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Foreword from our Chairman & CEO

It is with great pride and a sense of responsibility that I introduce our inaugural Sustainability Report, a milestone that marks our commitment to a more sustainable and responsible future. This report is the first step in a long journey where we share our successes, the challenges we face and our commitment to overcoming them. I am excited about the opportunities and challenges that lie ahead on our sustainability journey.

In an era marked by unprecedented global challenges, from climate change to social inequities, the imperative for businesses to act responsibly has never been clearer. At Allient, we have embraced this responsibility with enthusiasm and determination, embedding sustainability at the core of our corporate values.

Our sustainability efforts encompass a wide range of initiatives, including reducing our carbon emissions, conserving natural resources, fostering diversity and inclusion, supporting our communities, and ensuring ethical and responsible business practices.

While this report serves as a record of our accomplishments, it also serves as a testament to our commitment to continuous improvement and reflects the dedication of our entire team to integrate sustainability into every facet of our operations. We acknowledge that the path to sustainability is not without its challenges, but we are determined to overcome them. We will consistently measure our progress to ensure accountability and transparency as we drive our efforts to minimize our environmental footprint, enhance social well-being and ensure long-term economic resilience.

I would like to express my gratitude to our dedicated team members, our partners, customers, shareholders and the communities we serve. Your unwavering support and collaboration have been instrumental in our sustainability journey thus far, and we look forward to working together even more closely in the future.

I invite you to explore this report and engage with us as we continue our commitment to sustainability. We value your feedback, collaboration and support in this shared mission. Together, we will explore innovative solutions and drive positive change to build a more sustainable, equitable and prosperous future for all.

Thank you for your trust in Allient.





About Our Business

Allient Inc. (Nasdaq: ALNT) is a global engineering and manufacturing enterprise that develops solutions to drive the future of market-moving industries, including medical, life sciences, aerospace and defense, agriculture, transportation, robotics and automation. Allient, short for Allied Nexus Technologies, is a family of companies driven by the same goal: to act as one team to provide the most robust, reliable, and high-value system solutions and products across our three technology pillars of Motion, Controls, and Power — from mobile weapons systems used by the military to powered wheelchairs that enhance people's lives.

Allient solutions enable applications that address customers' most critical challenges so they can seize new opportunities and change the game. The Company's strategy is to deliver innovative solutions for its targeted markets to drive growth, while adding new technologies and capabilities through acquisition.

Our Core Sustainability Principles

Commitment to Our Stakeholders: We at Allient recognize our corporate responsibility to customers, employees, suppliers, business partners and the communities in which we operate.

Ethical Conduct: We are committed to honest, ethical, and fair conduct, including maintaining and promoting fundamental human rights in our operations and supply chain.

Innovation: We strive to provide innovative solutions targeted at protecting critical infrastructure and improving the health and safety of the global community.

Quality & Safety: Our goal is to hit the highest standards of quality, employee satisfaction, and provide a safe and healthy work environment for all.



MISSION

To empower sustainable development through innovative product offerings that minimize our impact on the environment, uplift the communities in which we operate, and engage our employees and stakeholders.



VISION

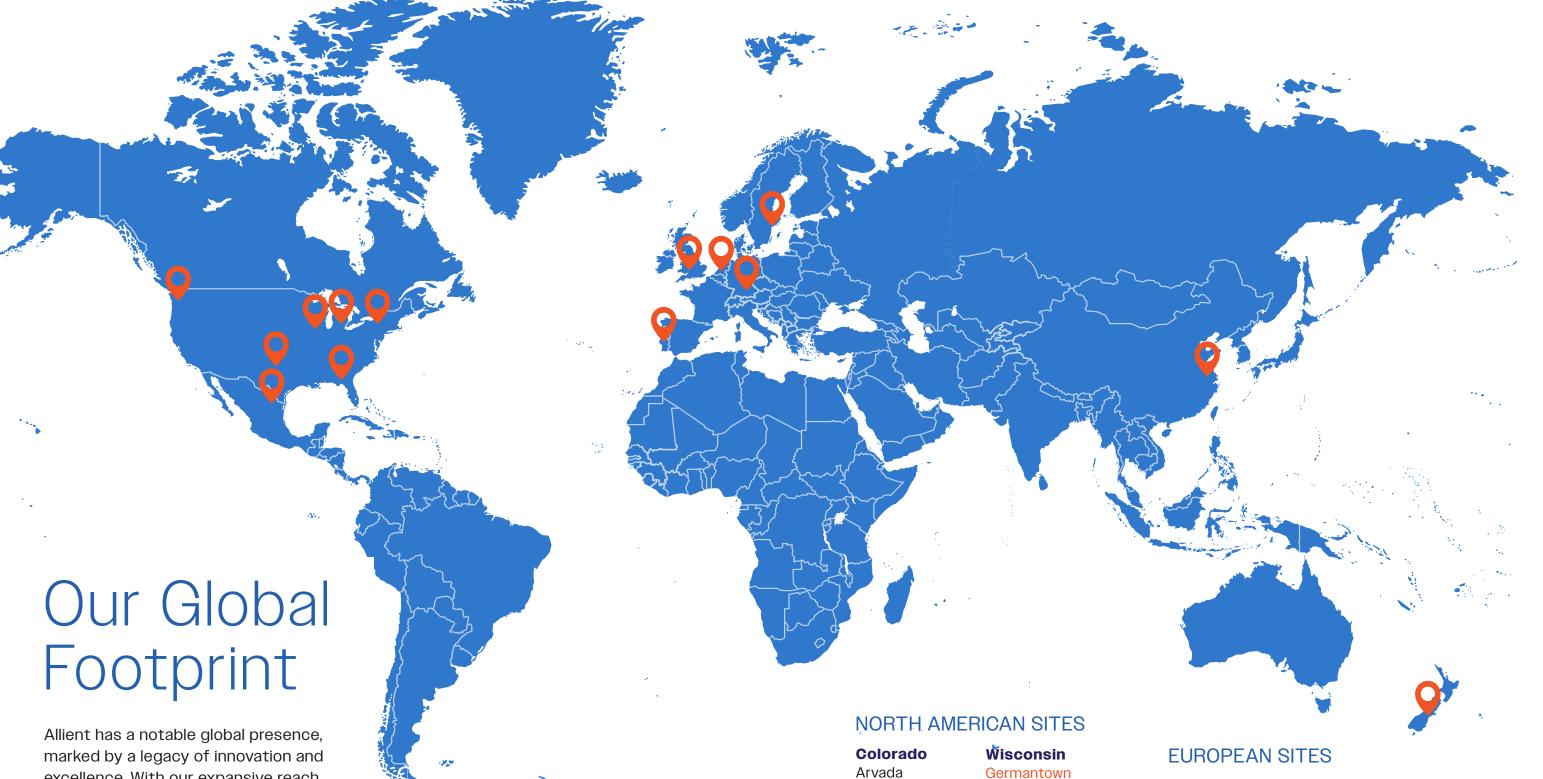
We aim to uphold our role as a good corporate citizen and deliver value to our stakeholders by embedding sustainability into company strategy and operations, as well as in our interactions with company stakeholders. Allient aspires to deliver long-term value to all members of our value chain, including our customers, employees, investors, and local communities.



PURPOSE

Allient's deepest purpose is to enhance and optimize the operation, performance, and efficiency of our customers' products.

We recognize the interconnectedness of sustainability issues and strive to deliver on this purpose while simultaneously promoting a positive impact on society and the environment.



Allient has a notable global presence, marked by a legacy of innovation and excellence. With our expansive reach, we are committed to presenting a unified front. This ensures that customers around the world consistently experience the strength, innovation, and efficiency of Allient. Every unit, regardless of its location, upholds our common goals and initiatives.

Locations that are represented within this report.

See Sustainability
Reporting Statement for
further details.

Colorado Wisconsin
Arvada Germantown
Washington Michigan
Bellevue Owosso | Roseville
California Oklahoma

Camarillo

Ohio
Canada
Dayton
London | Oakville
Alabama
Mexico
Dothan
Reynosa

New York

Amherst (HQ) | Rochester | Watertown

Netherlands

Dordrecht

Germany & Czechia

Kelheim | Mrakov

Portugal

Porto **Sweden**

Stockholm

United Kingdom Kidderminster

ASIA-PACIFIC SITES

China

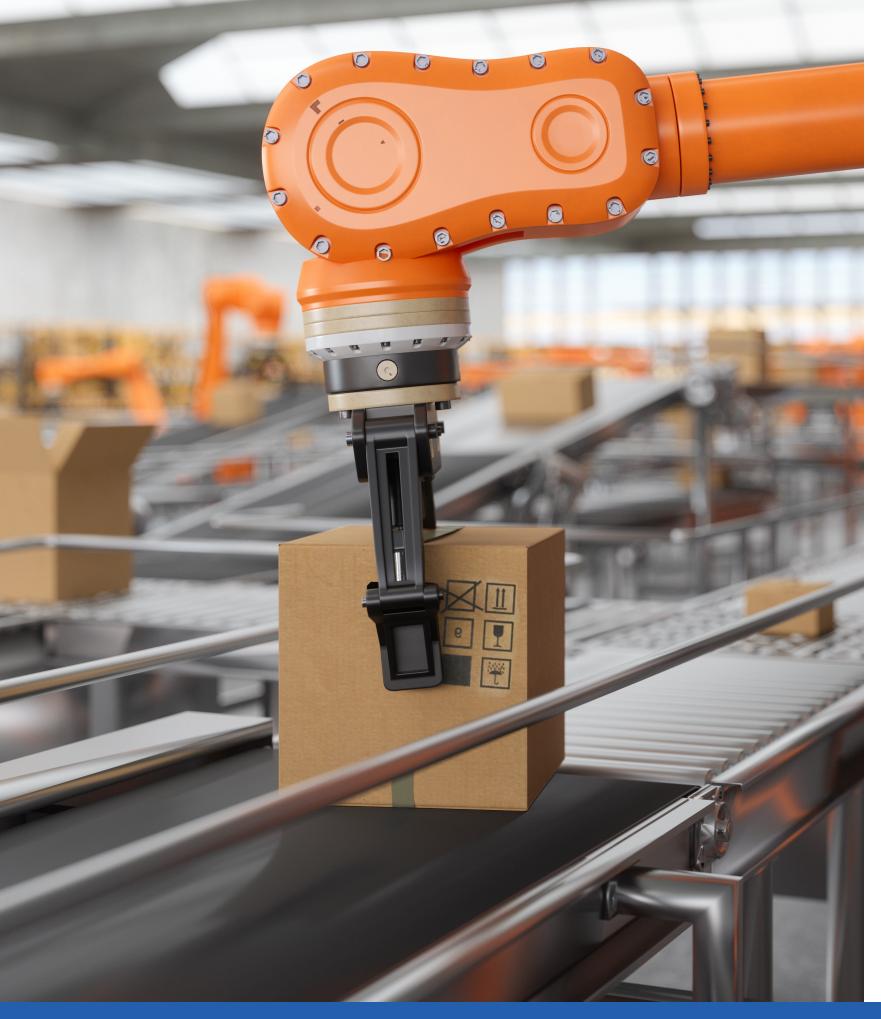
Suzhou | Changzhou New Zealand Christchurch

Sustainability Reporting Statement

In accordance with our commitment to transparent and comprehensive reporting, Allient defines the boundaries of this report to cover the Fiscal Year 2022 (January 1 to December 31, 2022). This encompasses select North American, European, and Asia-Pacific operations active during this period, representing (17 out of 30 facilities). These facilities collectively account for 90% of our annual revenue. It's pertinent to note that certain businesses acquired in the fourth quarter of 2021 and the subsequent acquisitions in 2022 are not included within the boundaries of this report. However, while this report is focused on these inscope facilities, we intend to progressively include the remaining ones in future reporting, underscoring our ongoing dedication to sustainability reporting and disclosure. The map on the previous page provides information on which locations are included in the scope of this report.

Further solidifying our comprehensive approach is our recognition of sustainability-related financial impacts. These impacts capture the varied financial results, both positive and negative, that arise from sustainability factors. Sustainability considerations markedly influence our financial performance and stance. Included within this report are diverse financial implications—costs, savings, risks, and opportunities—tied to sustainability matters, all of which bear significant potential to influence our organization's financial trajectories.





Materiality

In 2022, we sought external expertise to elevate our sustainability strategy. As part of this initiative, we engaged external sustainability advisors to pinpoint the sustainability topics most crucial to our business, industry, and stakeholders. The objective was to appraise our current sustainability practices, uncover areas for improvement, prioritize steps based on industry best practices, and actively engage with stakeholders to discern the most pressing issues.

In tandem with our broader corporate endeavors, certain Allient technology units took proactive steps by conducting their own materiality assessment within the past two years. The insights derived from this assessment have been instrumental in informing and aligning with our overarching corporate sustainability priorities and objectives. This includes notable areas of focus such as reducing our carbon footprint, deepening our engagement with local communities, and formulating more structured sustainable strategies.

To construct a comprehensive array of sustainability topics pertinent to our operations, we turned to globally recognized standards and frameworks, including the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD), and the International Sustainability Standards Board (ISSB). Following this, we conducted surveys among our internal stakeholders to refine and prioritize topics most material to our industry and our people.

The current report delves into a wide spectrum of sustainability subjects, particularly those deemed most significant to our business through our materiality assessment. It's worth clarifying that our use of the term "materiality" here does not align with the SEC's definition. We define materiality in the context of sustainability as the significance and relevance of ESG issues to our company's operations and stakeholders, helping prioritize actions and disclosures that have the most meaningful impact on our long-term sustainability goals.

Our disclosure of sustainability details and metrics adheres to the guidelines provided by SASB, TCFD, and draws on guidance from the ISSB. As our journey unfolds, we remain open to adopting additional frameworks and standards that align with our evolving needs. This documentation delves into the efforts and information at both the corporate and technology unit levels for the 2022 fiscal year. As we advance, we stand firm in providing a transparent portrayal of our ongoing sustainability initiatives, including data inventories, key performance indicators, targets, metrics, pledges, relevant policies, and methodologies.



ENVIRONMENTAL STEWARDSHIP

We are dedicated to minimizing our environmental impact across all operations, products, and services. Central to our mission, we prioritize reducing our carbon footprint, conserving resources, and improving the sustainability of our supply chain.

Key to our environmental strategy, we have secured ISO 14001 certifications at the following sites: Dothan (USA), Kelheim (Germany), Mrakov (Czechia), Reynosa (Mexico), Changzhou (China), Porto (Portugal), and Stockholm (Sweden). This global standard highlights our proactive stance on environmental management. As we advance comprehensive enterprise-level environmental risk assessments, our commitment to both local and regional compliance remains steadfast. Our ISO 14001 certified sites inherently satisfy the risk assessment criteria set by the standard.

Building on our commitment, we have implemented robust policies and procedures, which include a comprehensive Environmental Policy, an Environmental Management System, risk disclosure mechanisms, eco-labeling, and a Vendor Code of Conduct that highlights our environmental principles.

As a pivotal example of our corporate environmental vision in practice, we've appointed Environmental, Health, and Safety (EHS) Coordinators at various Allient locations. This role is instrumental in translating our corporate environmental strategies into tangible actions, setting site-specific reduction targets, and ensuring our facility's practices remain aligned with rigorous environmental benchmarks.

To navigate the landscape of emerging European and local environmental regulations, tailored initiatives have been put in place. Augmenting these EHS efforts, Allient Netherlands showcases how corporate dedication can be manifested at the local level, with noteworthy investments in renewable energy, waste management, and water conservation, all designed to stay in sync with evolving legal standards and to meet the rising environmental aspirations of our valued stakeholders.

MATERIAL TOPICS

Energy Management
Water Stewardship
Waste Management
Climate



Energy Management

Across many of our facilities worldwide, we've channeled our efforts into efficiency and environmental stewardship. Our operations account for a total energy consumption of **75,621 GJ**.

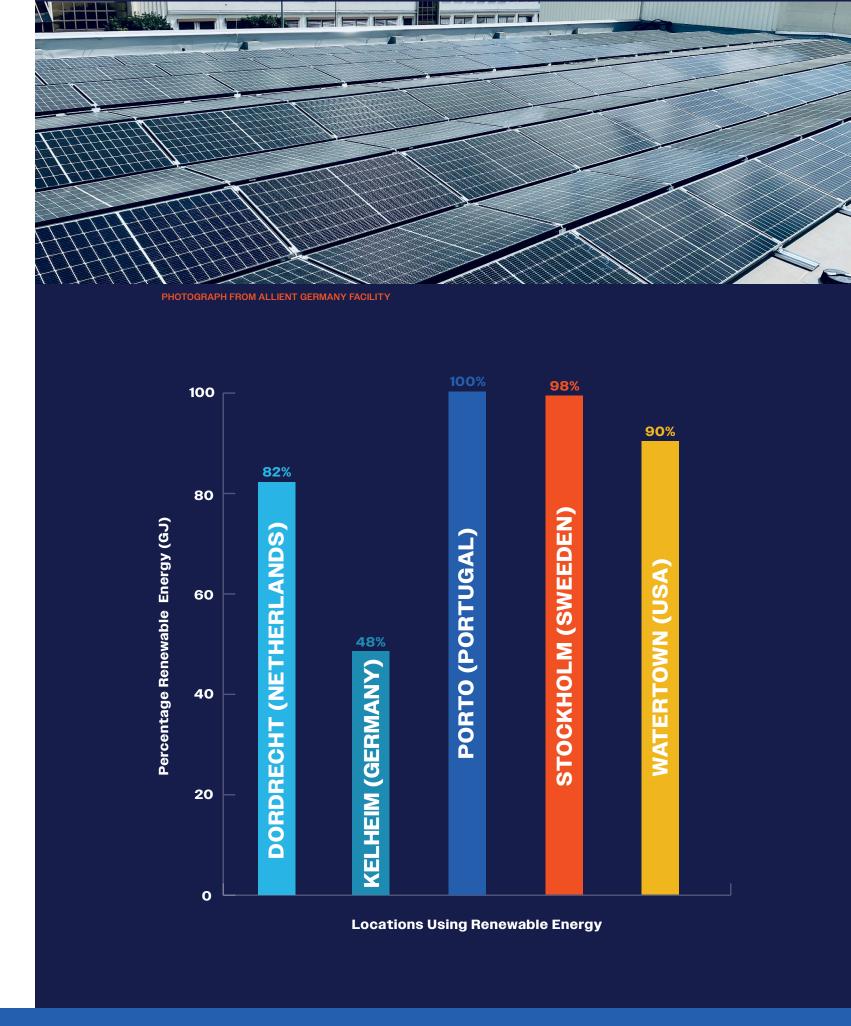
In our Netherlands facility, sustainability is a key focus, and we've made significant strides by partnering with local energy providers through Power Purchase Agreements (PPAs). These agreements enable us to source a substantial part of our electrical energy from wind and solar, aligning our operations with renewable energy initiatives. Despite the facility's need for gas in heating and electricity for cooling, our careful tracking of greenhouse gas (GHG) emissions and energy consumption is a crucial step towards improving our environmental impact.

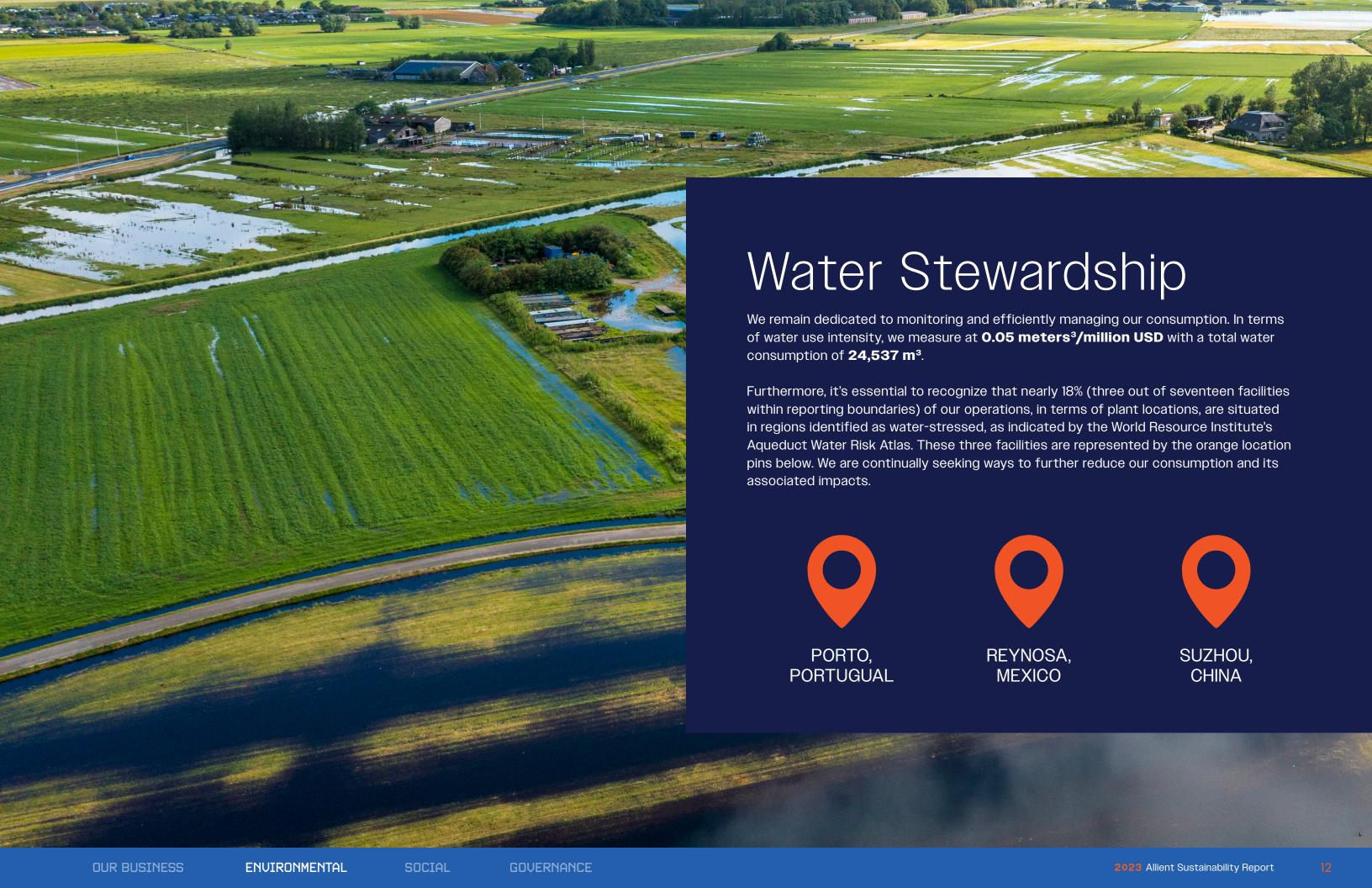
As the time to renew our rental contract approaches, we're initiating conversations with the property owner about potential eco-friendly improvements. Future endeavors include integrating solar panels to counter nearly half of our current electricity use, transitioning from gas heating to heat pumps to reduce carbon emissions, and adopting energy-efficient solutions such as LED lighting. In line with our commitment to sustainability, our mixed fleet in the Netherlands, featuring electric, hybrid, and petrol cars, exemplifies our enterprise-wide shift to more sustainable vehicles.

ENERGY MANAGEMENT, CONTINUED

Our Germantown, Wisconsin facility illustrates yet another facet of our dedication towards energy efficiency. Given the high-energy testing procedures at this facility, innovative measures have been deployed to cut down energy consumption during these operations. Using power recirculation techniques, energy usage during tests has been reduced to a mere 5-10% of typical consumption levels. Additionally, we provide free electric car charging stations. We are also actively discussing the potential installation of solar panels, which highlights our continuous effort to utilize renewable energy sources.

Allient's European locations exemplify our steadfast progression in the realm of renewable energy. In Germany, the facility's roof is adorned with solar panels that power production processes and are marked for future utilization in electric vehicle (EV) charging stations. Further electric cars are being added to the fleet, signaling our allegiance to eco-friendly practices. At Allient Portugal, a newly established energy contract has allowed energy to be entirely renewable. Further amplifying Portugal's dedication, three electric cars, accompanied by charging infrastructure, are stationed onsite. In Sweden, the approach is characterized by cooperative endeavors with renewable energy collaborators. An impressive 98% of our energy consumption is renewable, secured through PPAs, with our entire electricity supply being sourced from hydropower. These strategic alliances are in sync with our overarching mission of curtailing environmental impact and championing renewable energy innovations.





Waste Management

We adhere to international standards, as shown by our compliance with the Restriction of Hazardous Substances (RoHS) directive. RoHS, a directive that limits the use of specific hazardous materials found in electronic products, reinforces our goal of producing environmentally friendly and safe products. Minimizing harmful substances in our products is a key part of our broader strategy, not just an isolated effort.

Across all our operations, this approach to waste and hazardous substance management affirms our dedication to sustainable practices and the health of both our planet and people.

Efforts in waste management are robust across several of our EU locations. In Germany, the focus on environmental sustainability is reflected in the annual tracking of waste, aiming towards significant waste reduction. Meanwhile, in Portugal, there's a significant emphasis on minimizing waste, but the prime concern revolves around waste destination. In 2022, Allient Portugal achieved a milestone where 95% of waste was diverted from landfill to be recycled. Key waste streams like copper & paper/packaging are managed diligently and the practice of composting organic waste exemplifies our approach in being more environmentally-conscious.

The approach at our facility in Sweden focuses on building strategic partnerships with external organizations. These partnerships are instrumental in ensuring that waste management is both efficient and focused primarily on recycling, aligning with a grand vision of minimizing environmental impact. Approximately 90% of the waste at Allient in Sweden has been recycled. However, similar to Allient Germany, the Sweden location face complexities while handling hazardous waste. A multifaceted approach doesn't just dwell on waste management; it also considers financial aspects. By integrating waste management protocols into early product development stages, enhanced efficiency is being targeted. But it's a tightrope walk—while innovation propels the team to experiment, pre-approvals from customers require adherence to existing standards. This is particularly relevant when contemplating transitions like adopting less wasteful packaging.

In our manufacturing hubs in Asia, regular audits by governmental and environmental safety bodies are a part of our approach to safety and compliance. These assessments ensure we exceed established norms in areas like hazardous materials management, water consumption, and adherence to Occupational Safety and Health Administration (OSHA) guidelines. Our Suzhou facility stands as a testament to our resolve, boasting a 51%



recycling rate for hazardous waste. Meanwhile, our NZ site places a significant emphasis on e-waste (electronic product) management, partnering with a third-party service to efficiently handle various waste streams.

Waste segregation remains pivotal at Allient Netherlands. The meticulous tracking system used for waste—ranging from paper to metals—has birthed initiatives that curb waste right at its source. Moreover, stakeholder engagement, especially with suppliers and consumers, is actively pursued to diminish packaging materials and encourage the use of reusable packaging.

Lastly, the Germantown (US) facility's shift from solvent-rich resins to water-soluble ones shows our commitment to environmentally-friendly alternatives. Even if these materials extend the product coating process, the long-term socio-environmental benefits are undeniable. It's noteworthy to add that throughout our operations, we've reported zero spills, and consequently, no spill recovery was required.

SASB INFORMATION

RT-EE-130a.1

Amount of hazardous waste generated; percentage recycled

RT-FF-130a 2

Number and aggregate quantity of reportable spills, quantity recovered

Climate

We are always advancing our efforts to address climate change throughout our operations, following the guidance of frameworks, notably the TCFD. From the boardroom to the production floor, our approach exemplifies our dedication to fostering a sustainable and resilient future.



GOVERNANCE

Central to Allient's climate strategy is strong governance. The Board of Directors underpins our sustainability aspirations, prioritizing climate-related considerations in all our decisions. In response to the growing importance of sustainability, we've initiated the preliminary steps towards forming a sustainability committee. Meanwhile, our quarterly risk scorecard, which includes sustainability factors, allows us to keep tabs on various climate-related issues, from supply chain challenges to shifting customer needs. As the sustainability committee takes shape, it will involve key personnel from various departments, with the aim of addressing and guiding our approach to sustainability and climaterelated matters.

CLIMATE STRATEGY INTEGRATION

Embedding sustainability considerations, including climate change, within our Enterprise Risk Management (ERM) framework stands as a testament to our commitment. By defining short-, medium-, and long-term risks associated with climate, we aim to anticipate, adapt, and pivot our operations accordingly. As a corporation, we understand the implications of not integrating climate-related risks: potential revenue losses, reputational damage, and a loss of competitive edge.

However, it's not just about avoiding risks. The European Union's (EU) customer audits of our products and supply chain underscore our commitment to meeting global standards. Our energy initiatives across our EU operations are geared towards reducing our carbon footprint, championing energy efficiency, and promoting a swift transition to a low-carbon economy.

RISK MANAGEMENT & SCENARIO ANALYSIS

As part of our forward-thinking strategy, we are poised to embark on an intricate scenario analysis, probing different climate-related possibilities, both qualitatively and quantitatively.

Such evaluations will hone our resilience against potential climate adversities.

Alongside this, a rigorous climate risk management blueprint for the upcoming year has been charted.

This encompasses a detailed review of potential climate threats, their material significance, and the subsequent integration of these findings into our enterprise risk decision-making matrix. From our facility in Sweden, there's an illustrative effort of this commitment: every year, environmental topics are assessed and areas of significant impact are calculated. By adopting this type of approach, Allient aims to circumnavigate potential hazards while capitalizing on emerging opportunities.

CLIMATE METRICS & DISCLOSURES

Anticipating the imminent requirements for climate disclosures. Allient has made an effort to stay ahead of these items. We have made plans to develop our carbon inventory covering scope 1 and 2 GHG emissions. This will not only help gauge our environmental impact but also lay the foundation for future climate strategies. In alignment with the GHG Protocol and forthcoming SEC Climate Bill mandates, we're geared to unveil our greenhouse gas emissions on a transparent and accurate basis. Upon gauging our footprint, clear climate targets will be set, channeling our efforts to diminish GHG emissions, curtail our environmental impact, and lower our climate related risks.



SOCIAL RESPONSIBILITY & WELL-BEING

We are deeply aware of our social responsibility to uplift the well-being of our employees, customers, shareholders, and the communities in which we operate. To fortify this pledge, we've implemented an Environmental, Health, and Safety (EHS) Policy. This policy emphasizes the importance of ethical business practices, respect for human rights, and active engagement with local communities and the diverse cultures of our global presence. We prioritize the health, safety, and advancement of our employees and constantly strive to elevate society through our innovative products and services.

MATERIAL TOPICS

Product Quality & Safety
Occupational Health & Safety
Diversity, Equity, & Inclusion
Customer Welfare & Engagement
Community & Philanthropy
Employee Training & Development
Cyber Security & Data Privacy



Product Quality & Safety

Product quality and safety remain at the forefront of our priorities. Upholding rigorous standards at the enterprise level, we have earned numerous certifications including IATF (International Automotive Task Force), ISO 9001, ISO 45001, ISO 13485, ISO 18001, Nadcap (National Aerospace and Defense Contractors Accreditation Program), Air Agency Certificate, EASA (European Union Aviation Safety Agency), among others.

Central to our quality assurance approach is a stringent supplier vetting process, which encompasses qualification analyses and regular audits. Transitioning from our external partners to our internal practices, we ensure product excellence through 100% inline testing before any product shipment. To maintain consistency and reliability, we seek PPAP (Production Part Approval Process) approvals from our suppliers and abide by protocols such as FMEA (Failure Mode and Effects Analysis) for market-supplied parts. Furthermore, to cater to diverse customer needs, we provide the option of additional, tailored testing. Our commitment to risk mitigation shines especially in sectors with rigorous regulations, such as automotive and aerospace.

A case in point is our Netherlands operation, which abides by stringent local labor laws, conducts third-party safety risk assessments every three years, and acts on the findings with approved mitigation strategies. Sporadic inspections by local safety officers ensure ongoing compliance, overseen by our Quality & EHS department. Meeting customer-specific quality demands, we align with the standards set by customers and ensure compliance with Underwriters Laboratories (UL), Conformité Européene (CE), and EU standards. Especially for the equipment produced at our Allient Germantown facility, known for its high-power usage, safety features such as markings, manuals, and built-in precautions, like power cut-offs upon opening enclosures, emphasize our focus on safety.

Furthermore, our commitment to product safety and customer satisfaction is unequivocally demonstrated by our impeccable track record. Over the past year, we have issued zero recalls, ensuring that none of our products had defects or issues that warranted their return. Also noteworthy is the fact that we've encountered no monetary losses as a result of legal proceedings associated with product safety.

SASP INFORMATION

RT-EE-250a.1

Number of recalls issued; total units recalled

RT-EE-250a.2

Total amount of monetary losses as a result of legal proceedings associated with product safety



Employee Health & Safety

Employee health and safety stand at the forefront of our operations. In collaboration with our employee benefit service providers, we are shaping an inclusive wellness program set to debut with our inaugural wellness fair, emphasizing mental health and overall well-being. Recognizing insurance complexities, we've instituted a dedicated service to assist employees, enhanced by a third-party service that navigates insurance intricacies. Furthermore, we offer free counseling sessions to employees and their families.

Our New Zealand facility has augmented employee well-being by establishing a wellness committee, which showcases unique wellness or sustainability themes monthly and coordinates related events. All New Zealand-based employees benefit from medical insurance, and a "my everyday well-being" subscription is available, providing mental well-being resources. Allient NZ also champions societal welfare by offering free sanitary products for women, with each purchase supporting a local charity.

Safety remains a top priority, with a rigorous system across all sites. Every location has a designated safety officer conducting meticulous walkthroughs and audits, ensuring notably low injury rates and minimal insurance claims. A SharePoint site centralizes safety-related data for all North American locations, with content tailored to regional safety regulations. Our investment in employee safety is reflected in our adoption of specialized online platforms, seamlessly integrated with our internal training software, ensuring that our training content is continuously updated and tailored to our employees' needs.

LOST TIME INJURY FREQUENCY RATE: 0.12%

Diversity, Equity, & Inclusion

Our commitment to diversity, equity, and inclusion (DEI) is ingrained in our core principles, recognizing the value of diversity at every organizational level, starting from the top. At Allient, this begins with our leadership—our board's diversity is transparently detailed in our <u>proxy statement</u>, underscoring DEI as a foundational element of our governance. This commitment extends into our leadership dialogues, with DEI being a prioritized and scheduled point of discussion in each of our quarterly human capital meetings.

Our Equal Opportunity Employer Policy firmly rejects any form of discrimination. In partnership with a premier analytics organization, we systematically gather and analyze workforce data, shaping strategies to understand and balance our demographic representation. We compare our workforce makeup against Bureau of Labor Statistics data to ensure alignment with national workforce demographics. Tackling the diversity shortfall in engineering, we are committed to building an inclusive talent pool, starting at the entry-level to lay the groundwork for diverse leadership progression. By offering varied career trajectories, we enable personal and corporate goals to converge, bolstering retention and enhancing diversity within our ranks.

To improve our understanding of DEI dynamics, we're upgrading our data analysis methods and will initiate a comprehensive DEI survey in 2023, utilizing a leading survey platform. The findings will fine-tune our DEI initiatives and catalyze the establishment of a targeted employee resource group.

Finally, our dedication to DEI is also manifested in our philanthropic actions. We not only sponsor but are actively involved with BEAM and the Western New York Women's Foundation, promoting gender equity and inclusiveness at every juncture of our operations.



TOTAL ALLIENT NORTH AMERICAN EMPLOYEES*

Males: 623 (62%)
Females: 375 (38%)

Minority Groups: 556 (56%)

MANAGEMENT

Males: 118 (81%) Females: 28 (19%)

Minority Groups: 43 (29%)

TECHNICAL STAFF

Males: 445 (62%) Females: 273 (38%)

Minority Groups: 422 (59%)

OTHER EMPLOYEES**

Males: 60 (45%) Females: 74 (55%)

Minority Groups: 91 (68%)

'The data provided in this table covers all Allient North American facilities, except Camarillo, CA; Reynosa, Mexico; London, ON. Additionally, it is important to note that data collection from certain Allient EU facilities has been restricted due to privacy regulations. The corporate HR management system has also not yet been integrated at all of Allient's global locations. We anticipate addressing this limitation as part of ongoing efforts.

**Other refers to non-management and non-technical staff.



Customer Welfare & Engagement

Allient firmly stands in its commitment to fostering close ties with customers, ensuring their specific needs and regional concerns are prioritized. Our overarching philosophy emphasizes frequent communication and collaborative growth.

At our core facilities, we focus on regular and open dialogue with both our new and longstanding business partners. Through our sales managers' weekly visits, coupled with structured feedback mechanisms, we ensure our strategies are always in tandem with our customers' evolving expectations. This dedication underscores our intent to not only meet but consistently exceed customer anticipations.

In specific regions, our engagement strategies further underscore our commitment:

EUROPE

Allient's customer engagement across Europe is characterized by a commitment to excellence, transparency, and personalized service. We utilize a unified quality management system that tracks key performance indicators, enabling us to maintain high standards and swiftly address any quality issues. In Germany, our meticulous feedback analysis within the aircraft industry enhances customer satisfaction. Portugal's focus on providing environmental metrics aligns with our clients' sustainability goals. In Sweden, our proximity to clients allows for direct, frequent interactions and a deeper understanding of their expectations. Across these regions, we employ feedback mechanisms and transparent reporting to ensure that we meet our diverse clientele's specific needs while maintaining our overarching values.

NORTH AMERICA

Prioritizing customer welfare and engagement is critical to our success. The North American Sales Team continuously works to understand our customers' individual needs starting from first contact, ensuring all inquiries received are followed up in a timely manner. Once contact is made and we understand the customer's needs, we engage engineer-to-engineer to analyze requirements and design the best solution, leveraging Allient's global technology capabilities. Throughout this entire process, our focus remains on development of the best solution to meet the customer's need and fostering strong, long-lasting customer relationships.

Furthermore, our specialized technology units across various facilities play a significant role in fortifying our feedback mechanism. By orchestrating customercentric surveys tailored for their specific clientele, they collate insights pivotal in understanding the unique requirements and satisfaction levels of our customers. These insights, though managed at the TU level, are instrumental in influencing company-wide strategies, driving improvements in our products and services.

Community & Philanthropy

We take pride at Allient in how our community involvement and philanthropic efforts reflect not only the products and services we offer but continue to make a sustainable impact on the world around us. A core focus is our manufacturing of wheelchair motors, striving towards a world that embraces inclusivity. Our partnership with the Greater Buffalo Adaptive Sports Foundation highlights diverse contributions, from storage facilities and employee volunteerism to substantial monetary donations. Similarly, our associations with the Motion Project and the Western New York Kidney Foundation amplify our dedication to accident survivors and those requiring kidney dialysis, manifesting our commitment to inclusivity and accessibility. This dedication to community and inclusivity is mirrored in our support for BEAM-Buffalo Engineering Awareness for Minorities. BEAM is committed to building diversity in science, technology, engineering, and math (STEM) fields by encouraging, supporting, and preparing underrepresented students of all ages to pursue a future in science, technology, engineering, and mathematics, a mission that resonates deeply with our company's values and aspirations.

Allient New Zealand, an advocate striving for transformation in medical mobility, actively supports 33 local charities such as Parafeds, the Champion Center, and the New Zealand Spinal Trust. These partnerships, integrated into our product development, ensure that our offerings mirror real-world needs. As we progress, we aim to further deepen our structured community engagement, aligning with our central mission.

The Bellevue (US) and Germantown (US) facilities partner with the Wisconsin Manufacturers Extension Partnership, exemplifying a united vision for sustainability and industry upliftment. Through collaborations with university research labs and GPS Education Partners, we reinforce our pledge to the future. The GPS initiative, offering work opportunities to struggling high school students, reflects our belief in empowerment.

In Portugal, we prioritize nurturing environmental education among the school-aged children in our communities. While our collaboration with a local school includes introducing environmental campaigns and distributing plants, we take pride in fostering a more extensive educational program. This initiative seeks to nurture young ambassadors for sustainability, empowering them with the knowledge and tools to spearhead environmental conservation efforts in their communities, paving the way for a greener, more conscious future generation.





Employee Engagement & Development

At Allient, we understand the importance of investing and developing our people. In line with our commitment to elevate recruitment and nurture talent, we've bolstered our recruitment and training resources. Fundamental to our values, our EHS Responsibility Policy stringently opposes inappropriate workplace behaviors, including discrimination, intimidation, harassment, and any breaches of human rights. We remain committed to eliminating such violations from our operations.

Our recruitment strategy, strengthened by utilizing modern online platforms, allows us to reach a broader pool of candidates. Partnering with a platform that connects us to university students, we offer early career opportunities, reinforcing our connection with the academic community. The active role of our recruitment and training manager in university job fairs ensures we continually attract emerging talent.

In 2022, our focus on employee development was highlighted through structured training programs covering a variety of essential topics such as safety, business ethics, and cybersecurity. These sessions are a cornerstone of our broad training and development initiative. With technology units conducting their specialized training, not all sessions are recorded in the TrainCaster system, which can obscure the total training hours and attendance. Even so, the depth of our training programs reflects our commitment to a culture of continuous learning and skill enhancement.

We've also introduced a tuition reimbursement program. This initiative offers financial support to team members eager to advance their academic pursuits or obtain key industry certifications. For structured training, resources like LMS TrainCaster and M Train are readily accessible to our team, offering a wealth of training tools that align with industry standards. This focus on professional growth is uniquely mirrored and tailored across our global locations.

EUROPE

Allient actively promotes transparent communication and the pursuit of excellence in its European branches. In Germany, the company maintains a rhythm of biannual updates to keep staff informed on key performance indicators and strategic objectives, incentivizing suggestions for process improvements. Portugal begins each year with a clear dialogue on environmental goals and objectives to nurture a shared environmental commitment, reinforced by annual satisfaction surveys to enhance employee experience. Meanwhile, Sweden focuses on personalized interactions and annual surveys to address concerns and foster a supportive work environment.

NORTH AMERICA

Within our Germantown (US) Technology Unit, we have rolled-out a Leadership Academy - available for all leaders within the TU. The academy has six modules: Collaborative Communication, Defining Leadership, Leading Through Change, Performance Management, Problem Solving, and Team Effectiveness. These sessions are conducted in group, interactive sessions. Following each session each participant has an assignment to apply the academy materials within their respective teams.

ASIA-PACIFIC

Our to leadership integrates the 'feed forward' program here, empowering employees to chart their growth with organizational backing. Our comprehensive internship offerings and mentorship opportunities for university scholars identify Allient NZ as a talent cultivator. Recently, using a renowned survey platform, we conducted a Corporate Social Responsibility (CSR) survey. This initiative explored diverse facets of social responsibility, ensuring our endeavors mirror the values of our employees.

In our pursuit of comprehensive feedback, plans are underway for another survey, led by a prominent feedback platform, focusing on DEI satisfaction and sustainability perspectives, primarily for our North American sites. This pilot initiative aims for potential global expansion after its initial year.

Cyber Security & Privacy

At Allient, cybersecurity and data privacy stand at the forefront of our operational priorities, designed meticulously to counter evolving cyber threats and to safeguard our systems, data, and the confidence of our stakeholders. Drawing from the guidelines of NIST SP800-171, our defense mechanism incorporates globally managed firewalls, ensuring consistent security across all touchpoints. Our adoption of next generation tools, paired with collaborations with industry leaders, offers both anticipatory detection of threats and a real-time defense mechanism.

We prioritize consistent enhancement of our security measures, evident in our regular internal penetration tests and external website hosting to mitigate potential security breaches. Alongside our technological safeguards, we ensure regulatory compliance by adhering to the General Data Protection Regulation (GDPR) and examining alignment with China's Personal Information Protection Law (PIPL). Additionally, we annually review policies such as disaster recovery and acceptable use to remain updated with changing global standards.

Recognizing that a system is only as strong as its users, training is integral to our strategy. Our simulated phishing program and mandatory refresher training ensure our team remains vigilant. We also have shifted to a cloud-first strategy and delved into Sentinel Microsoft's capabilities. Allient combines advanced technical measures, stringent policies, and a commitment to ongoing training to fortify our organization and stakeholder digital assets against potential cyber threats.





CORPORATE GOVERNANCE

We prioritize strong corporate governance and sustainability, anchoring our operations in transparency, accountability, and ethical behavior while emphasizing environmental stewardship and social responsibility. Understanding the significance of sustainability in today's business landscape, we've seamlessly integrated it into our corporate strategy, ensuring leadership alignment throughout. This year, our rating received from ISS Corporate Solutions allowed us to evaluate our performance against global sustainability benchmarks. Moreover, our Annual Meeting and Proxy planning will prominently feature sustainability topics, and we're gearing up for partnerships with specialized sustainability advisors. Our aim? To embed and integrate sustainability into our corporate strategy and overarching governance.

MATERIAL TOPICS

Business Ethics
Supply Chain Management
Materials Sourcing
Product Design & Lifecycle Management



Business Ethics

We remain deeply committed to fostering a culture of business ethics. This is embedded in the detailed measures and practices we employ, forming the cornerstone of our trustbuilding endeavors with stakeholders and echoing the moral and ethical values that steer our operations. Central to our ethical journey is our Corporate Governance Policies. This framework not only guides every business decision we make but also ensures we operate with integrity and transparency. Our Code of Ethics and Business Conduct, hosted on our website for all to access, is a testament to our dedication. We believe it's important for everyone affiliated with us to resonate with the principles we hold dear.

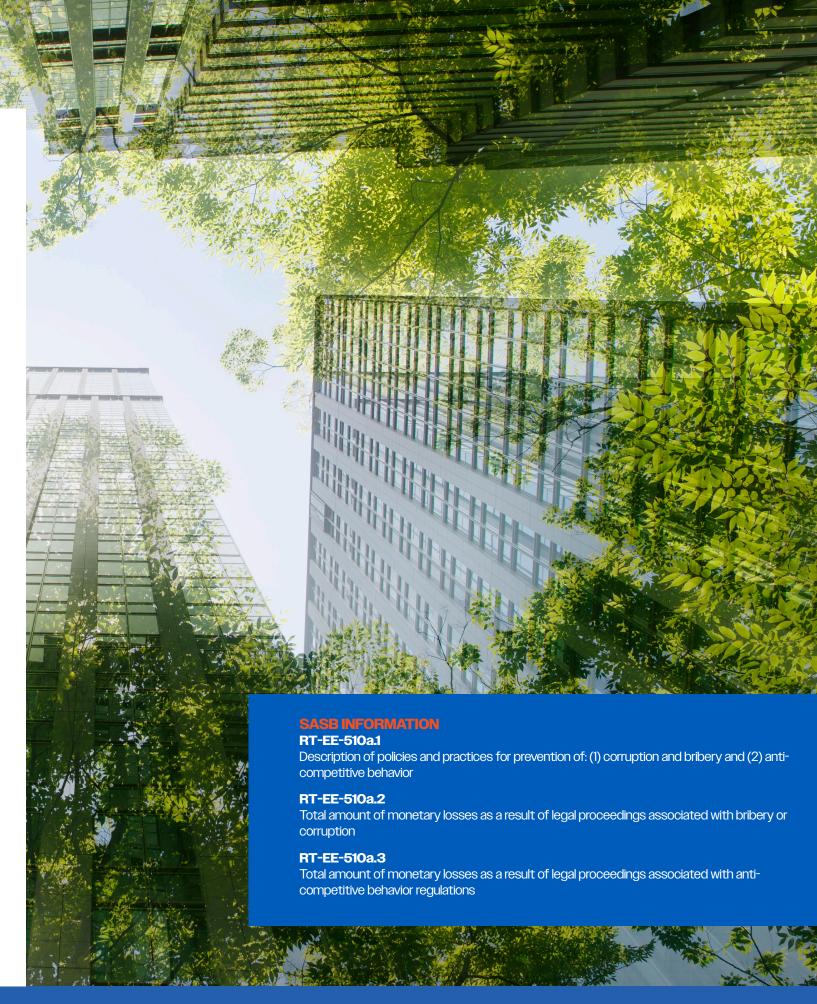
This policy, emphasizing our stance towards our primary stakeholder groups, encapsulates our balanced and comprehensive approach to ethics.

We take pride in our stance against bribery, corruption, and anti-competitive behavior, all of which are addressed within our internal policies. To protect our operations against these unethical practices, we've instituted policies aimed at their prevention. It's a point of pride for us that we've incurred zero monetary losses due to legal proceedings associated with bribery, corruption, or anti-competitive behavior regulations, underscoring our dedication to ethical conduct.

We demonstrate our dedication to openness and responsibility with our Whistleblower Policy and the implementation of platforms focused on whistleblowing and ethics.

Moreover, we're strong proponents of robust governance. Our Governance and Nominating (G&N) Committee plays a pivotal role in driving our ethical compass. By keeping our chief oversight bodies aware of the latest updates on ethics and whistleblower cases, we reinforce our promise to be fully accountable.

Every year, we invest in imparting ethical values to our team via our business ethics training programs. These educational sessions arm our personnel with insights into contemporary ethical concerns and best practices, nurturing a work environment that prioritizes ethical behavior.



Supply Chain Management

Our supply chain strategy ensures operational sustainability by integrating responsible sourcing criteria and prioritizing transparency in material use. Allient supports the goals of U.S. conflict minerals legislation to avoid procurement from uncertified facilities in conflict regions.

Our publicly available Conflict Minerals Policy demands due diligence from suppliers to ascertain metal sources are verified outside the "Conflict Region" or certified within it. To improve our program, we track new suppliers, provide training resources for better response accuracy, and aid in sourcing compliant materials.

Dual sourcing strategies, essential for navigating disruptions like the COVID-19 pandemic, coupled with advanced planning and OEM collaboration, showcase our risk management strength.

Our SharePoint system effectively detects risks, such as during external labor disruptions. Our firm commitment to excellence is evident in our comprehensive training programs. These initiatives not only highlight our focus on professional development but also demonstrate our investment in employee growth and success.

SASB INFORMATION

RT-EE-440a

Description of the management of risks associated with the use of critical materials



Product Lifecycle Management

Understanding the intricacies of product lifecycle management is central to our strategic agenda. We recognize that the risks and opportunities associated with each product's lifecycle significantly influence our operational and financial standing. The critical task of lifecycle analysis is adeptly managed by the general managers (GMs) within their respective technology units.

Integral to this lifecycle analysis is our commitment to sustainability. This was recently exemplified when we undertook a significant order to transition combustion-driven hydraulic systems to electric-powered for a client. Beyond the commercial importance of the deal, this transition bolsters operational efficiency and offers substantial environmental benefits, marking a pivotal move in reducing greenhouse gas emissions and addressing climate change.

Such eco-conscious decisions are made possible by our GMs, who carefully evaluate market trends and product lifecycle phases. By considering the entire span of a product's life—from cradle-to-grave—we ensure that our offerings remain at the forefront of innovation, meeting the continually changing needs of our clientele and the industry.

Our facilities in Bellevue (US) & Germantown (US), which specialize in electronics and magnetics, showcase the depth of our lifecycle approach. Allient Bellevue (US) is presented with a unique challenge: while manufacturing electronic products, the equipment is expected to last up to 30 years once integrated into major manufacturing systems. This demand is notably challenging given the typical five-year lifespan of many electronic components. To meet this, the Bellevue (US) facility has emphasized obsolescence management, ensuring their products remain cutting-edge and durable.

Conversely, the Allient Germantown (US) facility navigates the magnetics sector. While products in this area traditionally have shorter life cycles of five to ten years, Allient Germantown (US) has innovated to extend the lifespan of their magnetics, with some even boasting a durability of up to 50 years. Such adaptability highlights our dedication to not only creating quality products but also ensuring they remain functional and pertinent for an extended duration, showcasing our holistic approach to product lifecycle management.







SASB INDEX

Disclosure Topic: Energy Management

Metric: (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable

Metric Code: RT-EE-130a.1

Page Reference / Rationale: PG 10 | Allient has provided percentage grid electricity and percentage renewable energy by location (see environmental data appendix on page 32). The company intends to extend this reporting to include global percentages once all Allient locations are encompassed in future assessments.

Disclosure Topic: Waste Management

Metric: Amount of hazardous waste generated, percentage recycled | Number and aggregate

quantity of reportable spills, quantity recovered

Metric Code: RT-EE-150a.1 | RT-EE-150a.2 Page Reference / Rationale: PG 13

Disclosure Topic: Product Safety

Metric: Number of recalls issued, total units recalled | Total amount of monetary losses as a result

of legal proceedings associated with product safety

Page Reference / Rationale: PG 17

Metric Code: RT-EE-250a.1 | RT-EE-250a.2

Disclosure Topic: Product Lifecycle Management

Metric: Percentage of products by revenue that contain IEC 62474 declarable substances | Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria | Revenue from renewable energy-related and energy efficiency-related products

Metric Code: RT-EE-410a.1 | RT-EE-410a.2 | RT-EE-410a.3

Page Reference / Rationale: SASB guidance suggests reporting product life cycle management metrics for the Electrical & Electronic Equipment industry, however Allient has assessed the disclosure topic as not relevant and not reportable for our business.

Disclosure Topic: Business Ethics

Metric: Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior | Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption | Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations

Metric Code: RT-EE-510a.1 | RT-EE-510a.2 | RT-EE-510a.3

Page Reference / Rationale: PG 25

Disclosure Topic: Materials Sourcing

Metric: Description of the management of risks associated with the use of critical materials

Metric Code: RT-EE-440a.1

Page Reference / Rationale: PG 26

TCFD INDEX

Climate Governance

- Describe the boards oversight of climate-related risks and opportunities. At Allient, sustainability integration begins with the Board of Directors setting the tone. Our Board recognizes the importance of considering climate-related risks and opportunities within our operations, even if they are not currently identified as significant risks. This is evidenced through a quarterly risk scorecard that includes sustainability factors as well as actively monitoring the impacts of climate change, such as supply chain disruptions, increased energy costs, evolving customer demands, regulatory compliance, technological advancements, and the need for risk assessment and adaptation. Further, exploring opportunities to reduce our greenhouse gas emissions aligns with our goal of cost savings and socio-environmental improvements and is a key responsibility of our sustainability committee. Overall, the Board's oversight plays a crucial role in successfully implementing our sustainability program, while a cross-functional sustainability committee ensures ongoing management progress and regular reporting to the Board.
- Describe management's role in assessing and managing climate-related risks and opportunities

The company places significant importance on its sustainability committee, which assumes a crucial role in actively overseeing and managing sustainability issues, including those related to climate. This dedicated committee has as a responsibility to identify, assess, and manage both the risks and opportunities associated with climate factors, while ensuring the effective implementation of the company's comprehensive sustainability program. Further, the Chief Financial Officer, Controller, General Counsel, along with involvement from business unit leadership, collectively drive the management of sustainability and broader enterprise risk throughout the organization.

Climate Strategy

 Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

Sustainability considerations have been integrated into our company's Enterprise Risk Management (ERM) framework, recognizing the significance of environmental, social, and governance factors in our operations. To further strengthen our commitment, we have begun actively incorporating climate change as a critical element within our risk analysis for next year. In line with our existing risk practices, we have defined short-term risks as those within a one-year timeframe, aligning with our budget cycle. Medium-term risks, driven by our strategic plans, encompass a span of two to three years. For long-term risks, which are driven by our broader strategies, we extend the timeframe to three or more years. By incorporating climate change as a factor within this comprehensive risk analysis, we aim to enhance our resilience, anticipate potential challenges, and seize opportunities in the evolving business landscape. As part of this effort, we will thoroughly explore and assess the physical, transitional, reputational, and financial risks associated with climate change, over these various time horizons.

TCFD INDEX CONT

Climate Strategy

 Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

The effective management of climate-related risks and opportunities is of paramount importance for Allient's business, strategy, and financial planning. Insufficient preparedness in this regard can lead to tangible disruptions within our supply chain, resulting in potential revenue losses and reputational damage. Moreover, overlooking climate opportunities may cause us to miss out on financial gains and lag behind competitors in developing sustainability-linked products that are increasingly in demand by consumers. Neglecting to incorporate climate-related risks and opportunities into our capital planning and budgeting processes could result in unforeseen costs or inadequate investment in critical areas, thereby hindering our long-term growth and sustainability.

Our company has witnessed the impact of climate-related issues and opportunities in various areas. In terms of products and services, we have experienced the impact through customer audits in the EU which scrutinized our offerings to ensure compliance with climate-related standards and regulations. Similarly, our supply chain has been affected by customer audits in the EU as well, focused on the sustainability and resilience of our supply chain, highlighting the need for us to address climate risks within our value chain.

Further, we have undertaken specific efforts to mitigate the climate impact of our operations particularly in the form of energy considerations across our EU operations. These activities aim to reduce our carbon footprint, improve energy efficiency, and contribute to the broader transition to a low-carbon economy.

• Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

In our pursuit of effective climate risk management, we will embark on a new initiative of scenario analysis. Through this exercise, we will carefully examine and evaluate various climate-related scenarios, employing a qualitative approach to start. By doing so, we aim to identify potential vulnerabilities and adapt our climate strategy accordingly. This approach will enable us to navigate the challenges and seize opportunities presented by climate change. We are committed to remaining agile and responsive in the face of a rapidly changing climate landscape, positioning ourselves for continued success.

TCFD INDEX CONT

Climate Risk Management

 Describe the organization's processes for identifying and assessing climaterelated risks

While Allient already considers sustainability risks as part of its enterprise risk analysis process, our company has outlined a forward-thinking plan for the next year to identify and evaluate climate risks more specifically. This includes creating a comprehensive list of potential risks related to climate change and related factors, estimating their significance in terms of likelihood and impact, prioritizing risks based on materiality, developing a robust climate risk management strategy, integrating it into decision-making processes, and providing regular reporting to stakeholders.

- Once climate-related risks and opportunities have been identified and prioritized, our company will undertake anticipatory management actions. We will employ suitable measures to mitigate risks and adjust our business practices in alignment with these findings. Regular monitoring and evaluation of these climate risks, as well as the effectiveness of mitigation efforts, will be conducted periodically. Our approach will be guided by our current risk profile and future projections, ensuring that we are prepared to address evolving climate challenges. By taking these steps, we aim to effectively navigate potential risks and seize opportunities, fostering the long-term sustainability and resilience of our operations.
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. The analysis and management of climate risks will be seamlessly integrated into our company's Enterprise Risk Management (ERM) framework, just as we have already done with other sustainability risks. To ensure accountability, specific ownership will be assigned for managing climate-related efforts. By embedding climate considerations into our ERM process, we ensure that climate-related risks and opportunities are given equal priority alongside other business goals and strategies. This integration reinforces our commitment to comprehensive risk management and shows the significance of addressing climate concerns within our overall business framework.

TCFD INDEX CONT

Climate Metrics and Targets

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. In anticipation of upcoming proposed requirements for climate change disclosures, our company has taken proactive steps by engaging third-party consultants to develop our carbon inventory. This inventory encompasses not only our scope 1 and 2 GHG emissions but also serves as a foundation for tracking and evaluating the effectiveness of our climate strategies and risk management practices. As part of this process, we may consider tracking additional key performance indicators in the future such as assets at risk due to climate change, socio-environmental return on investment, exposure to carbon pricing, and regulatory liabilities.
- Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks

In line with our commitment to environmental responsibility, we have set forth plans to calculate and disclose our scope 1 and 2 GHG emissions accurately and transparently. This initiative aligns with the established GHG protocol and the forthcoming SEC Climate Change disclosure rules.

• Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Upon measuring our carbon footprint, our company will be well positioned to manage it by establishing clear climate targets. Guided by accurate data, we will set achievable goals to reduce our GHG emissions and mitigate our environmental impact. By taking decisive action and implementing targeted strategies, we are committed to making a contribution to combating climate change and ensuring a greener and more resilient planet.



ENUIRONMENTAL DATA APPENDIX

Global Aggregate

E	nergy	75,621 GJ (Total energy consumed)			
V	Vater	24,537 m³ (Water Use)	0.05 m³/mUSD (Water Use Intensity)	3 out of 17 (Number of Facilities Exposed to Medium or High Water Stress Regions)	
V	Vaste	116.39 t (Amount of hazardous waste generated)	O (Number and aggregate quantity of reportable spills)	O (Quantity recovered)	

GJ - gigajoules | m³ - cubic meters | mUSD - million US dollars | t - tons

ENVIRONMENTAL DATA APPENDIX CONT

Energy

		RT-EE-130a.1	RT-EE-130a.2	RT-EE-130a.3	
Location		Total energy consumed (GJ)	Percentage grid electricity (%)	Percentage renewable (%)	
	Dothan, AL	15,465	О	О	
	Reynosa, MEX	7,818	100	0	
	Bellevue, WA	168	0	0	
North America	Owosso, MI	2,608	100	0	
	Watertown, NY	16	10	90	
	Tulsa, OK	7,344	100	0	
	Germantown, WI	9,192	100	0	
	Dordrecht, Netherlands	1,437	82	82	
EU	Porto, Portugal	6,735	100	100	
	Stockholm, Sweden	737	100	98	
	Kelheim, Germany	1,8704	43	48	
UK	Kidderminster, UK	471	31	0	
Anic	Christchurch, NZ	852	100	0	
Asia- Pacific	Suzhou, China	4,074	100	0	

ENVIRONMENTAL DATA APPENDIX CONT

Water

Location		Water Use (m³)	Number of Facilities Exposed to Medium or High Water Stress Regions
	Dothan, AL	8,385	0
	Reynosa, MEX	2,074	1
	Bellevue, WA	504	0
North America	Owosso, MI	292	0
	Watertown, NY	951	0
	Tulsa, OK	N/A	0
	Germantown, WI	1,635	0
	Dordrecht, Netherlands	577	0
	Porto, Portugal	1,284	1
EU	Stockholm, Sweden	2,572	0
	Kelheim, Germany	4,890	0
UK	Kidderminster, UK	67	0
Asia-	Christchurch, NZ	N/A	0
Pacific	Suzhou, China	1,306.00	1

ENUIRONMENTAL DATA APPENDIX CONT

Waste

		RT-EE-150a.1		RT-EE-150a.2	
Location		Amount of hazardous waste generated (t)	Percentage of haz. Waste recycled (%)	Number and aggregate quantity of reportable spills	Quantity recovered
	Dothan, AL	3.744	0	0	0
	Reynosa, MEX	25.03	0	0	0
	Bellevue, WA	0	О	0	0
North America	Owosso, MI	1.024	100	0	0
	Watertown, NY	8	50	0	0
	Tulsa, OK	8.734	55	0	0
	Germantown, WI	0	О	0	0
	Dordrecht, Netherlands	0.102	100	0	0
	Porto, Portugal	3.973	0.5	0	0
EU	Stockholm, Sweden	0.386	73	0	0
	Kelheim, Germany	53.9	0	0	0
UK	Kidderminster, UK	0	0	0	0
Asia-	Christchurch, NZ	0	0	0	0
Pacific	Suzhou, China	11.60	50.7	0	0

