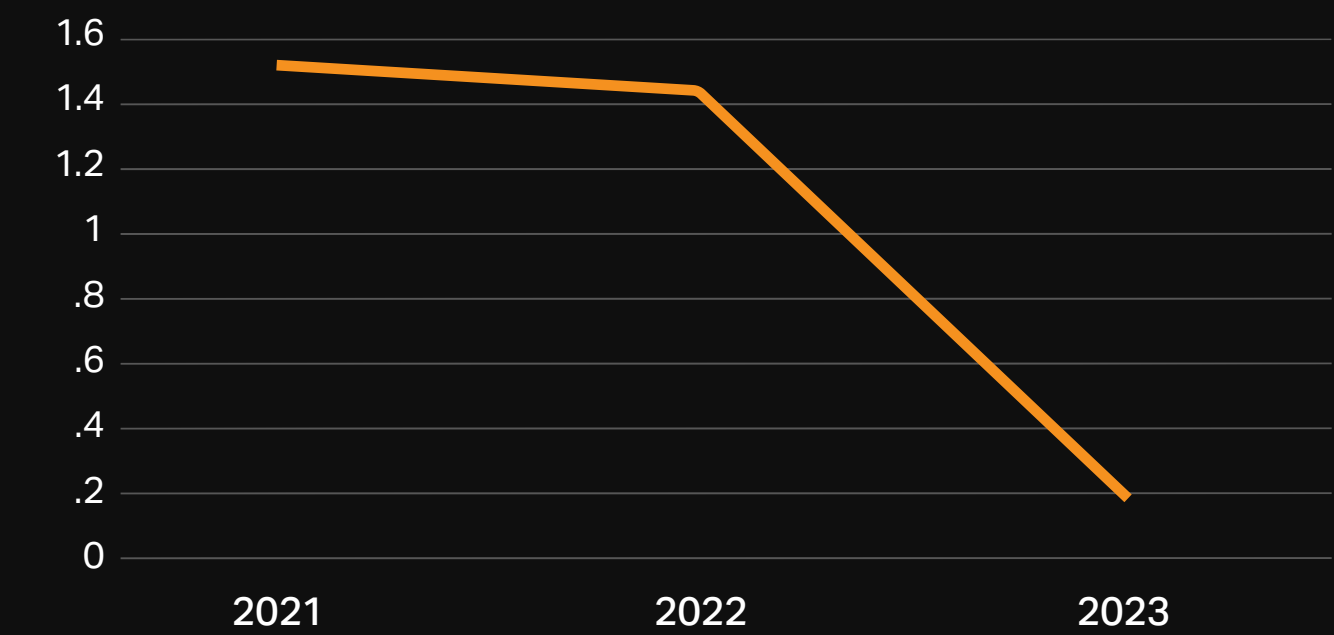
Kinematics invests in safety training programs and provides Personal Protective Equipment (PPE) to mitigate workplace risks.

We offer healthcare coverage for our employees

Regular equipment inspections and proactive hazard identification and risk assessments maintain a secure working environment.



Total Recordable Incident Rate



Diversity, equity, and inclusion



Kinematics firmly believes that a diverse workforce, representing various backgrounds, experiences, and perspectives, is essential for driving creativity and problem-solving. Kinematics is committed to creating an inclusive environment where all employees feel valued, respected, and empowered to contribute their unique talents.

The incorporation of DEI principles extends beyond our recruitment and hiring practices; it is embedded in our company’s culture, policies, and decision-making processes. Kinematics’ Labor and Human Rights Policy and Employee Handbook explicitly address non-discrimination and non-harassment, and we are actively implementing DEI and anti-discrimination into our employee training programs. This initiative not only helps us work towards our strategic goal of improving DEI understanding across the company, but it also contributes to the advancement of SDG target 10.2. Additionally, Kinematics is developing a Whistleblower Policy and procedure to increase transparency and accountability in maintaining a safe and inclusive workplace.

DEI is overseen by our facility leaders and Human Resources Department.

ZERO confirmed incidents of discrimination in 2022 and 2023

Strategic goal:

- Improve company-wide understanding of DEI topics and analyze the company’s current DEI practices.

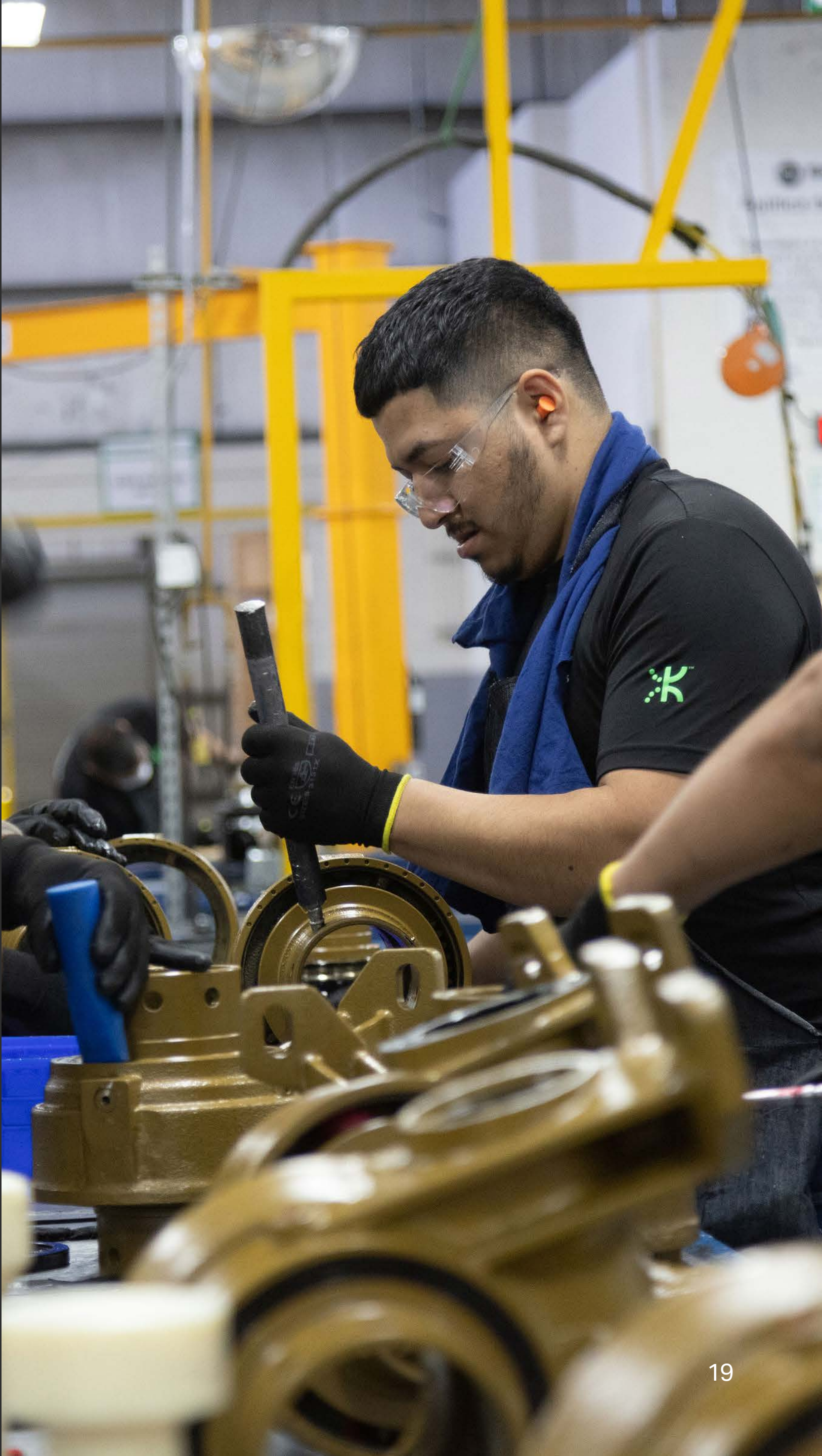
UN Sustainable Development Goal



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.



Spotlight

Empowerment event

Kinematics recently hosted an empowerment event for our female employees, featuring esteemed guest Abby Hopper, CEO and President of the Solar Energy Industries Association (SEIA), the national trade association for the solar and solar storage industries. The event provided a platform for insightful conversations about women’s roles and achievements in the solar sector. Hopper shared her professional journey, discussing challenges and triumphs in breaking barriers within the industry.

This unique opportunity not only fostered a sense of camaraderie among Kinematics’ female employees but also offered valuable perspectives on navigating and excelling in the solar field. The event underscored Kinematics’ commitment to creating an inclusive and supportive workplace, where diverse voices are celebrated and where employees are encouraged to pursue and thrive in traditionally male-dominated industries, contributing to SDG target 5.5.



Kinematics employees and Abby Hopper at empowerment event

“Meeting Abby Hopper, CEO of SEIA, was incredibly insightful. She shared how she effectively balances her demanding roles as a CEO, mother, and solar advocate, all while driving forward key ESG initiatives and advocating for diversity in the workplace.”

— Jenn Cangelosi, VP of Global Sales & Business Development



Supply chain engagement



At Kinematics, the importance of a sustainable supply chain is embedded in the company’s operational strategies. Recognizing the environmental and social impacts of its supply chain, Kinematics has begun to implement sustainability throughout the procurement process. The cornerstone of this commitment lies in Kinematics’ Supplier Code of Conduct and Sustainable Procurement Policy, which sets expectations for suppliers and buyers regarding ethical and sustainable business practices. These policies address the topics of environment, labor and human rights, health and safety, ethics, and conflict minerals.

To further develop our supply chain engagement program, Kinematics conducted a supplier ESG risk analysis to identify suppliers and materials in our supply chain that have high-risk potential. Kinematics followed this analysis with a supplier ESG assessment for a subset of target suppliers. With the results of both initiatives, Kinematics can identify which suppliers need further support in their ESG efforts. In 2024, we plan to incorporate ESG risk into our supplier scorecard, allowing us to prioritize suppliers with sustainable business practices. This proactive approach safeguards Kinematics against potential negative impacts, fosters a responsible and resilient supply chain, and contributes to SDG target 12.7.

Integrating sustainability into Kinematics’ supply chain practices contributes to a healthier planet and positions us at the forefront of corporate responsibility.

Our Director of Global Sourcing oversees our supply chain engagement efforts.

Strategic goals:

- Implement a supply chain engagement program focusing on high-risk suppliers.

UN Sustainable Development Goal



Target 12.7: Promote procurement practices that are sustainable



Employee engagement



At Kinematics, employee engagement is at the core of our workplace ethos. We prioritize individual growth through personalized development and career plans, so each team member has a roadmap for their professional journey. Annual performance reviews serve as an assessment to provide constructive feedback and align individual goals with organizational objectives. To further support professional development, Kinematics offers a Tuition Reimbursement Policy, empowering employees to pursue higher education for continuous learning. Beyond the workplace, we actively encourage community participation through events like the annual Alzheimer’s Association’s Walk to End Alzheimer’s. Moreover, we celebrate milestones collectively by hosting happy hours for employees, customers, friends, and families to come together and commemorate significant events, such as product launches.

Employee engagement is overseen by our plant leaders and Human Resources Department.

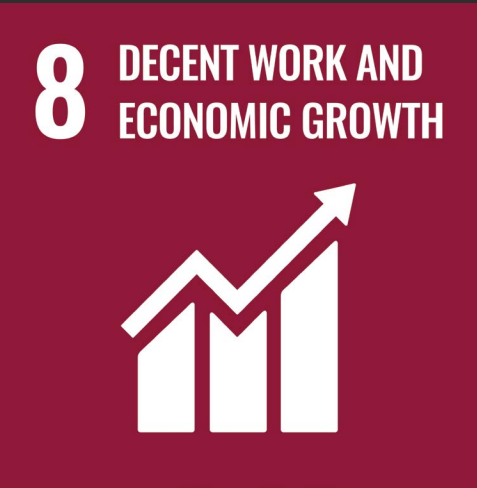


Kinematics employees at Walk to End Alzheimer’s

Strategic goal:

- Engage and understand employees’ needs and concerns.

UN Sustainable Development Goal



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



Spotlight

Engagement workshop

In 2023, we made a significant investment in personal and team development by organizing a two-day engagement workshop. This event gathered all United States employees and leaders from our facilities in Mexico and China, marking the first time our diverse team has come together in person. Facilitated by a renowned leadership and executive development consulting firm, the workshop was tailored to strengthen team dynamics and foster trust across borders. Activities and discussions provided a platform for cross-cultural collaboration and an opportunity for skill development.



Kinematics employees at engagement event

Governance

Kinematics is committed to honesty, product safety, and data security while engaging with our stakeholders. Kinematics enhances our offerings to align with customers' requirements and develop relationships built on trust. Similarly, we employ documented procedures to recognize, oversee, and confirm adherence to all social-related laws, regulations, standards, codes, and other legislative requirements.

Kinematics™
Control Inteligente de Movimiento



Business Ethics and Human Rights



Business ethics and human rights



Kinematics plans to build upon our Business Ethics Policy to include a Whistleblower Procedure and Policy to encourage the highest standard of ethics for all employees across our locations. The procedure will be designed to distinguish and prevent a breach of ethics and keep our workplace honest, open, and accountable. Kinematics is also in the process of establishing a whistleblower hotline operated by a third-party that allows for anonymous reporting where permitted by law. As demonstrated in our policy, Kinematics is committed to maintaining a culture of trust and respect.

Our Chief Executive Officer oversees topics related to business ethics and human rights.

UN Sustainable Development Goal



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 2023	
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, 2022 through December 31, 2023. Any need for contact can be directed to torque@gokinematics.com
2-3 Publication date of the report or reported information	
2-4 Restatements of information	Injury rate data has been restated for 2021 to improve accuracy.
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
2-6 Other relevant business relationships	N/A
2-7 Employees	Diversity, Equity, and Inclusion
2-8 Workers who are not employees	None
2-9 Governance structure and composition	ESG Governance
2-10 Nomination and selection of the highest governance body	Our governing bodies are determined by our ownership group.
2-11 Chair of the highest governance body	Yaniv Tepper, Chairman of the Board
2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance
2-13 Delegation of responsibility for managing impacts	ESG Governance
2-14 Role of the highest governance body in sustainability reporting	ESG Governance
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

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.
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 remuneration information.
2-22 Statement on sustainable development strategy	Letter from CEO
2-23 Policy commitments	ESG Governance
2-24 Embedding policy commitments	ESG Governance
2-25 Processes to remediate negative impacts	ESG Governance
2-26 Mechanisms for seeking advice and raising concerns	ESG Governance
2-27 Compliance with laws and regulations	ESG Governance
2-28 Membership associations	Solar Energy Industries Association
2-29 Approach to stakeholder engagement	Materiality
2-30 Collective bargaining agreement	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics	
3-1 Process to determine material topics	Materiality Assessment and Material Topics
3-2 List of material topics	Materiality Assessment and Material Topics

GRI 204: Procurement	
3-3 Management of material topics	Supply Chain Engagement
204-1 Proportion of spending on local suppliers	Supply Chain Engagement
GRI 205: Anti-Corruption	
3-3 Management of material topics	Business Ethics and Human Rights
205-1 Operations assessed for risks related to corruption	Business Ethics and Human Rights
205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Human Rights
205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Human Rights
GRI 301: Materials	
3-3 Management of material topics	Materials
301-1 Materials used by weight or volume	Materials
301-2 Recycled input materials used	Materials
301-3 Reclaimed products and their packaging materials	Information is not available at this time, but Kinematics will continue to investigate the feasibility of reporting on this in future years.
GRI 302: Energy	
3-3 Management of material topics	Energy
302-1 Energy consumption within the organization	Energy

302-2 Energy consumption outside of the organization	Energy
302-3 Energy intensity	Energy
302-4 Reduction of energy consumption	Energy
302-5 Reductions in energy requirements of products and services	Energy
GRI 305: Emissions	
3-3 Management of material topics	Climate Action
305-1 Direct (Scope 1) GHG emissions	Climate Action
305-2 Energy indirect (Scope 2) GHG emissions	Climate Action
305-3 Other indirect (Scope 3) GHG emissions	Climate Action
305-4 GHG emissions intensity	Climate Action
305-5 Reduction of GHG emissions	Climate Action
305-6 Emissions of ozone-depleting substances (ODS)	Climate Action
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate Action
GRI 306: Waste	
306-1 Waste generation and significant waste-related impacts	Materials and Waste
306-2 Management of significant waste-related impacts	Materials and Waste

306-3 Waste generated	Materials and Waste
306-4 Waste diverted from landfill	Materials and Waste
306-5 Waste directed to disposal	Materials and Waste
GRI 308: Supplier Environmental Assessment	
3-3 Management of material topics	Supply Chain Engagement
308-1 New suppliers that were screened using environmental criteria	Supply Chain Engagement
308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Engagement
GRI 401: Employment	
3-3 Management of material topics	Diversity, Equity, and Inclusion (DEI)
401-1 New employee hires and employee turnover	Diversity, Equity, and Inclusion (DEI)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity, Equity, and Inclusion (DEI)
401-3 Parental leave	Information is not available at this time, but Kinematics will continue to investigate the feasibility of reporting on this in future years.
GRI 403: Occupational Health and Safety	
3-3 Management of material topics	Occupational Health and Wellness
403-1 Occupational health and safety management system	Occupational Health and Wellness

403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Wellness
403-3 Occupational health services	Occupational Health and Wellness
403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Wellness
403-5 Worker training on occupational health and safety	Occupational Health and Wellness
403-6 Promotion of worker health	Occupational Health and Wellness
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Wellness
403-8 Workers covered by an occupational health and safety management system	Occupational Health and Wellness
403-9 Work-related injuries	Occupational Health and Wellness
403-10 Work-related ill health	Occupational Health and Wellness
GRI 404: Training and Education	
3-3 Management of material topics	Employee Engagement
404-1 Average hours of training per year per employee	Employee Engagement
404-2 Programs for upgrading employee skills and transition assistance programs	Employee Engagement
404-3 Percentage of employees receiving regular performance and career development reviews	Employee Engagement

GRI 405: Diversity and Equal Opportunity	
3-3 Management of material topics	Diversity, Equity, and Inclusion (DEI)
405-1 Diversity of governance bodies and employees	Diversity, Equity, and Inclusion (DEI)
405-2 Ratio of basic salary and remuneration of women to men	Kinematics does not publicly report on this information at this time but will continue to investigate the feasibility of disclosing it in future years.
GRI 406: Non-Discrimination	
3-3 Management of material topics	Diversity, Equity, and Inclusion (DEI)
406-1 Incidents of discrimination and corrective actions taken	Diversity, Equity, and Inclusion (DEI)
GRI 414: Supplier Social Assessment	
3-3 Management of material topics	Supply Chain Engagement
414-1 New suppliers that were screened using social criteria	Supply Chain Engagement
414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Engagement

TCFD

Area		Disclosure
Governance	A. Describe the board’s oversight of climate-related risks and opportunities.	Both the Board and ESG Committee have their own roles and responsibilities in overseeing Kinematics’ sustainability climate strategy. This includes climate-related issues such as transition risks and physical risks. The Board receives input from the ESG Committee through reports from the CEO and COO.
	B. Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>ESG management at Kinematics is comprised of a cross-functional committee with our CEO and representatives from finance, sales, operations, plant leadership, product management, and engineering departments. The ESG Committee is led by our CEO and COO and meets monthly to set ESG-related targets and drive ESG reporting.</p> <p>The ESG Committee addresses any questions, concerns, or requests, resolves any roadblocks that arise as progress is made toward the Sustainability Plan, and approves action items, deliverables, policies, and certifications.</p>
Strategy	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Transition Risk It is likely that as more climate-related policy continues to be enacted, Kinematics could potentially face risks such as uncertainty in market signals, increased cost of raw materials, and a shift in consumer preferences.
		Legal & Regulatory Risk Legislation and regulation related to climate change have the potential to negatively impact our operations. Several of the countries Kinematics’ operates in have passed a carbon tax/cap and trade system and rigorous reporting requirements will have an increasing impact on Kinematics.
		Physical Risk Acute physical risks, while likely and impactful, only reach the highest likelihood of impact and highest potential for realization of business impacts for Kinematics’ manufacturing facilities in Nogales, Mexico and Jiangyin, China. Each of these facilities is at risk of floods and storms on an ongoing basis. These acute risks will become increasingly likely in high-warming scenarios. The highest physical risk categories for Kinematics include: air quality, sea level rise, changing precipitation, changing temperature, and water stress. Operations, revenues, employee health and safety, and value chain distribution may all be disrupted by physical climate risks. Water stress is Kinematics’ highest physical risk across all locations, although the quantity and quality of water will have the most significant business impacts on operations and revenue generation for the company.

Strategy	B. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	<p>Opportunities</p> <p>A focus area for Kinematics is on reducing energy consumption, which in turn will help reduce any risks associated with financial carbon pricing mechanisms as well as reduce Kinematics’ risk associated with uncertainty in market signals, specifically for energy markets. Another focus area for Kinematics is on reducing water consumption in operations, which will also in turn help to reduce any risks associated with potential changes in the water supply.</p> <p>Due to Kinematics’ position as a supplier to the solar industry, we have an opportunity to realize increased demand and revenue as society prioritizes renewable energy.</p>
	C. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>While we haven’t formulated a transition plan that complies with a 1.5°C global temperature rise, we are actively assessing the practicality of such a plan. Our current climate strategy is guided by alignment with the United Nations sustainable Development Goals (SDGs). More information about our commitments and progress on our sustainability strategy can be found in our 2023 Sustainability Report.</p> <ul style="list-style-type: none">• Strategy #1: Identify hot spot areas where Kinematics has the largest impact outside of operational control.• Strategy #2: Incorporate climate change and climate-related risks into key business decisions.• Strategy #3: Understand the potential risks and opportunities associated with climate change.• Strategy #4: Commit to the Science Based Target Initiative (SBTI). <p>As we continue to understand the risks that Kinematics will face with a changing climate, our goals and overall climate strategy are designed to adapt and support the mitigation and adaptation strategies that will be necessary to keep our organization operating at its highest quality and fullest capacity.</p>
Risk Management	<p>A. Describe the organization’s processes for identifying and assessing climate-related risks.</p> <p>B. Describe the organization’s processes for managing climate-related risks.</p> <p>C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>In 2023, Kinematics completed a climate risk analysis to identify the likelihood of future climate hazards and their potential impacts against various temperature-warming scenarios. Both transition risks and physical risks. Were considered as part of this risk assessment.</p>

Risk Management	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2023 Scope 1: 76 MT CO ₂ e
		2023 Scope 2: 2,193 MT CO ₂ e
	B. Disclose Scope 1, 2, and if appropriate, Scope 3 GHG emissions, and the related risks.	2023 Scope 3: 38,3725 MT CO ₂ e ³
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Key Performance Indicators (KPIs) are a critical piece in helping Kinematics track progress towards our sustainability goals which intend to minimize impacts to climate change and transition to a low-carbon economy. Currently, our strategic environmental goals aligned with the UN SDGs include:</p> <ul style="list-style-type: none">• 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. <p>As we work to integrate the findings from our climate analysis into our larger risk management process, we will determine which key performance indicators and metrics we should use to both measure and monitor climate-related risks across our operations.</p>

3 Includes categories; 1: Purchased good and services, 3: Fuel- and energy-related activities, 4: Upstream transportation and distribution, 5: Waste generated in operations, 6: Business travel, 7: Employee commuting, 8: Upstream leased assets, 9: Downstream transportation and distribution, 12: End of life treatment of sold products

Data tables

Disclosures	Unit	2021 (base year)	2022	2023
GRI 305: Emissions				
305-1 Direct (Scope 1) GHG emissions	MT CO2e	136	63	76
China		128	54	68
Mexico		8	9	8
US		0	0	0
305-2 Energy indirect (Scope 2) GHG emissions	MT CO2e	1,993	2,516	2,192
China		1,781	2,342	2,102
Mexico		193	151	89
US		19	23	1
305-3 Other indirect (Scope 3) GHG emissions	MT CO2e	Omitted	49,603.55	38,372
305-4 GHG emissions intensity	kg CO2e/drive produced ⁴	Omitted	4.47	4.61

Disclosures	Unit	2021	2022	2023
GRI 302: Energy				
302-1 Energy consumption within the organization				
Total energy consumption within the organization	gigajoules	9,858	14,737	20,984
Total fuel consumption from non-renewable sources		9,858	14,737	20,984
Total fuel consumption from renewable sources		0	0	0
302-2 Energy consumption outside of the organization		Unknown		
302-3 Energy intensity	gigajoules per drive unit produced	0.186	0.0257	0.0427

4 Does not other indirect (scope 3) GHG emissions

Disclosures	Unit	2021	2022	2023
GRI 301: Materials*				
301-1 Materials used by weight or volume	kg	21,123,332	24,480,456	21,396,747
Non-Renewable Materials Used		16,652,777	18,459,970	17,320,565
Renewable Materials Used		4,470,555	6,020,486	4,076,182
GRI 306: Waste*				
306-3 Total weight of waste generated	Metric tons		883.8	871.1
China		-	759.9	809.4
Mexico		-	123.9	61.7
306-4 Waste diverted from landfill	Metric tons		517.1 (59%)	547.8 (63%)
China – Non-hazardous		-	501.2	501.2
Mexico – Non-hazardous		-	0	0
China – Hazardous		-	15.9	46.6
Mexico – Non-hazardous		-	0	0
306-5 Waste directed to disposal	Metric tons		366.7 (41%)	324.2 (37%)
China – Non-hazardous		-	208.5	211.1
Mexico – Non-hazardous		-	104.1	47.9
China – Hazardous		-	34.3	50.5
Mexico – Hazardous		-	19.8	14.7

* This data does not include information from our U.S. locations as it is unavailable. Compared to our manufacturing facilities, our headquarters and innovation center represent a very small impact on our materials and waste footprint.

Disclosures	Unit	2021	2022	2023
GRI 403: Occupational Health and Safety*				
403-9 Work-related injuries				
Fatalities	# and rate	0	0	0
High-consequence work-related injuries (excluding fatalities)	# and rate	0	0	0
Recordable work-related injuries	# and rate	9	8	1
Hours worked	#	1,178,369	1,098,255	994,950
<i>Workers who are not employees but whose work and/or workplace is controlled by the org</i>				
Fatalities	# and rate	0	0	0
High-consequence work-related injuries (excluding fatalities)	# and rate	0	0	0
Recordable work-related injuries	# and rate	0	0	0
Hours worked	#	9,984	9,984	9,984
Total hours worked		1,188,353	1,108,239	1,004,934
403-10 Work-related ill health				
<i>All employees</i>				
Fatalities as a result of work-related ill health	#	0	0	0
Recordable work-related ill health	#	0	0	0
<i>Workers who are not employees but whose work and/or workplace is controlled by the org</i>				
Fatalities as a result of work-related ill health	#	0	0	0
Recordable work-related ill health	#	0	0	0
<i>*Occupational health and wellness data includes our manufacturing centers in Mexico and China.</i>				
Days Away Injuries		164	52	1
Total Recordable Incident Rate (TRIR)	Rate	1.51	1.44	0.20
# of employees covered with healthcare	#	313	350	344
# of employees trained on health and safety issues		100%	100%	100%

**Occupational health and wellness data includes our manufacturing centers in Mexico and China.*

***Healthcare coverage includes information for our United States, Mexico, and China employees. Employees in Mexico and China are provided healthcare through governmental programs.*

Disclosures	Unit	2021	2022	2023
GRI 2: General Disclosures				
2-7 Employees*				
Full-time employees - Total	#	313	350	344
Full-time employees - Gender				
Male	#	266	297	289
Female	#	47	53	55
Undisclosed	#	0	0	0
Full-time employees - Region				
China	#	235	233	235
Mexico	#	55	79	65
US	#	23	38	44
Temporary employees - Total	#	77	76	56
Temporary employees - Gender				
Male	#	68	74	56
Female	#	2	2	0
Undisclosed	#	7	0	0
Temporary employees - Region				
China	#	77	75	54
Mexico	#	0	1	2
US	#	0	0	0
All employees - Total	#	390	426	400
All employees - Gender				
Male	#	334	371	345
Female	#	49	55	55
Undisclosed	#	7	0	0
All employees - Region				
China	#	312	308	289
Mexico	#	55	80	67
US	#	23	38	44

**Kinematics only employs full-time employees and temporary employees. This data was determined using a head count at the end of the calendar year.*

GRI 401: Employment				
401-1 New employee hires and employee turnover**	# and rate	2021	2022	2023
New hires - Age				
Under 30		28 (9%)	59 (17%)	14 (4%)
30-50		50 (16%)	80 (23%)	23 (7%)
Over 50		10 (3%)	10 (3%)	6 (2%)
New hires - Gender				
Male		77 (25%)	132 (38%)	39 (11%)
Female		11 (4%)	17 (5%)	4 (1%)
Undisclosed		0	0	0
New hires - Region				
China		14 (4%)	15 (4%)	19 (5%)
Mexico		64 (20%)	119 (34%)	13 (3%)
US		10 (3%)	15 (4%)	11 (3%)
Turnover - Age				
Under 30		6 (2%)	41 (12%)	12 (3%)
30-50		14 (4%)	57 (16%)	25 (7%)
Over 50		2 (<1%)	15 (4%)	9 (3%)
Turnover - Gender				
Male		20 (6%)	101 (29%)	42 (12%)
Female		2 (<1%)	12 (3%)	4 (1%)
Undisclosed		0	0	0
Turnover - Region				
China		26 (8%)	14 (4%)	17 (4%)
Mexico		18 (6%)	94 (27%)	21 (6%)
US		12 (4%)	14 (1%)	4 (1%)

**New employee hire rates and employee turnover rates were determined based on the total number of full-time employees for the year.

GRI 405: Diversity and Equal Opportunity				
405-1 Diversity of governance bodies and employees***	%	2021	2022	2023
Gender of governance bodies				
Male		78%	71%	71%
Female		22%	29%	29%
Undisclosed		-	-	-
Age of governance bodies				
Under 30		0	0	0
30-50		44%	43%	43%
Over 50		56%	57%	57%
Other indicators of diversity for governance bodies (where relevant)				
American Indian or Alaska Native		0	0	0
Asian		0	14%	14%
Black or African American		0	0	0
Hispanic or Latino		0	0	0
Native Hawaiian or Other Pacific Islander		0	0	0
Two or more races		0	0	0
White		100%	86%	86%
Undisclosed		0	0	0
Gender of employees				
Male		69%	87%	86%
Female		12%	13%	14%
Undisclosed		79%	-	-
Age of employees				
Under 30		16%	17%	14%
30-50		68%	65%	67%
Over 50		16%	18%	19%

Other indicators of diversity for employees				
American Indian or Alaska Native		-	0	< 1%
Asian		79%	73%	73%
Black or African American		< 1%	< 1%	< 1%
Hispanic or Latino		15%	20%	18%
Native Hawaiian or Other Pacific Islander		-	0	0
Two or more races		-	0	< 1%
White		5%	7%	8%
Undisclosed		-	0	< 1%

***Diversity of employees was determined based on the total number of full-time and temporary employees for the year.

GRI 406: Non-discrimination				
406-1 Incidents of discrimination and corrective actions taken	#	0	0	0

Disclosures	Unit	2021	2022	2023
GRI 208: Supplier Environmental Assessment				
308-2 Negative environmental impacts in the supply chain and actions taken				
# of suppliers assessed for environmental impacts	#	0	0	20
# of suppliers identified as having significant actual and potential negative environmental impacts	#	N/A	N/A	0

% of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.	%	N/A	N/A	0
% of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	%	N/A	N/A	0
GRI 414: Supplier Social Assessment				
414-2 Negative environmental impacts in the supply chain and actions taken				
# of suppliers assessed for social impacts	#	0	0	20
# of suppliers identified as having significant actual and potential negative social impacts	#	N/A	N/A	0
% of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.	%	N/A	N/A	0
% of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	%	N/A	N/A	0

Disclosures	Unit	2021	2022	2023
GRI 404: Training and Education				
404-1 Average hours of training per year per employee	#			
Mexico				
Male		40	72	56
Female		11	8	8
China				
Male		281	278	258
Female		30	30	30
404-3 Percentage of employees receiving regular performance and career development reviews	%			
Mexico				
Male		0%	10%	5%
Female		0%	4%	12%
China				
Male		100%	100%	100%
Female		100%	100%	100%

EcoVadis and Other Disclosures

# of employees covered by employee representatives	#	0	0	0
# of employees covered by collective agreements	#	0	0	0

* Training and education data includes our manufacturing centers in Mexico and China.

Disclosures	Unit	2021	2022	2023
GRI 205: Anti-corruption				
205-3 Confirmed incidents of corruption and actions taken	#	0	0	0
EcoVadis and Other Disclosures				
# of child or forced labor incidents reported	#	0	0	0
# of inspections per year to audit factories for child or forced labor	#	0	0	0
# of confirmed information security incidents	#	0	0	0

GRI 2: General Disclosures

2-27 Compliance with laws and regulations

Disclosure	Unit	2021	2022	2023
# of significant instances of non-compliance with laws and regulations	#	1	0	3
# of fines for non-compliance	#	1	0	0
Monetary value of fines	\$	\$10,022	0	\$34,958