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VOITH

2024 Sustainability Report

Sustainability Report 2024

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01 Governance

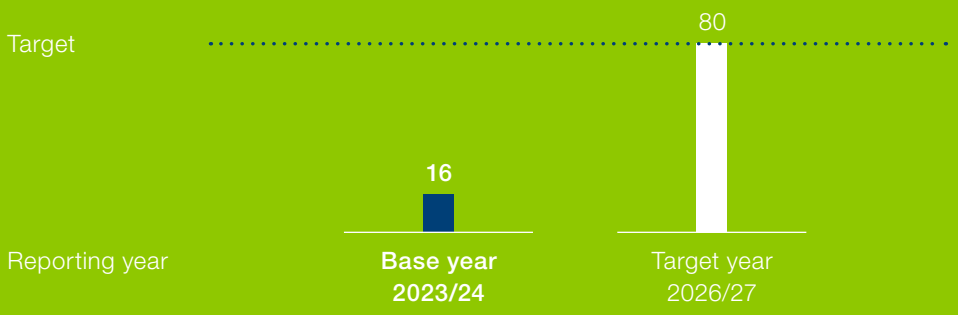
Goals for Governance:

- Increase the coverage of purchasing volume from ESG*-rated suppliers to **80%** by the end of the 2026/27 fiscal year.

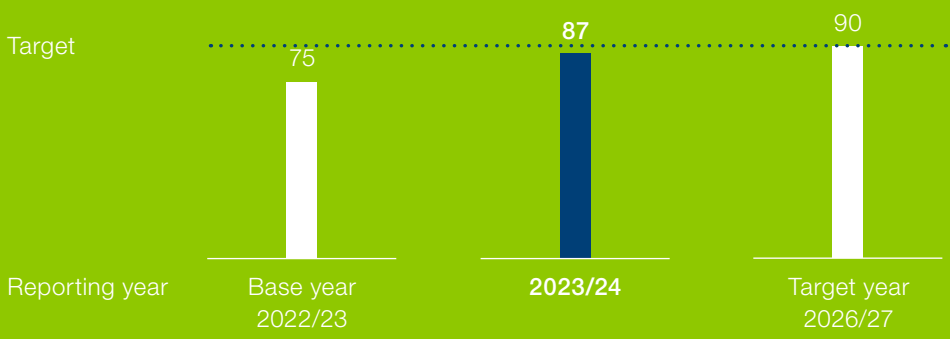
- Increase in the share of high-risk suppliers who have completed a sustainability and compliance questionnaire by the end of the 2026/27 fiscal year to **90%**.

* ESG stands for Environmental, Social and Governance.

Share of the purchasing volume covered by ESG*-rated suppliers
in %



Share of high-risk suppliers who have completed a sustainability and compliance questionnaire in %



01 Governance

01.1 Company and corporate management

The Voith Group is a globally active technology group and a family-owned company characterized by a broad portfolio of production plants, products, services and digital applications. The Company operates in the markets of energy, paper, raw materials and transportation. Voith strives to achieve long-term business success and pursues a business strategy that is aligned with sustainable and profitable growth. The partners and shareholders, the Supervisory Board and the Corporate Board of Management together stand for an economically, ecologically and socially sustainable development of the Company. In this respect, orientation is provided by clearly defined values and guidelines in which sustainability plays a central role:

- **Ambitious:** We embrace challenges and set ambitious goals that enable us to grow both as individuals and as an organization.
- **Innovative:** We turn ambitious ideas into innovative technology. To do this, we listen carefully, examine ideas closely and think outside the box. This way we experience first-hand the way in which the world and our customers are changing, create solutions that add value, and set new standards in our markets.
- **Reliable:** As Voith employees, we constantly strive to earn the trust of our customers and partners by only making promises we can keep. This enables us to build sustainable, long-term business relationships.
- **Fair:** We meet all our stakeholders with respect, sincerity, honesty, and modesty. This is not a question of mere compliance with rules and regulations, but constitutes our underlying philosophy.
- **Sustainable:** We are mindful of our responsibility to society and the environment. We want to use our technical innovations to contribute to growth and prosperity worldwide. As a family-owned business, we strive for lasting financial independence.

We try to contribute positively by developing technologies in certain areas of our business that protect and improve the natural foundation of life for future generations. By doing so, we are safeguarding Voith's long-term future. By generating profitable growth, we are reinforcing the stability and financial independence of the Company and link our commercial success to responsibility towards society, our employees and the environment.

An overview of the Group

Voith is represented worldwide through locations in over 60 countries and maintains a comprehensive network of production, service, and sales units on every continent.

Voith GmbH & Co. KGaA, headquartered in Heidenheim an der Brenz, Germany, is the operative management holding company as well as the parent company of the Group. The central functions are also performed here. The Corporate Board of Management of Voith Management GmbH is responsible for the strategic and operational management of the Voith Group. Voith Management GmbH, which like Voith GmbH & Co. KGaA is 100% family-owned, manages the business of Voith GmbH & Co. KGaA as the personally liable general partner. The Board of Management of Voith Management GmbH is appointed by the Voith Management GmbH Shareholders' Committee. Oversight of Voith GmbH & Co. KGaA is exercised by the Supervisory Board.

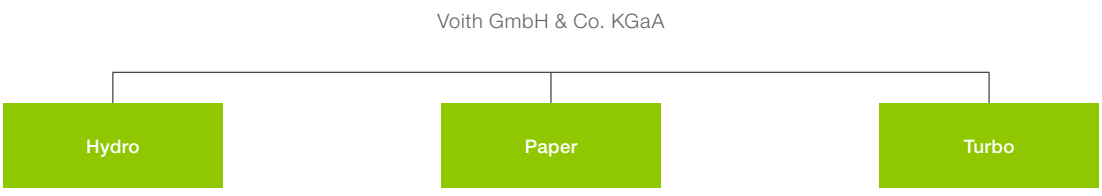
Voith's operating business is organized into three Group Divisions:

The **Group Division Hydro** is a leading full-service supplier and trusted partner for equipping hydropower plants. Voith Hydro develops customized, long-term solutions and services for large and small hydropower plants around the world. Its portfolio of products and services covers the entire life cycle and all major components for large and small hydropower plants, from generators, turbines, pumps and automation systems, right through to spare parts, maintenance and training services, and digital solutions for intelligent generation of hydropower.

The **Group Division Paper** is a leading full-line supplier as well as a pioneer in the paper industry. Through constant innovation Voith Paper is continually optimizing the papermaking process enabling resource-saving and efficient production.

The **Group Division Turbo** is a specialist in intelligent drive systems and customized services. With innovative and smart products, Voith Turbo offers the highest levels of efficiency and reliability. Customers from highly diverse industries, such as oil & gas, energy, mining and mechanical engineering, ship technology, rail and commercial vehicles, rely on the advanced technologies and digital solutions provided by Voith.

Organizational structure
Group Divisions of the Voith Group



H_2 storage and hydrogen joint venture

For several years, Voith has been intensifying its activities in the field of hydrogen. In this context, the Company is focusing on the development of hydrogen storage systems for heavy load vehicles – a key technology for a sustainable energy transition in the transport sector. To reinforce its position in this growing market, Voith founded a separate entity, Voith HySTech GmbH, in the 2023/24 fiscal year.

To expand its position in the Chinese market, Voith signed a strategic cooperation agreement with Weifu High Technology Group from China. The cooperation involves the operation of two joint ventures and cooperation in research, development, production and application of the hydrogen storage systems.

The Supervisory Board

The highest oversight body of the Voith Group is the Supervisory Board with the Audit Committee and the Nomination Committee. No further committees have been set up.

The Supervisory Board of Voith GmbH & Co. KGaA is constituted in accordance with the German Co-determination Act (Mitbestimmungsgesetz, MitbestG). Accordingly, six of its twelve members represent the shareholders and six represent the employees.

Voith follows the recommendations of the German Corporate Governance Code (DCGC). This defines a Supervisory Board member as independent “if they have no personal or business relationship with the company or its Management Board that may cause a substantial – and not merely temporary – conflict of interest” (DCGC as of April 28, 2022, Recommendation C.7). In accordance with the regulations set out in the Code, this does not apply to employee representatives: As employees, they are at least partly subject to the Management Board’s right to direct as dependent employees, and are explicitly elected to represent the interests of the employees on the Supervisory Board under German law.

Based on these regulations, four of the six shareholder representatives on the Supervisory Board of Voith GmbH & Co. KGaA are to be regarded as independent. The two non-independent members are members of the Management Board of the general partner of a controlling shareholder.

In accordance with Recommendation C.10 of the DCGC, the Chair of the Supervisory Board is independent, as are the Chairs of the Audit Committee and the Nomination Committee.

Under the terms of the Articles of Association, an external member must always chair the Shareholders’ Committee of Voith Management GmbH; the Chair of the Shareholders’ Committee generally also chairs

the Supervisory Board. An external member in the aforementioned sense is a person who is neither a direct nor an indirect shareholder of the Company, nor the legal representative, nor spouse of direct or indirect shareholders of the Company, nor the legal representative of companies that are affiliated with direct or indirect shareholders of the Company within the meaning of Section 15 of the German Stock Corporation Act (Aktiengesetz, AktG). Furthermore, external members should be individuals, who are particularly well suited to this office by virtue of their position and skills, preferably with a proven track record in company leadership. The composition of the Supervisory Board can be found on Voith's website.

Company Overview/
Supervisory Board

Sustainability as a core objective

As a family-owned company, Voith is committed to environmentally responsible, fair, and successful business practices over the long term.

With our corporate values and the guidelines we derive from them, we ensure that Voith operates according to the same business principles worldwide and continues to develop the same global corporate culture. Our Voith Code of Conduct (CoC) defines how we deal with our customers and business partners, as well as how we work together within the Company.

In defining and implementing our Sustainability Strategy, we comply fully with our corporate duties within the framework of applicable laws and international standards. In addition, we are guided by the principles of the UN Global Compact and the UN Sustainable Development Goals.

At Voith, sustainability is seen primarily as a group-wide responsibility that is implemented by the Corporate Board of Management, the central functions and the Group Divisions in day-to-day business operations. Likewise, all employees in every region and specialist department are expected to act in accordance with the sustainable development of the Company and in line with Voith's values. We make the same demands of our suppliers in the areas of the environment, labor and human rights.

In the reporting year, we expressed our stance on the topic of sustainability in a new Statement by the Corporate Board of Management entitled "Corporate action in the spirit of sustainability".

Statement of Principles Sustainability

Membership in associations

We always consider our activities as a company within the context of societal developments. Through participating in public debates and contributing our expertise, we support the political decision-making process. We are convinced that our expertise makes an important contribution to overcoming the manifold current and future challenges facing society. Voith performs these tasks through memberships in industry associations and other organizations. In addition, we foster a direct exchange with multipliers.

Voith is actively involved in 573 associations, initiatives, and other interest groups (compared to 587 in the previous year). The total cost of membership contributions amounts to €2.5 million (down from €2.6 million the previous year). The ten largest membership contributions are allocated to the following organizations:

- Baden-Württemberg Employers' Association of the Metal and Electrical Industry (Südwestmetall Verband der Metall- und Elektroindustrie Baden-Württemberg e.V.)
- German Mechanical Engineering Industry Association (Verband Deutscher Maschinen- und Anlagenbauer e.V., VDMA)
- Research Association for Power Transmission Technology (Forschungsvereinigung Antriebstechnik e.V., FVA)
- CONFINDUSTRIA TOSCANA NORD
- German Standards Institute (Deutsches Institut für Normung e.V., DIN)
- Society for the Advancement of German Industry (Förderkreis der Deutschen Industrie e.V.
- German Railway Industry Association (Verband der Bahnindustrie in Deutschland e.V., VDB)
- NWB e.V. Project Office DIN-FSF
- International Hydropower Association
- Modellfabrik Papier gGmbH

Details of the work by the Hanns Voith Foundation, which belongs to the Group, can be found on the linked website. Voith does not make any donations to political parties or any comparable party-political organizations and their activities such as party events or campaigns.

Hanns Voith Foundation

The risk management process

Risk management at Voith is organized on a decentralized basis but is monitored and coordinated centrally. Responsibilities are clearly defined for the differentiated risk profiles at all levels of the Group.

The risk management process itself breaks down into four stages:

- **Risk identification:** Voith constantly monitors macroeconomic developments, developments in specific industries and internal business processes that could affect the situation of the Group. A risk catalog helps identify individual risks. For this purpose, risks are collated at all levels of the Group and in all functional areas and then documented in a Group-wide internal database.
- **Risk analysis and assessment:** The risks identified in this way are assessed in terms of extent of damage and their probability of occurrence. Wherever possible, the potential impact is quantified as a cost factor. In order to assess the potential risk, the worst-case scenario and an expected-case scenario are analyzed for each identified performance risk, and their respective impact on the financial situation of the Group is examined. Multiplying this figure by the probability of occurrence provides the aggregate risk.
- **Risk management:** Analysis and assessment of the identified risks gives Voith's management the data it needs to decide whether the risks should be avoided, reduced by suitable actions, transferred by signing appropriate agreements, or whether they have to be carried by means of optimized processes and controls.
- **Risk monitoring and reporting:** Voith has a multitiered set of controlling and reporting tools that help the Corporate Board of Management analyze risks and make well-founded decisions. Those performance risks that involve either a maximum risk potential ≥ €5 million or a maximum risk potential of ≥ €2 million and a probability of occurrence of ≥ 50% are reported to the Corporate Board of Management on a quarterly basis. The reporting additionally includes the measures taken in this context to mitigate the risk such as existing insurance policies, recognized provisions or recorded depreciation. Furthermore, the general risk situation, also with regard to other risk types, is regularly placed on the agenda of the advisory committees of all business units. Risks to the Group's ability to continue as a going concern are reported to the next highest organizational level through to the Corporate Board of Management even between scheduled meetings. Risks to the Group's ability to continue as a going concern are defined as aggregate risk potential (gross, before consideration of measures to mitigate risk) in relation to the respective business unit that exceeds either 50% of equity or 10% of sales.

In addition to the systematic management of risks, it is also essential that we support our business performance by actively managing opportunities. The identification of opportunities and their strategic and financial assessment play an important role in the strategy discussions the Corporate Board of Management holds regularly with those responsible for the operating units. The results of these meetings are incorporated into the Voith Group's strategic decisions as well as into the medium-term planning and the annual operative planning process.

Taxes

Non-compliance with tax regulations would harm the good reputation of our Company and damage the trust of customers, suppliers, business partners, owners and employees. At Voith, the requirement is correspondingly clearly worded: Consistent, complete compliance with all national and international tax laws and regulations is mandatory.

As a company with global operations, Voith is subject to the tax legislation of many countries. Voith complies with its tax obligations within the scope of applicable laws, thus fulfilling its obligation to society.

01.2 Sustainability strategy and organization

The Corporate Sustainability central function

The Corporate Sustainability central function defines the framework for our strategic orientation and determines how we organize sustainability at Voith. Together with the Group Divisions and corporate functions, Corporate Sustainability develops strategies, objectives and measures to raise the Group's sustainability performance. Monitoring implementation is also one of its duties. To this end, it defines the instruments and methods required for measuring and steering sustainability activities as well as the associated reporting tools.

As the central sustainability function, Corporate Sustainability is responsible not only for strategic sustainability management within the Voith Group but also for Ecological Business Management (EBM) and decarbonization. This includes tasks such as environmental controlling, corporate carbon accounting as well as the development, steering and monitoring of successful implementation of the Voith climate protection strategy. Compliance with statutory regulations in the field of the environment is safeguarded by means of guidelines and work instructions applicable throughout the Group and by means of local environmental protection officers.

Corporate Sustainability is likewise responsible for the Voith Group's external ESG reporting. This includes, for example, the reporting within the scope of the CRSD together with other departments and coordination of communication tasks on the topic of sustainability, the stakeholder dialog with internal and external stakeholders as well as active work in associations such as the Federation of German Industries e.V. and partnerships (UNGC).

Ultimately, Corporate Sustainability responds to inquiries from authorities and assists the Group Divisions with answering customer inquiries relating to sustainability.

Similarly, Corporate Sustainability manages ESG ratings that play an increasingly important role in business financing and with customers in competitive situations: ISS ESG, EcoVadis and Carbon Disclosure Project (CDP).

UNGC, SBTi and management systems

In January 2024, we joined the most important initiative for sustainable and responsible business management, the UNGC. By doing so, we also clearly commit to the UNGC's ten global principles, for instance the areas of human and labor rights, diversity and anti-corruption.

Voith has committed to the SBTi a joint initiative of the CDP, the UNGC, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). To this end, Voith has been certified pursuant to important standards:

- ISO 50001 (energy management)
- ISO 14001 (environmental management systems)
- ISO 9001 (quality management systems)
- ISO 45001 (occupational health and safety management systems)

The sustainability strategy

The guiding principles on how to define and implement the sustainability strategy stem from the applicable legislation and international standards. Furthermore, we are guided by the principles of the UN Global Compact and the UN Sustainable Development Goals. To this end, we have set our own standards with the Statement by the Voith Group Corporate Board of Management entitled "Corporate action in the spirit of sustainability".

Statement of Principles Sustainability

Voith rejects every form of human trafficking, forced and child labor and has committed to complying with the content of important documents:

- California Transparency in Supply Chains Act
- UK Modern Slavery Act
- The German Supply Chain Due Diligence Act
- UN Universal Declaration of Human Rights

For our internationally operating group, compliance with human rights is a fundamental principle. For this reason, the CoC, in the form of a Group directive, is binding for all employees within the Voith Group. Companies that have become part of Voith through acquisitions are quickly integrated into the corresponding process. We require our suppliers and business partners to comply with our General Terms and Conditions of Purchase. In this context, the assessments from internal control systems such as the Risk Country List are included in the planning of measures. In the event that a supplier breaks these rules, we reserve the right to terminate the business relationship.

General purchase conditions

The German Supply Chain Due Diligence Act

Policy Statement on the Supply Chain Due Diligence Act (LkSG)

Sustainability Report 2023

LkSG Report

The German Act on Corporate Due Diligence in Supply Chain (Lieferkettensorgfaltspflichtengesetz, LkSG) came into force in January 2023. It obligates Voith to fulfill specifically defined human rights and environmental due diligence requirements and to anchor appropriate measures in supply chains and in its own business operations. We conscientiously comply with these duties. Responsibility for monitoring of implementation, performance and the effectiveness of the risk management lies with the Voith Human Rights Committee. Voith's "Statement on the German Supply Chain Due Diligence Act" is dedicated to corporate due diligence in the supply chain. In addition, the topic is also addressed in section 1 of the 2023 Sustainability Report "Strategy and integrity" and in the first LkSG Report.

The Human Rights Committee

The Human Rights Committee is composed of the CFOs of the Group Divisions, who at the same time act as the compliance officers of the respective divisions, the CFO of Voith Management GmbH, i.e., the general partner of the Group's parent company, Voith Management GmbH & Co. KGaA.

The Committee reports to the Board of Management of Voith Management GmbH. The Human Rights Committee coordinates its activities on a regular and ad hoc basis within the framework of a general meeting held once a month. These meetings are attended by the CFOs of the Group Divisions and the CFO of Voith Management GmbH. The Committee's duties include monitoring the anchoring, implementation and effectiveness of the risk management on the basis of specified key performance indicators (KPIs):

- Status of the sustainability and compliance questionnaire for critical suppliers during the onboarding process
- Number of Supply Chain Act reviews as part of visits to suppliers
- Number of supplier audits
- Number of participants in internal LkSG training measures
- Responsibility for deriving and defining measures for adapting risk management
- Review and approval of proposed changes to risk management by a specialist area
- Decision on determining remedial measures for escalated deviations or violations
- Preparation for drafting and updating the Statement

The stakeholder dialog

A continual exchange of information and ideas with our internal and external stakeholders is essential to our activities and forms the core of the review of our own sustainability work within the scope of a regular stakeholder dialog. On the basis of the findings, we readjust our sustainability strategy at regular intervals. We communicate with our stakeholders in a wide range of ways, which also includes the Sustainability Report published once a year.

Materiality analysis, stakeholder identification and material topics

This Sustainability Report is the fifteenth that Voith has published. With a view to preparing for future reporting duties, in the 2023/24 fiscal year we started to determine our material or relevant sustainability issues along the supply chain by performing a comprehensive materiality analysis. On the basis of this analysis, we have begun identifying the topics within the field of ESG that are expected to have the greatest impact on our business activities. The expectations of our stakeholders were taken into consideration in this respect.

The topics initially identified as relevant from both the “inside-out” and “outside-in” perspectives, and thus deemed doubly material, form the foundation of our voluntary ESG reporting.

The approach of our materiality analysis focuses on an assessment at Group level and only when necessary takes into account specific information from our divisions Voith Hydro, Voith Paper, Voith Turbo and Corporate Functions & Services (abbreviated to CF&S). When analyzing the relevant stakeholders and the impact, risks and opportunities, the entire supply chain was examined in light of our business model.

Depending on the perspective and topic, i.e. environmental, social or governance aspects, a total of 14 stakeholder groups were identified as having an interest in Voith’s activities. These interests were taken into consideration in the assessment of the relevant impacts, risks and opportunities for the Company within the scope of materiality workshops. The interests of employees, customers and associations are given special emphasis in this context.

The stakeholder groups are as follows:

- Shareholders/family
- Lenders
- Works council
- Employees and potential employees
- Customers and potential customers
- Competitors
- Suppliers
- Media/public
- Local residents/community
- State/lawmakers/politics/authorities
- Non-governmental organizations
- Associations
- Insurance companies
- Employees in the downstream supply chain

When assessing the materiality of a topic, not only the impact but also the risks and opportunities associated were examined and assessed. This makes it possible to differentiate between the two perspectives already mentioned above:

- Inside-out perspective: Here, the influence or the impact of the Company on people and the environment is examined.
- Outside-in perspective: Here, the financial impact on the Company is examined, i.e., the opportunities and risks.

When assessing an ESG topic with regard to the actual and potential impact on people and the environment, the severity of the impact and the probability of occurrence are evaluated: If these criteria are classified as being between medium-high and very high, the topic will be considered material. When assessing an ESG topic with regard to potential financial impact and the associated opportunities and risks, the degree of financial impact and the probability of occurrence are taken into consideration. If these criteria are classified as being between medium-high and very high, the topic will be considered material.

If an ESG topic is classified as being material with actual and potential impacts on people and the environment or with potential financial impact and associated opportunities and risks, the topic will be considered material in its entirety.

The present Sustainability Report reflects this assessment of topics in its structure and content.

01.3 Business ethics and compliance

Voith unites the tradition of a family business with the requirements and culture of a corporate group with global operations. In this, our values and guidelines are the basis for all our actions. In day-to-day business, clear structures and clear rules provide guidance.

Compliance Committee, Compliance Program and Compliance Officers

Voith's Compliance Committee is responsible for drafting, refining and implementing the Compliance Program. This includes revising the compliance regulations and coordinating the corresponding training for Voith employees. The Committee meets on a monthly basis and is composed of the heads of the Group legal function (chair), Group HR and Group internal audit function. The chair of the Compliance Committee reports directly to the Board of Management of Voith GmbH & Co. KGaA and to the Audit Committee of the Supervisory Board.

The CFOs of the Group Divisions take on the role of compliance officer in their respective fields of responsibility. In addition, there are compliance officers in every Group entity, with this function normally being performed likewise by the CFOs in addition to their other duties. Depending on the number of locations and the operating units of a Group entity, this task can also be performed by more than one person in order to ensure a close connection between the compliance officer and the operating business. The compliance officers are responsible for implementing the Voith CoC in their areas of responsibility and at the same time act as contact persons.

As part of a Group directive, it has been stipulated that the compliance officers must attend central training provided by members of the Compliance Committee, among other things. The compliance officers must repeat this training every five years. In addition, the upper management levels are prepared for their compliance-specific duties at the centrally organized one-day "Compliance at Voith" training.

Compliance training measures

All employees at Voith undergo training on Voith's CoC, which is likewise mandatory. By signing their employment contract, they confirm that they acknowledge the Code. In doing so, they commit to complying with current law and all in-house regulations. Infringements are met with sanctions. In addition, all employees who have personalized access to the Voith network are obligated to update their knowledge of compliance and Voith's CoC by participating in e-learning programs every three years. Some Group entities hold their e-learning programs on a stand-alone basis because their IT systems do not permit any other approach. At least 98% of employees with personalized access to the Voith network have

successfully taken part in the programs on “anti-corruption and cartel law” as well as “management and employees”. It is the duty of line managers to give employees without such access instruction on these topics and keep them up to date.

In addition, some Voith employees are given special training. This is mandatory for employees both in Voith’s purchasing organization and in the sales departments throughout the Group. These central events are organized by the further training departments of the four regions EMEA (Europe, Middle East and Africa), APAC (Asia-Pacific), North America and South America. This training is held by a member of Voith Law Group and a compliance officer.

The Code of Conduct

As early as in 1927, Voith committed to the following business principles: In the business world one must be ethical, decent, and honest. If a contracting party or competitor behaves unfairly, this does not give us the right to deviate from this principle.” Today, the CoC defines the way we act towards our customers and business partners and how we behave towards each other within our own business. The CoC was revised in the 2023/24 fiscal year and is currently available online in twelve languages.

CoC

Voith’s internal audit function reviews compliance with all compliance provisions with a risk-related, routine approach in around 30 operating units each year. For this purpose, Voith has processes and guidelines with a risk-based approach for various stakeholders and departments within the Company. Furthermore, suppliers are required to accept the CoC among other documents.

Chapter
Supply chain management

Responsibility for development, refinement and implementation of our compliance program, for revising the compliance regulations and coordination of training programs is borne by the Voith Compliance Committee.

Section
Compliance Committee, Compliance Program and Compliance Officers

Combating corruption

Voith rejects every form of corruption and bribery and for this reason follows the corresponding globally applicable principles of the UNCG, also with regard to the topic of anti-corruption. At Voith, the greatest risks in this context include bribery and corruption by external partners, such as representatives and advisors.

Gifts serve to express our appreciation towards business partners. They must, however, not be of a value or of a nature that influences the actions or decisions of the recipient or places the recipient under any obligation. Gifts within the scope of day-to-day actions at Voith are only permitted if they comply with the rules of general courtesy and follow the accepted business traditions of the respective cultural environment, do not exceed a reasonable value and do not influence any decisions or create

CoC

any dependencies. A value limit of €35 generally applies that may only be exceeded in specific justified cases. Gifts of money are prohibited. The exact value limits are specified in the Group directive on Gifts, Hospitality, Events. All other behaviors relating to the topic of corruption can be found in the CoC.

To combat corruption and illegal conduct, Voith's compliance officers are required to maintain risk control matrices to identify and assess corruption risks within their area of responsibility. This structured process covers all Voith locations worldwide – including newly acquired businesses which are integrated into the process as quickly as possible.

The findings from all areas are aggregated and form a basis for central risk analysis and internal compliance reviews. Risk assessment in our Company, which maintains business relationships almost everywhere in the world, is based on many factors including the Corruption Perceptions Index (CPI) published annually by Transparency International. Special measures apply to high-risk countries whereby Risk Management decides which measures should be taken. In addition, Purchasing conducts an integrity check when new creditors with a purchasing volume of over €25,000 are created. This check uses publicly available data to determine whether there have been compliance incidents in the past, such as fraud, corruption or child labor.

Voith has not yet drafted separate guidelines on conflicts of interest, but this topic is addressed in the CoC and in the compliance training measures. Furthermore, a form is available to all employees that must be used to report potential conflicts of interest.

The central "Compliance at Voith" training addresses primarily the topics of "economic crime", "measures to prevent corruption" and "infringements of cartel law". Such compliance training is held on a regular basis as part of personal training, e-learning and online training measures. For employees, the training focuses on the regulations of the CoC and laws against corruption. All in all, some 90% of employees at Voith have participated in anti-corruption training. This is every single employee with access to a computer at Voith.

All employees with regular access to a computer receive information on the anti-corruption guidelines on a continual basis. Furthermore, attention is drawn to the topic in all areas of the Company by means of posters and leaflets. These also name the contact persons responsible for this topic.

Voith's representative and advisor agreements contain strict compliance regulations. All new agencies and advisors must accept Voith's CoC and take part in compliance training before they can enter into a contractual relationship with Voith. All members of the Supervisory Board were likewise given training on the topic of corruption and each one has also signed the CoC.

Voith Hydro has come to an agreement with the World Bank on how to bring to a conclusion proceedings that had been running since 2018 and were addressed in the Annual Reports over past years. These proceedings related to misconduct on the part of individual managerial employees of Voith Hydro Shanghai Ltd. and Voith Hydro GmbH & Co. KG in Heidenheim in connection with two projects in Asia and Africa financed by the World Bank between 2012 and 2016.

Anticompetitive conduct

All employees are obliged under the CoC to comply with current legislation against restriction of competition. Every form of agreement with competitors, whether formal or informal, intended to impair competition, are strictly forbidden. This also includes tacit or implicit agreements. It is forbidden to divide up sales areas or customers with competitors or exchange information on prices, supply relationships, terms of business, capacities, market shares, profits, costs, customer data, offers or bidding behavior. Should Voith attain a market-dominating position, it must not be misused. Any agreements planned with our competitors must be submitted to the legal department for review beforehand. The legal department will then forward the agreement to the CFO of the Group Division in question for approval. If the legal department rejects the agreement, the CFO must not issue approval. In such cases, the matter must be submitted to the Compliance Committee.

Voith has separate guidelines on the topic of cartel law which are accessible to all employees. Employees who work in sensitive areas are given regular training on this topic. Cooperation arrangements with competitors are subject to strict controls and are reviewed in around 15 to 20 internal audits each year in order to safeguard that they are entered into exclusively in the interest of the Company and are not influenced by private or personal interests.

Reporting of infringements

In the event of infringements of the CoC or of current law, every individual at Voith may seek support. This is especially true of employees: They can, for example, turn to their direct line managers, the responsible HR staff or the compliance officers of each entity, the members of the Compliance Committee or one of the four help desks set up throughout the Group. The help desks are multi-lingual, are staffed by local contact persons in all Voith regions and are open to both internal and external whistleblowers. One of the places where the contact persons can be found is on the Voith intranet. Additionally, they are accessible to everyone via the Voith website of the compliance help desk and the whistleblowing system. The employees involved in the whistleblower procedure are subject to strict duties of confidentiality and discretion. According to the whistleblower guidelines, coordination of the reported cases is assumed exclusively by a small specially trained team, consisting of qualified employees of the four compliance help desks in the regions of EMEA, North America, South America and APAC. Furthermore, an extended obligation to secrecy is currently being developed for these employees that goes beyond the customary confidentiality regulations under employment contracts. Additionally, all employees are bound by the CoC and the data protection regulations of the Company. The whistleblowing system is also used to give feedback on the training measures, which in turn is used to refine the measures.

Section
Compliance Committee, Compliance Program and Compliance Officers

According to Voith's sanctions guidelines, the respective management body must be involved. In this context, three categories are applied depending on the significance of the incident that are correspondingly treated by different bodies.

In the event of serious cases (Category 1), the Sanctions Committee will be composed of the following members:

- President and CEO
- CFO of the Voith Group
- Member of the Corporate Board of Management representing the Group Division concerned on the Corporate Board of Management
- All members of the Compliance Committee, consisting of the head of the Group legal department, the head of the Group HR management function and the head of the Group internal audit function

With cases of special significance (Category 2), the Sanctions Committee will be composed as follows:

- Member of the Corporate Board of Management representing the Group Division concerned on the Corporate Board of Management
- Compliance officer of the Group Division concerned
- Head of the HR department of the Group Division concerned

In all further cases, implementation of the procedure and making decisions on sanctions are the duty of the responsible executive manager together with the responsible HR business partner.

All critical cases are also forwarded to the Compliance Committee which meets once a month. The potential infringements that are reported via the various channels include, as a rule, topics such as allegations of fraud and corruption, bullying or theft.

Escalation channels and points of contact for complaints at Voith

- Whistleblowing system/compliance help desk
- Direct line executive manager
- Responsible HR staff
- Compliance officers
- Group Division compliance officers
- Compliance Committee
- Corporate Board of Management
- Supervisory Board

Employees who have identified concrete indications of an infringement of the CoC and report this suspicion in good faith will not have to fear any repercussions. The CoC states this in a binding manner. In every individual case where it is necessary, Voith will protect the whistleblower from any detrimental consequences. This applies, for example, to career progression or protection against bullying. Whenever possible and legally permissible, the identity of the employee in question will be treated confidentially. The Group-wide whistleblowing system can also be used to submit complaints anonymously.

01.4 Supply chain management

Voith places great value on long-term trust-based partnerships with suppliers that focus on quality, service and cost-effectiveness. Control mechanisms are in place to support compliance with statutory provisions as well as environmental and social standards in the supply chain and to monitor the implementation of Voith's values, requirements and applicable legal regulations.

Voith pursues a comprehensive, structured approach to overcoming risks and incidents. By embedding ESG criteria in our various purchasing processes, the SCoC and communication along the supply chain, we promote awareness for ecological, social and human rights standards. These approaches also contribute to reinforcing respect for human rights and responsible conduct on the part of suppliers, to achieve positive effects on working conditions and compliance with international standards. Regular communication assists our suppliers with the implementation of these requirements.

The Supplier Code of Conduct

The General Terms and Conditions of Purchase and the SCoC form the basis for Voith's environmental obligations within the supply chain. Voith expects its suppliers to comply with environmentally compatible practices and to minimize negative impacts on the environment. The SCoC defines clear expectations that all current environmental provisions will be complied with. To this end, the code requires suppliers to be careful and efficient in their use of energy, water and raw materials, keep wastage to a minimum and deploy sustainable alternatives to conserve resources. Our suppliers should monitor, document and report in a transparent manner on their GHG emissions and other impacts on the environment such as waste and hazardous substances.

Furthermore, we expect suppliers to replace hazardous substances with less harmful alternatives and take measures to reduce emissions, and we recommend joint programs like the SBTi. The handling and disposal of hazardous materials and waste must always be in accordance with current statutory regulations. In accordance with the Minamata Convention, the manufacture and use of mercury and mercury compounds have been eliminated. Hazardous airborne emissions are to be reduced to a minimum and properly treated in order to avoid environmental damage. We expect Voith's SCoC to motivate our suppliers to actively work towards preserving and promoting biodiversity and to avoid interference with, the clearing of or damage to natural forests, wetlands and other ecosystems.

Furthermore, the General Terms and Conditions of Purchase the building up and ongoing refinement of an environmental management system, where this may be implemented according to the principles of ISO 14001. Voith reserves the right to request proof of compliance with all current environmental protection regulations at the place of performance and to perform audits to review compliance. The

contractual provisions are flanked by continuous checks, the sustainability and compliance questionnaire and regular due diligence audits, such as the Supply Chain Act review.

We furthermore expect our suppliers to comply with international human rights standards as specified in the Universal Declaration of Human Rights.



Management Board Declaration on Human Trafficking, Forced Labor and Child Labor

Clear rules on the avoidance of human trafficking, forced and child labor, to which Voith is itself committed in the "Declaration on Human Trafficking, Forced Labor and Child Labor", correspond to the requirements of the “California Transparency in Supply Chains Act”, the “UK Modern Slavery Act” and the Universal Declaration on Human Rights. To this end, our suppliers must promote the principle of voluntary employment and ensure that their own suppliers are not on the Uyghur Forced Labor Prevention Act (UFLPA) Entity List.

The SCoC presupposes that suppliers will base their cooperation with employees' representatives on trust and respect, freedom of association and the right to organize. The employees must not suffer any disadvantages if they make use of their rights. The Voith SCoC is incorporated via a link in the General Terms and Conditions of Purchase. In this way, Voith’s suppliers are made aware in a targeted fashion of the rights to freedom of association and the right to collective negotiations contained therein. In addition, the Code is publicly available in the Voith supplier ecosystem, which means our suppliers can access the regulations there at any time.

Voith’s SCoC requires suppliers to desist from every form of abuse, including cruel, inhuman or degrading treatment and to ensure a safe, respectful working environment for their employees. The SCoC also stipulates that our suppliers must ensure that any private or state security forces they engage only deploy staff with the necessary training. It must be ensured that there are neither violations of the prohibition of torture and cruel, inhuman or degrading treatment nor of the prohibition of exposure to danger of life and limb.

Human rights also include equal opportunity, diversity and inclusion, which must be protected and promoted. In addition, suppliers are expected to take measures to ensure a working environment that is free of discrimination and unfair treatment, in which no unequal treatment on the basis of nationality, ethnicity, social background, health status, sexual orientation, age, gender, political opinion, religion or ideology is tolerated.

Voith’s SCoC and General Terms and Conditions of Purchase require suppliers to ensure a safe working environment, to protect the wellbeing and the health of their employees and to consistently avoid occupational illnesses and injuries. Furthermore, the two documents oblige suppliers to ensure reasonable wages and social benefits as well as to comply with local occupational safety legislation.

Suppliers are expected to not only implement the requirements of the SCoC in their own business but also throughout their entire supplier network. Tier n suppliers are expected to comply with social standards and abide by laws to minimize negative impacts along the supply chain.

The General Terms and Conditions of Purchase

General purchase conditions

Commitments to human rights and environmental standards are likewise embedded in our General Terms and Conditions of Purchase and master agreements. They require suppliers to comply with statutory regulations and ethical standards. For instance, our suppliers are obliged to comply with human rights pursuant to international guidelines and the conventions of the International Labour Organization (ILO).

Our suppliers must also implement a corresponding management system for continual improvement. By accepting an order and the General Terms and Conditions of Purchase, suppliers confirm their commitment to complying with these requirements. To ensure compliance with the standards, our process of registering requires new suppliers and identified high-risk suppliers to truthfully complete the sustainability and compliance questionnaire. Furthermore, extensive due diligence measures, such as integrity checks and Supply Chain Act reviews are performed to verify compliance with the principles. Should any infringements be identified, we reserve the right to take appropriate measures culminating in termination of the agreement if the infringement is not rectified immediately and permanently. In addition, suppliers and employees are prompted to report any concerns via the whistleblowing system or regional contacts. By doing so, we ensure that potential misconduct or violations of human rights standards can be identified and rectified at any early stage.

Section
SCoC

With regard to the handling of hazardous substances, we abide by current legislation. Information on these substances can be researched in a central hazardous substance database maintained by Voith. Approval for new materials is applied for with Group Standardization. This function objectively reviews the information from the safety data/product information sheets and allocates the materials to four approval categories:

Banned hazardous materials: hazardous materials that, for example, contain substances subject to approval, are rejected with a position statement.

- Hazardous substances and materials subject to temporary approval: Compounds and materials containing "substances of very high concern" (SVHC) or other ingredients that are proven to be harmful to health over the long term (CMR substances Category 1 – "carcinogenic, mutagenic, reprotoxic") are marked as “released subject to temporary approval.” The temporary approval of one year must be used to search for a replacement substance with alternative ingredients. If there are technically suitable replacement substances, the products containing SVHC or CMR substances are blocked. If none are available, follow-up measures are determined in “local approval” taking account of local circumstances and risk assessment.
- Limited hazardous substances and materials: If ingredients are contained that are presumed to be harmful to health over the long term (Category 2 CMR substances) or that are immediately life-threatening (acutely toxic Category 1 through 3 substances), these are granted “limited” approval with a position statement. Products containing "per- and polyfluoroalkyl substances" (PFAS) are, assuming that PFAS are named in the safety data sheets of the suppliers and manufacturers, approved and likewise assigned this status.

- Approved hazardous substances and materials: Substances that, if used properly, do not constitute a critical health risk according to the safety data/product information sheet are approved without a position statement.

Once the hazardous substance has been assessed centrally, the product is approved locally. The local HSE specialists are responsible for approval at a local level. If necessary, the accident officers or the occupational medicine specialists can be called in. With regard to materials, there is no local approval and the decision is taken by the design department.

We also take account of “harmless” substances, wood dust as an example, in the hazard assessments and take corresponding measures such as health screening. In the case of substances that emit ionizing radiation, we adhere to the current legislation in each case. “Unwanted admixtures” in products that do not have any technical or quality-related purpose are avoided wherever possible.

In day-to-day business: Risk management and the LkSG

Section
The German Supply Chain Due Diligence Act

Section
The Human Rights Committee

Risk management and compliance with the standards throughout the entire company and in the supply chain are supported by comprehensive measures that Voith has implemented in accordance with the requirements of the LkSG. Responsibility for monitoring the implementation and effectiveness of this risk management system lies with Voith’s Human Rights Committee.

The obligations relating to purchasing at Voith that arise from risk management and the LkSG are coordinated by the central Purchasing Sustainability team, which is assisted by representatives of the Group Divisions. This team develops ESG concepts and prepares their implementation in the Group Divisions. The representatives of the Group Divisions propagate the concepts in their organizations and ensure uniform implementation. Human rights and sustainability obligations are communicated internally by the team, the representatives of the Group Divisions and executive managers as well as through the purchasing manual and process instructions.

The objectives of monitoring progress in the field of sustainable procurement include increasing the share of purchasing volume covered by ESG-related suppliers to 80%. In this context, the aim is to make detailed information available on the suppliers. This includes data on compliance, for instance relating to compliance with human rights and environmental provisions as well as further ESG criteria, for example participation in ratings and initiatives and the results of the same. One of the other objectives is to increase the share of high-risk suppliers who have successfully completed a sustainability and compliance questionnaire to 90%. High-risk suppliers who do not answer the sustainability and compliance questionnaire or whose answers do not meet the requirements and do not demonstrate any willingness to implement the necessary measures are excluded from cooperation and blocked within the system. In addition, Voith has defined several internal objectives in the field of sustainable procurement based on specific performance indicators. These cover topics such as decarbonization, supplier assessments, audits and further ESG factors that are integrated into the purchasing processes.

The effectiveness of the measures is evaluated on a regular basis and adjusted as necessary to support the achievement of the objectives of sustainable procurement. In this context, advancements and feedback are systematically taken into consideration to optimize the measures on a continual basis. To identify potential incidents, various tools are deployed including comprehensive audits, compliance checks and the analysis of ESG ratings.

In order to identify and minimize potential human rights risks, Voith performs a comprehensive risk analysis of all direct suppliers each year. The risk analysis at Voith comprises an assessment of country risks based on publicly accessible indices. Industry risks are additionally taken into consideration. Countries classified in indices such as the ITUC (International Trade Union Confederation) Global Rights Index, UNICEF reports, the U.S. Department of State and the ILO as being high risk or very high risk constitute especially great challenges. However: Other countries may involve increased risk on account of systematic human rights abuse and unfavorable working conditions.

Sectors such as construction, waste disposal, security services, manufacturing of cast and plastic parts, production of chemicals and mechanical manufacturing involve an increased risk as they are especially susceptible to human rights abuse, including child and forced labor, due to the working conditions and the frequent deployment of workers with low qualifications.

Suppliers that involve both an increased country risk and a high sector risk are allocated a higher risk assessment. In addition, a threshold value based on sales is used to classify whether Voith has a significant influence on the supplier identified in each case. Suppliers identified as critical and who involve an increased risk are subject to preventive measures. These also include steps to perform a specific risk analysis. These include completing the sustainability and compliance questionnaire in order to obtain detailed self-disclosure on the topics of compliance and sustainability. In certain cases, it may also be necessary to perform an additional check on site in accordance with the Supply Chain Act review to ensure that the suppliers uphold the necessary standards and minimize any risks.

In the event of human rights or environmental incidents at a direct supplier, it is necessary to run through a defined escalation process. This process describes among other things how the incident is to be examined and how to draft an action plan together with the supplier. One possibility of how to review the circumstances or the drafted action plan is to perform a Supply Chain Act review or a supplier audit on site. This procedure also applies to indirect suppliers in the event of reported or known infringements.

All measures and incidents are documented in Voith's PurONE purchasing system in order to ensure transparent reporting to the responsible authorities, such as the Federal Office for Economic Affairs and Export Control (BAFA). The documentation comprises the findings of the risk analysis, the action taken and the results of the sustainability and compliance questionnaire. This questionnaire is a central component of PurONE. It contains questions on compliance with regulations and addresses significant categories especially in the fields of human rights, environmental protection and working conditions. The questionnaire comprehensively covers social and ecological sustainability requirements and, if necessary, contains specific questions on self-assessment regarding supplier diversity.

Above an order volume of €25,000, new suppliers in the PurONE purchasing system are also subject to an integrity review. From the 2024/25 fiscal year onwards, Voith additionally offers training for suppliers with an increased risk assessment.

Section
Reporting of infringements

One important component in this context is the compliance help desk, which makes anonymous reporting of misconduct possible in several languages. Furthermore, the whistleblowing-system permits employees and persons outside the Group to report potential violations.

Purchasing manual and ESG dashboard

Sustainability, including compliance with human rights, is firmly anchored as a strategic component of our purchasing organization and is reflected in a large number of processes that are described in detailed process instructions and in the purchasing manual. The purchasing manual contains updated process instructions and describes the organizational structures, governance and integration of ESG principles into the phases of the purchasing process. In addition, it describes the risk management, compliance requirements and the complaints procedure; it also safeguards that continuous documentation and reporting on compliance with statutory requirements is ensured.

The corresponding training program for implementation of the guidelines on sustainable procurement at Voith is comprehensive and ensures that all employees in purchasing understand and implement the environmental and social obligations along the supply chain. Alongside the principles of sustainable procurement, these training programs also impart an understanding for the content of statutory requirements such as the LkSG, the Carbon Border Adjustment Mechanism (CBAM), the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Deforestation Regulation (EUDR) as well as global climate protection initiatives such as the Paris Agreement and the EU Green Deal.

An ESG dashboard has been introduced in our PurONE purchasing system to provide comprehensive information on suppliers, including essential information on sustainability at the suppliers. This dashboard integrated into the supplier management system is used to document for strategically important suppliers their participation and classification in ratings and initiatives, such as EcoVadis, SBTi or the Responsible Minerals Initiative. The specific performance indicators in the ESG dashboard also include, for example, the number and nature of incidents identified or indications of child labor or human rights abuse.

Procedure in the event of infringements

In the event of conduct not in line with regulations, for instance in the event of infringements of human rights or environmental requirements, an LkSG incident or a further ESG incident is entered in the PurONE supplier management system, which is then allocated to a specific risk category. This is used as a basis to define remedial measures that are documented in PurONE. Implementation of these measures

is continually monitored and the effectiveness of the implemented corrective measures are reviewed on a regular basis. If necessary, a new audit is performed to review implementation of the measures and their effectiveness on site. In the event of ongoing non-compliance with obligations, the matter can be escalated and may lead to termination of the supplier relationship. This decision is taken in consultation with the Voith Human Rights Committee, taking account of all relevant statutory provisions.

In the reporting period, no LkSG-related cases were identified in the areas of child and forced labor. Even without specific incidents, of child labor for example, we have gained valuable insights from the regular reviews and cooperation with suppliers and other industry players that we have incorporated into internal guidelines and procedures, particularly with regard to the prevention of human rights infringements and compliance with ESG standards.

In the 2023/24 fiscal year, there was one ESG incident in the area of environmental pollution. Corresponding remedial measures were agreed with the supplier and initiated; documentation is ensured.

Stakeholder engagement in the supply chain

Voith's stakeholder engagement at suppliers pursues several strategic objectives: an improvement in sustainability performance along the supply chain, early identification and prevention of risks and imparting knowledge to all parties involved. Regular communication measures support Voith's suppliers in fulfilling and implementing the requirements and standards. This includes an exchange of ideas and information with industry and regional partners to share best practices and create synergies for joint sustainability objectives. At the Supplier Days of individual divisions attended by Voith purchasers and suppliers, for instance, the topic of sustainability is explicitly integrated into the agenda and talks. The hybrid structure of the Purchasing-Sustainability team with representatives from various Group Divisions further ensures that information is passed on to the relevant internal contact persons quickly and in a targeted manner.

This ensures meaningful integration, combined with measures within and outside the Voith Group. Internally, effective implementation of the sustainability objectives is safeguarded by training and process instructions, through the purchasing manual and the hybrid Purchasing and Sustainability team. Externally, standards are consolidated and enhanced through audits, sustainability and compliance questionnaires and cooperation both with suppliers and other companies.

In day-to-day operations, contact with suppliers is maintained through the PurONE supplier management system and by e-mail. These channels of communication are supplemented by personal meetings as part of visits and audits. During such visits, specific ESG issues are discussed as are individual matters and potential for improvement. Should critical incidents occur, for instance relating to the LkSG, the Human Rights Committee will be brought in, depending on the severity of the case. The Human Rights Committee will analyze the situation, make decisions on potential measures and, as necessary, will develop a detailed countermeasure plan.

This active dialog with our suppliers has contributed to evaluating and refining the effectiveness of the measures taken.

The Voith audits

Voith builds on a structured system to safeguard and continually improve environmental and social standards in the supply chain. One component of the audits and supplier visits by the Purchasing is to review fulfillment of universal sustainability and compliance standards by the suppliers.

Furthermore, the Supply Chain Act review also safeguards compliance with standards and statutory provisions, specifically those of the German LkSG. The risks of human rights infringements are reviewed and possible incidents are allocated to ten categories, including child labor, forced labor, trafficking in human beings, failure to comply with health and safety regulations at the workplace and destruction of the natural foundations for life through environmental pollution among others.

The environmental risks categories at Voith cover several areas governed by international conventions. These categories include the prohibited use and disposal of mercury, as stipulated in the Minamata Convention, or the prohibited manufacture and use of substances coming under the field of application of the Stockholm Convention. Another area covers non-environmentally compatible waste that contains persistent organic pollutants (POPs). Finally, the forbidden import or export of hazardous wastes pursuant to the provisions of the Basel Convention is also one of the risk categories.

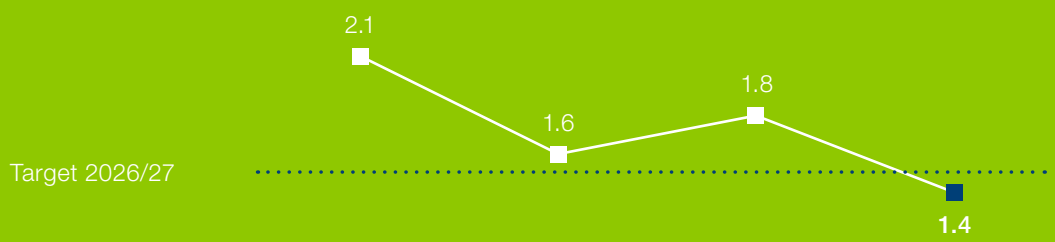
02 Social

Goal for Social:

- Achieving an accident frequency rate of **1.5** by the end of the 2026/27 fiscal year.

Accident frequency rate

Specific value in accidents per 1 million working hours



Reporting year	Base year 2020/21	2021/22	2022/23	**2023/24**

02 Social

02.1 The employees

Voith's success is only made possible by the skills and the motivation of the workforce. To enable our employees to develop their potential in the best possible way, we create a work environment that is, by its nature, innovative, agile, focused on customers and results, and based on open and trusting cooperation. In this context, equal pay for equal work is a matter of course as is consistent refinement of our corporate culture.

Chapter
Governance

Management Board Declaration on Human Trafficking, Forced Labor and Child Labor

As described in the "Governance" section, the Corporate Board of Management has committed to making sustainability the basis for strategic decision-making. Voith is a member of the UN Global Compact (UNGC) and strictly opposes all forms of human trafficking, forced labor, and child labor. In shaping working conditions, we adhere not only to current legal requirements but also to the principles of the International Labour Organization (ILO) and the guidelines of other national and international organizations. Accordingly, as previously mentioned, Voith has issued a formal declaration on this commitment. Responsibility for development, enhancement and implementation of our compliance program, for revising the compliance regulations and coordination of training programs such as "Compliance at Voith" is borne by the Voith Compliance Committee.

Section
The Code of Conduct

The self-imposed CoC is provided to all employees. This Code also contains a section on respectful interaction, tolerance and equal opportunity. In addition, we place greatest value on the protection of the life and health of employees.

The Voith Code of Conduct (CoC) outlines the principles of collaboration among employees at Voith while ensuring the protection of employee rights. For us, one central component of long-term corporate success is, in addition, the cooperation with employees' representatives built on mutual trust. The basis for this is formed by the CoC and a Group directive that is likewise acknowledged in a binding manner by all Voith employees when they sign their employment contract. In this, we take a clear stance against any form of hindrance to legitimate employee representation, including any limitation of freedom of association and collective agreements.

Section
Reporting of infringements

In the event of infringements of the law or our own guidelines, not only our employee but also external parties can contact various offices, as set out in the section "Reporting of infringements".

Collective agreements and employee representations

Factual basis
Collective bargaining agreements

The majority of the employment relationships of our employees worldwide are covered by collective agreements that govern payment, working hours and vacation entitlements. Furthermore, we offer our employees working conditions that in many cases go beyond the statutory requirements.

The employee representations are actively involved in the dialog between the Corporate Board of Management, the local heads of HR and the employees' representatives. At many Voith locations, the employees are represented by elected works councils. These take part in decisions on individual personnel matters and also in negotiations on local company agreements.

In Germany, the local working council bodies are supplemented by a Joint Works Council at company level and a Corporate Works Council for the Voith Group. At a European level, the Euroforum, the European works council represents the interests of the employees in the EU-based Voith entities. These works council bodies and their members represent the interests of employees towards the Company and are available to employees as contact persons to point out possible impediments to employee rights. The Corporate Board of Management and the local management inform the bodies and the employees at an early stage about any fundamental changes.

In addition to the designated employee representatives, Voith has various bodies, networks, and employee interest groups that operate in accordance with regional legislation. Some of these bodies were formed by the employees themselves. Examples include the representative body for employees with severe disabilities, the representative body for trainees, the speakers' committee of executive managers and the Supervisory Board pursuant to the provisions of the German Co-determination Act of 1976 at Voith headquarters.

Factual basis
Employee structure

At the end of the 2023/24 fiscal year, there were 22,964 employees in the Voith Group. That is 0.6% less than in the previous fiscal year. The headcount decreased in Asia by 4.8%, in Germany by 0.4%, in Rest of Europe by 3.1% and in the regions referred to as "Other" it fell by 0.6%. In the Americas, the headcount increased by 5.6%.

Remuneration

At Voith, equal pay for equal work is a fundamental principle. At locations subject to collective agreements, we additionally guarantee the payment of the collectively agreed wages. At locations without a country-specific grading system, we build on the Grading System by Wilson Tower Watson an internationally uniform job grading system. This enables a fair, transparent grading of functions and market-based payment that is underpinned, for example, by country-specific salary benchmarks. Our analyses, especially for the core markets of Germany, the USA, China and Brazil, confirm the competitiveness of our remuneration structures. Individual remuneration is based exclusively on the requirements of the respective position, the specialist qualification and the performance rendered. Furthermore, any form of discrimination in remuneration on the basis of background, gender, religion or other personal characteristics is strictly rejected.

Factual basis
Employees by type of employment

Temporary work

The composition of the permanent workforce follows the principle of “commercial prudence”: According to this principle, order peaks are covered by the deployment of a flexible workforce of temporary workers. This makes it possible to act quickly and in line with needs in markets that are volatile at times. In this respect, subcontracted labor is a tool customary on the market to counter short-term order peaks in a flexible manner. The deployment of employees of external service providers is governed by the provisions of a Group directive.

At the end of the 2023/24 fiscal year, 946 individuals (previous year: 1,141) were employed at Voith through temporary employment agencies. This is a decrease of 17.1 % on the previous year.

02.2 Occupational health and safety

Factual basis
Certifications

Occupational health and safety are top priorities for Voith. By taking a responsible approach to the design of workplaces and processes, we aim to avoid accidents and work-related illnesses as far as is possible. Our Health, Safety, Environment (HSE) organization, which has a divisional structure with the shared services needed for serving the individual locations and regions. Around 75% of our employees – including almost everyone at the major manufacturing locations – are subject to our standardized management system certified to ISO 45001 among other certifications.

A Group directive sets the framework and specifies the responsibilities for occupational health and safety and defines binding minimum requirements and standards for the entire Group. In the 2021/22 fiscal year, the standard operating procedures were replaced by work and process instructions on occupational health and safety and environmental protection at Voith. They supplement the Group directive and govern, among other things, the organization of hazardous substance management and the handling of radiation protection, ergonomics and noise, working with various machines and the manner in which risk and hazard assessments are performed.

A separate guideline governs the handling of hazards and describes the ranking of the corresponding protective measures. A specific work instruction describes detailed measures that must be complied with by employees of external companies as well as visitors entering Voith locations with regard to health, safety and environmental aspects.

Uniform regulations on the investigation, documentation and registration for statistical purposes of incidents are also governed by a separate work instruction. These ensure that a consistent system is applied to investigating and reporting incidents, which also includes incidents involving employees of external companies, temporary workers, customers and visitors. These regulations generally apply to all locations. In the event that any regional requirements differ, the respective stricter regulation will be applied in each case.

If any special agreements are entered into with customers regarding occupational health and safety, such agreements will be binding to the extent they contain greater or more specific requirements. When new locations are being integrated, the regulations in place will be introduced gradually and adapted to existing regulations. In addition, location-specific company agreements on occupational health and safety as well as addiction prevention supplement the provisions of the HSE Group directive.

Voith's approach to avoiding negative impacts on health and safety at its locations, construction sites and in products is built on three pillars:

1. At the Group's own locations, a proven system of regional support is applied and is being gradually enhanced to increase the quality and effectiveness of the system on an ongoing basis.

2. At our construction sites and at our customer locations, we prepare hazard assessments even before work begins; these assessments are reviewed on a regular basis and are updated as necessary. One special focus in this respect is placed on coordinating safety between the various trades involved. In close cooperation with our customers on site, we analyze any work accidents and cooperate in developing protective measures to prevent future incidents.

3. In product development and during their use, we ensure strict adherence to all regulatory requirements. In addition, our products undergo various test and verification procedures. The findings obtained from these processes and the results of market and product observations are directly incorporated into the development of our products.

Audit system for occupational safety

As a supplement to the overarching risk management system, Voith has implemented a comprehensive audit system for identifying and analyzing work-related hazards and risks in the context of occupational safety. In the reporting period, the greatest potential dangers were identified as being stumbles, slips and falls as well as crane accidents. Because most injuries affect hands, the topic of "hand protection" remains at the center of attention. Since 2021, protection of hands has also been the topic of a worldwide campaign to raise awareness among employees in the areas affected: Operations, Service, Logistics and Training.

eVAP occupational safety app

The specially developed eVAP occupational safety app (eVAP is short for "electronic Voith Awareness Program") enables correspondingly trained employees to register and report potential hazards directly from the workspace using their smartphone or tablet. With the app, information and photos can be sent directly to the line manager responsible as well as to a central database. This data is analyzed and evaluated by the line managers in daily briefings. This actively involves employees in accident prevention. Pictograms simplify use of the app and overcome potential language barriers.

HSE training

Employee training and adequate transfer of information on important developments are the duty of executive managers with responsibility for HR matters. Instruction sessions for employees must be held at least once a year and documented. Centrally defined training documents assist with this process. Alongside the annual instruction sessions, information on the topic of HSE is published in brief communications on a regular basis, daily in some cases. Online instructions supplement face-to-face communications. With ongoing communications measures on safety issues, accident analyses, audits and other topics, we keep our employees up to date with regard to the topics of occupational safety and environmental protection at Voith. This enables us to take immediate action in the event of serious accidents or in certain types of accident.

Accidents

Factual basis
Occupational accidents

At Voith, accidents are recorded centrally in order to safeguard reliable reporting to the direct line manager and publication on the intranet. Serious incidents are additionally reported to the Corporate Board of Management within 24 hours. Accident investigations are performed by teams consisting of the persons concerned, line managers and safety experts. They review the incidents and document them. Especially serious accidents are subject to additional analysis by the global HSE team. The definitions and classifications of accidents are specified in detail in the “Working Instruction” Group manual and are worded in such a way that they are uniform and easily understood at an international level.

Over the past years, we succeeded in significantly reducing the number of accidents per one million working hours: It fell from 13.9 in the 2008/09 fiscal year to 1.4 in the reporting year. This decline is a strong result, even in industry comparisons, as the average frequency rate for companies in the trade association for plant and mechanical engineering in Germany was 20.12 in 2023. This means within the scope of our efforts at all locations on the topic of occupational safety we have reached our objective of lowering our frequency rate to 1.5 or lower.

The number of reportable accidents in the reporting year fell from 75 to 59. The severity rate – the benchmark for the severity of the accidents – rose slightly: to 370 hours lost (previous year: 362) per 1 million working hours in the reporting year. This change is also attributable to changes in the internal reporting requirements.

The nature of the accidents mostly involved bruising – especially on hands and fingers. In the 2023/2024 fiscal year, we integrated the risk assessment of incidents into the existing Incident WebApp. The objective is to use this channel to uncover potential for more occupational safety. Using this app, all incidents in the field of occupational safety and environmental protection at Voith are entered in a Group-wide reporting system and centrally evaluated according to standardized criteria on a monthly basis.

Despite our great efforts and the measurable successes in the field of occupational safety, the 2023/24 fiscal year was overshadowed by two fatal occupational accidents suffered by Voith employees at customer locations. We are deeply saddened by the death of our two colleagues. The first tragedy happened in January 2024 at a hydropower plant in Spain in which an employee of Voith Hydro S.L. was fatally injured. The second tragedy took place in April 2024 at an Italian hydropower plant. Alongside our employee of Voith Hydro S.r.l., several other people were fatally injured in this incident. In the investigation of these tragic incidents, Voith is working closely with the local authorities to provide the best possible assistance with discovering what happened. In this context, we are also reviewing our processes. Should it become apparent when the investigation comes to a conclusion that there is need to optimize out processes, we will take corresponding measures. In the two previous fiscal years, there were luckily no fatal accidents.

Occupational health management

In order to take account of the legal environment and cultural differences at the locations in the respective countries we apply an approach to health management specific to each individual region. Each instance fully meets the statutory requirements on occupational health and safety and the associated medical services.

The Voith Health Initiative (VGI) brings together both one-off campaigns and long-term offers relating to health promotion as part of one comprehensive program. A central VGI SharePoint page is used to present and make available all health-promoting measures in a clear and transparent manner. In the 2023/24 reporting year, not only a wide range of online offers focusing on nutrition and sleep were made available but also on-site campaign days, opportunities for skin screening and flu vaccinations. There was an ongoing dialog among the German locations to ensure uniform procedure and an effective exchange of information. We would like to expand and strengthen this network.

02.3 Attracting employees

In light of the lack of skilled personnel, we are making every effort to reinforce Voith as an employer brand. The career website plays a central role in this. It is an essential component of the employer branding. The objective is to offer a platform that is intuitive to use on which all important information can be found on us as an employer. Similarly, we use various media and platforms to provide potential employees with an impression of Voith. These include, among other things, success stories, company events and employee portraits. In addition, we make use of other events and career fairs as a place to advertise Voith.

Recruitment of new employees is governed by a four-stage process. When selecting applicants, it is not only their specialist qualifications that play a decisive role but also whether their way of thinking and working matches our corporate culture. For this reason, our interview guideline for job interviews in

Germany is based on our competency model. It contains standardized questions and clear assessment guidelines to ensure an objective, fair selection. With a view to promoting equal opportunities also in talent development, we introduced uniformly applicable talent-management tools based on objectified criteria in the 2021/22 fiscal year. These approaches contribute to promoting talents in a transparent manner and according to uniform criteria.

02.4 Development programs

Our talent management measures focus on identifying employees with management potential at an early stage and providing them with targeted support. By using objective assessments of potential, we would like to further increase quality and fairness in the selection of management talents. At the same time, a pool approach is intended to make appointments to leadership positions more efficient and transparent. Our overarching objective remains to fill the majority of management positions from our own workforce.

Talent promotion

Voith's "Talent Program" is a development program focusing on Germany tailored specifically to graduates and young professionals with a little experience. The three modules "GROW", "DISCOVER" and "INNOVATE" cover in a targeted manner not only the individual needs of the participants but also the Company's strategic requirements. The participants work on important international projects with a strategic focus and while doing so start establishing their professional network. At the same time, they have to intensely deal with innovations and forward-looking issues.

Preparation for management and leadership duties

In the reporting period, Voith Paper's Talent Board made it possible for young professionals from Germany to participate in strategic project tasks. These tasks were either specified by the management or initiated by the participants themselves. The outcomes of the projects were analyzed together with the management, which enabled the participants to gain valuable insights into management and leadership tasks. The program was supplemented with individual mentoring for personal development.

Training on diversity and inclusion

Over the past few years, our executive managers worldwide have taken part in mandatory workshops on the significance of D&I as well as its practical application in their own actions. A training module on D&I also remains a permanent component of the executive management development program. In addition, there is a toolkit available to executive managers on the Company's own SharePoint platform.

This toolkit offers practical suggestions and measures to actively integrate D&I into everyday work and the team culture. At the same time, it helps executive managers to critically reflect on and refine their management style with regard to diversity and inclusion.

Voith builds on continually optimizing its training offering. In order to safeguard the quality of the measures, participants are requested to provide feedback after every training session. The results are made available both to the trainers and to the HR function. To this end, the assessment of the respective executive manager is obtained to be able to evaluate the success of the training from various perspectives.

Factual basis
Hours of further training

In the 2023/24 fiscal year, Voith's employees took part in a total of 200,079 hours of further training. In the previous year it was 127,580. On average, Voith employees took part in 8.7 hours of further training, in the previous year it was 5.5. These figures only cover the hours of training recorded in the system, enabling them to be assessed. Additional further training measures such as on-the-job training were not included.

Further training initiative "AFRIKA KOMMT!"

We are actively involved in the "AFRIKA KOMMT! (Africa is Coming!) initiative, a further training program in conjunction with the German Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit). The objective of the initiative is to provide further training in businesses for future executive managers from Africa. Voith has supported this program as a partner company awarding scholarships since 2008. One key component of the annual further training initiative is an eight-month training course held at Voith. Our long-term objective is to permanently integrate African talents in our Company and by doing so strengthen our business activities in Africa. The region offers great opportunities for Voith, especially in the area of hydropower.

02.5 Promotion of women and girls

Factual basis
Employee structure

Factual basis
Parental leave

We are implementing a number of targeted measures with a view to increasing the proportion of women, especially in management positions. These include personnel marketing initiatives aimed at inspiring girls and women to take up STEM professions (science, technology, engineering, mathematics) and positioning Voith as an attractive employer, especially for women. Furthermore, we promote equal opportunities at all phases of a professional career at Voith. This includes standardization of the interview process and ongoing flexibilization of our working models.

This approach is supported by regional in-house women's networks offering initiatives such as mentoring programs, network events and training courses. In addition, we are involved in external networks such as "Women & Work" to further reinforce our efforts.

Women remain underrepresented in technical apprenticeships and higher education programs. For this reason, Voith is involved in measures around the world aimed at increasing girls' and young women's interest in technical professions. We have been participating in Girls' Day and the Girls' Academy for many years and are involved in various initiatives run by the State Government in Baden-Württemberg. These programs aim at encouraging more girls and women to take up STEM professions and, at the same time, increase career opportunities for women, including those returning to work.

02.6 Diversity & Inclusion

We understand the diversity of our workforce as consisting of sexual identity, age, nationality, ethnic origins, skin color, language, religion, education and training, professional experience and many other individual characteristics such as family status, social background, convictions, health status and physical and mental abilities. We are convinced that it is specifically this interaction of differing experiences, talents and strengths that promotes creativeness and facilitates an inspiring, innovative corporate culture.

For us, inclusion means promoting this diversity with appreciative, open and respectful interaction. This forms the basis for enabling all employees to develop their full potential and contribute their differing perspectives, ways of thinking and approaches. In light of this, Voith signed the Diversity Charter in 2018, thus committing itself to promoting an appreciative and unprejudiced working environment.

In its CoC, Voith takes a clear stance against every form of discrimination against employees and business partners. Compliance and enforcement of the Code is monitored by the Voith Compliance organization. Reports on infringements can be submitted via the Group-wide complaints procedure. Over and above this, there is a dedicated email address for the area of D&I available to employees that can be used to submit complaints or requests for help directly to the D&I team. The contact persons for this subject area are listed on the D&I website. The same applies to the whistleblowing system. In every individual case, Voith will take all necessary measures to protect the reporting employee from negative consequences of all kinds, for example with regard to career progression or protection against bullying.

Section
The Code of Conduct

Section
Reporting of infringements

The principle of "zero tolerance towards discrimination" is binding on all employees and is translated by the Corporate Board of Management into specific behaviors in the Declaration on Diversity, Inclusion and Equal Opportunities ("D&I Declaration"). This Declaration guarantees equal opportunities for all people in the Company, irrespective of their race, ethnicity, gender, religion or ideology, political opinion, age or sexual identity. It expressly includes that all groups merit protection. In addition, we emphasize in the Declaration our obligation to structure all aspects of the employment relationship – from recruitment and further training, assessments and promotions through to remuneration and additional benefits – fairly and impartially.

D&I Declaration

In the Declaration, the Corporate Board of Management also underscores the importance of diverse teams and a working environment characterized by mutual respect and appreciation. Executive managers are particularly encouraged to promote the development of their team members, support cooperation – also across boundaries – and to advance the willingness to undergo transformation in their teams. The importance of D&I is additional underscored by the President and CEO acting as a sponsor to personally support these activities.

One key component of our D&I program involves reviewing and optimizing our processes to counter unconscious bias. To minimize bias in our HR processes, we are working throughout the Group on employing greater standardization and objectification of the selection and promotion procedures for employees in the area of recruiting and talent development. Examples of this include the use of 1+6+3 tests (psychological testing methods to assess potential and suitability), potential interviews and management audits in appointments to management positions.

Alongside raising awareness among all employees, our D&I program also covers the implementation of targeted measures. The relevant topics are cascaded via regional HR business partners, D&I managers and D&I advocates to the contact persons at the respective locations. Group HR is responsible for coordinating the program and specifies standards applicable worldwide to safeguard a uniform approach and an exchange of best practices. By acting in this way, we simultaneously take into account the many different global challenges.

We use global communication campaigns and various presentations to regularly inform our employees about the topic of D&I. As a signatory to the Diversity Charter, Voith has been involved in the German Diversity Day since 2019. As in previous years, the Diversity Day was extended to a global D&I month once again in 2024. In this context, self-organized workshops were held at a regional and global level that facilitated an intense exchange of ideas and experiences, created a space for shared learning and promoted networking.

Over and above this, our employees have the possibility to get involved in regional Employee Resource Groups to actively shape specific D&I topics. This approach is supplemented with digital tools and formats that facilitate exchange and cooperation across hierarchies, regions and Group Divisions. In addition, there is an e-learning module available worldwide on the topic of “unconscious bias” that promotes awareness for this important topic.

Voith takes a clear stance against bullying and builds on diversity and inclusion. This position is also reflected in the corresponding passages in the Code of Conduct and in the Company’s other policies. The corporate culture at Voith also ensures the promotion of mutual respect. Furthermore, the design of training programs and course registration pays attention to impartiality and equal opportunities to ensure a discrimination-free working environment.

03 Environment

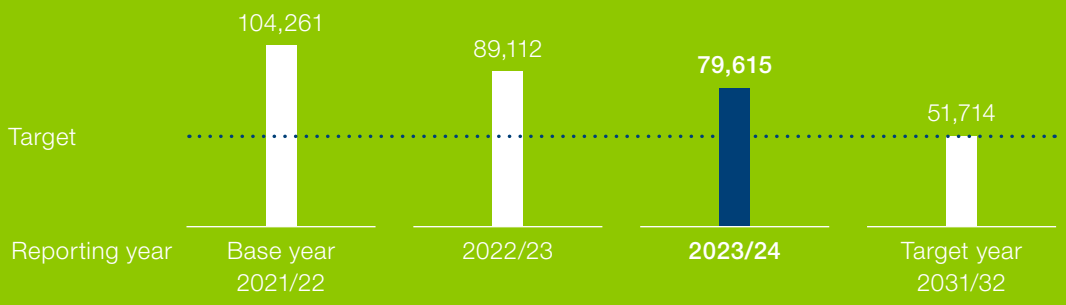
Goals for environment:

- Reduction in CO_2-emissions in scopes 1 and 2 by **50%** (base year 2021/22 fiscal year) by the end of the 2031/32 fiscal year.

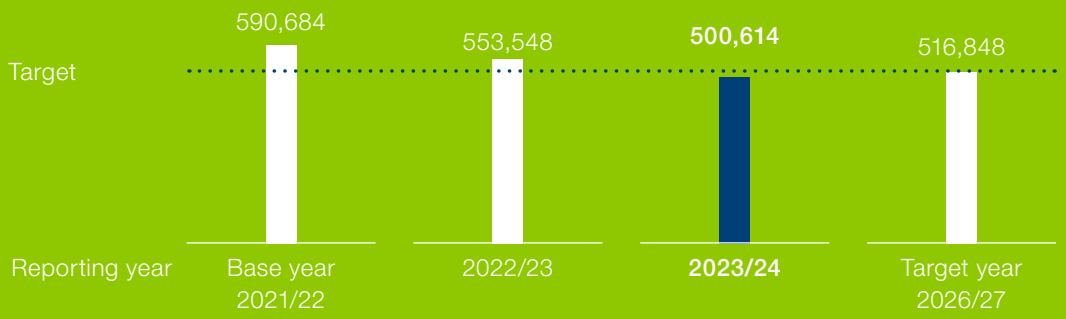
- Reduction in energy consumption by **12.5%** (base year 2021/22 fiscal year) by the end of the 2026/27 fiscal year.

- Increase on-site generation of renewable energies to **16 gigawatt hours** (GWh) by the end of the 2026/27 fiscal year.

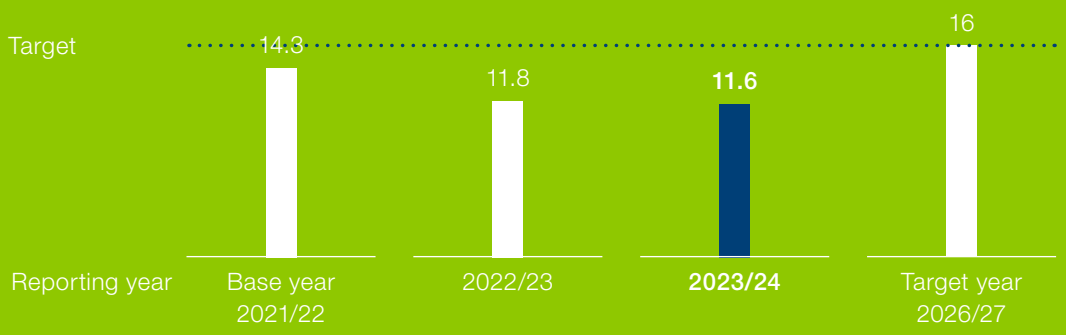
CO_2 emissions in scope 1 and 2
specific value in t CO_2



Energy consumption
in MWh



Energy generated from renewable sources at own locations
in GWh



03 Environment

03.1 Environmental protection at Voith

Statement on Sustainability

With our Statement on Sustainability, we underscore our responsibility for conservation of the environment and set clear principles to guide our work. On this basis, we have defined the following focal points regarding climate protection:

- Reduce our energy consumption and the corresponding GHG emissions as well as the the release of air-borne pollutants
- Efficient use of raw and other materials in the sense of a circular economy
- Avoidance of waste wherever possible
- Safe handling of working materials, hazardous substances and operating supplies
- Continual reduction in our water withdrawal and in wastewater volumes
- Conservation and promotion of biodiversity
- Decrease in environmental impact during and after use of the product
- Health and safety of customers

Environmental protection organization

The EBM integrates strategy, objective and program management, environmental accounting, corporate carbon accounting, and the development, control, and monitoring of Voith's climate protection strategy implementation. Within corporate environmental protection, the HSE function provides the Group Divisions and locations with strategic and operational support in complying with and implementing environmental regulations, whether at a global, national or location level.

The established organizational structure ensures that all measures within corporate environmental protection are performed uniformly. This is ensured, among other things, by a central approval process for the use of hazardous substances. The HSE guidelines, valid throughout the Group, form the basis for this. It is supplemented by work instructions to put in place regulations on site for effective environmental protection.

Responsibility for implementation of the corresponding measures lies with the locations and their executive managers. They receive support in this respect from the environmental protection officers and HSE experts. They assume comprehensive duties: extending from protection against emissions and pollution of water, proper handling of waste and hazardous substances through to the avoidance of incidents relevant to the environment.

Furthermore, the HSE experts advise the location managements on construction and conversion work as well as with approval procedures. To this end, they perform site inspections and audits. In the individual Group Divisions, they ensure systematic support for the respective Voith entities.

Our objective is to further expand the number of locations certified according to ISO 14001 (Environmental Management Systems). Currently, 75 % (previous year: 81 %) of our locations (measured by the number of employees) have already been certified to this standard. The decrease is firstly due to a change in the certification scope and secondly new companies have joined the Group that have not yet been certified.

Factual basis
Certifications

Documentation of environmental incidents

Using the Incident WebApp all environmental incidents at Voith are recorded in a Group-wide reporting system according to standardized criteria on the basis of the event and are evaluated centrally once a month. This also applies to incidents caused by commissioned companies. In the event of serious environmental incidents, the management of the respective Group Division is informed directly.

Training measures

Since the 2019/20 fiscal year, Voith has been providing employees with a multi-lingual e-learning offering on the topic of sustainability. An enhanced e-learning program on this topic has been completed and will be rolled out throughout the Group in the 2024/25 fiscal year. Additionally, the topic of environmental protection is addressed as a mandatory topic in recurring safety instructions for employees.

Risks in connection with business activities

The business activities of an industrial company generally give rise to risks for people and the environment. Such risks occurring could also result in damages being filed and a loss of reputation. Industrial safety as well as compliance with environmental legislation and corporate policies are top priorities for us. All production processes are subject to the Group directives on health, safety and environmental protection and on quality and risk management. Integrated management systems support compliance with these directives in both production and relevant products.

Section
The risk management process

Our systematic risk management process enables us to identify environmental risks at an early stage and initiate measures to avoid them. Insurance policies are taken out or adequate provisions have been recognized for any residual risks. This way, we take environmental and health risks arising from Voith's business activities into consideration.

Environmental pollution

It is mainly dust, particles, POPs and noise emissions that play a role at Voith with regard to the environment. The work instructions to reduce dust and particle emissions at Voith are based on the current statutory regulations in each case and are updated on an ongoing basis.

How to deal with noise emissions, specifically within the scope of risks and hazard assessments, is set out in the work and process instructions on occupational health and safety and environmental protection. In the case of noise-related complaints, Voith follows a clearly defined process.

Biodiversity

Within the scope of our current materiality analysis, the topic of biodiversity was identified as relevant for Voith. For this reason, we commissioned an analysis for the 2024/25 reporting year intended to assess the interdependencies and impacts of the Company on biodiversity. This analysis will also cover Voith's supply chain.

03.2 Climate change

Section
UNGC, SBTi and management systems

The United Nations Paris Agreement stipulates that the increase in average global temperature should be kept clearly below 2 degrees Celsius and, if possible, even 1.5 degrees Celsius in comparison to the preindustrial level. We stand with this goal and support it with our climate strategy. To emphasize our concern, we joined the SBTi in December 2023 thus expressing our intention of developing climate objectives that are in line with the demands of the Paris Climate Agreement.

Our climate strategy promotes our climate targets by our transitioning – wherever possible – from fossil to renewable energy sources and gradually and systematically reducing our energy consumptions through targeted energy efficiency measures. To this end, we are building on the ongoing expansion of our ISO 50001 energy management certifications. Purchasing CO2 offsetting credits is not part of our strategy.

The SBTi

We submitted our commitment to the setting of climate targets to the SBTi in December 2023. This involves a commitment to setting scientific climate targets for reducing GHG emissions. SBTi is currently reviewing Voith's target documents. We expect a positive decision on the recognition of Voith's climate target for the first quarter of 2025.

Voith's climate target submitted to the SBTi is composed of two components:

- Reduction of the absolute scope 1 and scope 2 GHG emissions by 50% by the 2031/32 fiscal year (base year 2021/22)
- Reduction in the absolute scope 3 GHG emissions from the use of sold products by 30% (base year 2021/22 fiscal year) by the end of the 2031/32 fiscal year

One fundamental aspect for the elaboration of the climate targets was our entire emissions in scope 1 through 3 measuring at zero. We have undertaken to perform this quantification for all emissions categories applicable to Voith with a base year of the 2021/22 fiscal year. Emissions from sources which the Company directly owns or controls (scope 1) and such emissions caused by purchased energy (scope 2) accounted for 104,261 metric tons of carbon dioxide equivalents (t CO_2e) in our base year. The indirect emissions from our value chain (scope 3) amounted to 71,457,983 t CO_2e in the base year and thus make up more than 99% of total emissions. As is typical for the industry, the emissions from the use phase make up the greater part of our Scope 3 emissions (68,756,126 t CO_2e = 96% of total emissions). For this reason, we have allocated a separate SBTi target to the use phase.

For implementation and steering the climate target submitted to the SBTi, a Steering Board was set up with representatives of the Corporate Board of Management and further C-level individuals under the management of Corporate Sustainability. The resolutions of the Steering Board are forwarded by Corporate Sustainability to the divisional representatives as well as other players within the Group responsible for this topic. They develop specific plans and measures to reach the targets, by reducing energy consumption, for example.

In addition, further internal and external stakeholders are informed via the corporate website, social media and the global intranet. This makes it possible to also integrate their feedback to further refine the SBTi reduction strategy.

Energy management as part of the GETP

With the GETP, we launched an initiative last year intended to support our climate targets approved by the SBTi. The GETP is composed of three measures:

- Reduction in energy consumption through efficiency projects where the necessary investments are funded by the monetary savings achieved ("cash back")
- The expansion of the Group's own renewable electricity production at our locations to reduce dependency on external energy sources and to promote more sustainable energy sources
- Perspective of increasing the proportion of green electricity to 100% by the end of the 2031/32 fiscal year

Implementation of the measures will take place in two phases. For the first phase that will last until the 2026/27 fiscal year, we have set the following interim targets:

- Reduction in energy consumption by 12.5% in comparison to the base year of 2021/22 through efficiency projects, corresponding to savings of 74 GWh
- Increase of on-site generation of renewable energy up to 16 GWh
- Maintaining at least the existing high share of green electricity (> 60%) and increasing the ratio if economically viable

The assessment of the energy savings achieved from Phase 1 and the modeling of Phase 2 – including the setting of new targets in the area of energy use, generation and efficiency – will be performed in the 2025/26 fiscal year.

Measurement of energy consumptions and comparison with the target values are controlled by the specialists from the Group Divisions and the central functions through the EBM. To this end and for the first time in the 2023/24 fiscal year, what are referred to a significant energy users (SEUs) were identified and an internal Energy Efficiency Index (EEI) was established throughout the Group to steer in a detailed manner both the energy consumption and the effectiveness of the energy efficiency measures. This procedure serves as an early warning indicator to be able to spot deviations and initiate countermeasures at an early stage.

A systematic process performed annually for the purpose of energetic monitoring and assessment of all consumer units as well as of identifying potential for optimization ensures that new technologies, more economical methods and changes in energy and CO_2-costs are also included in the planning measures.

Development of energy consumption

In the 2023/24 fiscal year, our EBM followed up on the good work of the previous years and was able to save a total of 11,453 megawatt hours (MWh) of energy through numerous projects and measures.

The reduction arises from savings in the areas of lighting, compressed air, heating, ventilation, air-conditioning and maintenance measures. We are also able to further reduce our energy consumptions and CO_2 emission in various processes. One notable example is the modification of welding and thermosetting processes. Additionally, modernizing the machinery pool and acquiring e-vehicles and electric forklifts have contributed to efficiency improvements. Waste heat is also utilized in various ways, such as being fed back into the heating circuit to enhance the efficiency of our machinery.

The savings are quantified on the basis of measurements. Depending on the availability of data, substantiated assumptions are also used. Recording of energy consumptions is performed throughout the Group via the “hse+” system from Quentic, the recording of the energy savings attained via ExcellenceDB or a SharePoint platform to depict CapEx (CapEx is an abbreviation for capital expenditure).

CO_2 footprint in scopes 1, 2 and 3

We collect data on our CO_2 footprint in scopes 1, 2 and 3 in accordance with the guidelines of the GHG protocol (GHG = greenhouse gas). We have been collecting data on scopes 1 and 2 on an annual basis for more than ten years for the publication of the Sustainability Report. We carried out a first complete zero measurement of the carbon footprint, which also includes Scope 3, in 2024 for the base year of our climate target (2021/22). Our plans are to also collect data for scope 3 on an annual basis beginning the 2024/25 fiscal year.

In the 2023/24 fiscal year, we succeeded in reducing our scope 1 and scope 2 emissions by 24 % compared to the 2021/22 base year and are thus well on our way to reaching our SBTi target.

The measures under our energy management have made a material contribution to significantly reducing our scope 1 and scope 2 emissions. For instance, we succeeded in the 2023/24 fiscal year in reducing our GHG emissions at our locations by 11 % to 79,700 t CO_2e (previous year: 89,182 t CO_2e). The share of scope 1 emissions fell by 11 % to 51,339 t CO_2e (previous year: 57,557 t CO_2e). Scope 2 emissions decreased by 10 % to 28,361 t CO_2e (previous year: 31.625 t CO_2e). We had an external advisory firm validate our corporate carbon footprint in the past fiscal year.

Reduction of emissions in the supply chain

We identify in a targeted manner those suppliers who have a great influence on our purchasing-related emissions and strategic partners. The most important suppliers are prioritized to take part in initiatives to reduce emissions or other environment-related activities in the coming fiscal year. In addition, CBAM-relevant suppliers are included in order to ensure compliance with new emissions regulations. This approach enables us to concentrate on partners with the greatest environmental impact. We offer assistance to selected suppliers in calculating their emissions and gradually reducing them. We also initiate project-related cooperation arrangements with selected suppliers to reinforce resource cycles and further reduce emissions.

Factual basis
Water

03.3 Water

Responsible management of water is a fixed component of our business practice. Consequently, it is our objective to further reduce our water consumption.

Most recently in the 2020/21 fiscal year, we analyzed the water risks at the Voith locations by means of the Aqueduct data base of the WRI and the Water Risk Filter of the WWF. Not only aspects of water quality and quantity were included in this assessment but also current regulatory criteria. Reassessment of this analysis is planned for the 2024/25 fiscal year.

Targets for reducing water withdrawal

With a view to further reducing our water withdrawal, we work on efficiency projects on an ongoing basis. By the end of the 2026/27 fiscal year, we want to reduce our water withdrawal by 5% in comparison to the base year 2021/2022. The savings achieved serve as an indicator of the effectiveness of the measures; these savings are recorded uniformly in an internal database and evaluated. In the past fiscal year, we succeeded in reducing our water withdrawal by 5% to a volume of 1,050,015 cubic meters (m^3) (previous year: 1,105,204 m^3).

With a volume of 922,399 m^3, the quantity of wastewater also fell by 13% in comparison to the previous period (previous year: 1,061,953 m^3).

03.4 Use of resources and circular economy

Alongside decarbonization and digitalization, Voith is increasingly building on the principle of circular economy. Our objective is to drive innovations that help to create closed material cycles and in doing so promote circular economy in our branches of industry. Wherever reasonably possible, we apply this principle to our own product development and production processes.

For instance, we are committed to using resources responsibly in our business operations, to minimize environmental risks and to make an active contribution to climate protection. In this respect, we place special importance on efficient use of raw and other materials in the sense of a circular economy and the avoidance of waste wherever reasonably possible.

In 2010, we set ourselves a first reduction target for lowering the volume of waste. With the 2022/23 reporting year, we came of an agreement on new objectives in the areas of materials efficiency and waste avoidance: By the end of the 2026/27 fiscal year, we want to reduce our waste generation by a further 5% in comparison to the base year 2021/22.

Raw materials, feedstock and semi-finished products

We achieved our savings so far through comprehensive measures relating to materials efficiency, targeted process optimizations and expanding reuse and recycling strategies.

Factual basis Materials used

Absolute waste quantities

In the reporting period, a total of 38,266 t of waste were incurred at Voith (previous year: 47,961 t), a reduction in the volume of waste by 20%. This includes, among other things, a decrease of 5,600 t in hazardous waste. The volume of non-hazardous waste fell by 4,095 t.

Factual basis Waste and hazardous waste

Treatment of hazardous waste

We do not transport any waste ourselves. The collection and storage of hazardous waste is subject to strict internal regulations, whereas disposal is performed exclusively by external, certified companies specializing in disposal and recycling.

Infringements of the corresponding regulations are consistently sanctioned: Whenever an infringement is identified, we make contact immediately with the waste disposal company concerned, point out the deficiency and check whether it is rectified within a reasonable period of time. Otherwise, cooperation will be terminated. If we learn that a waste disposal company is disposing of waste illegally, we will terminate the business relationship with immediate effect.

To support compliance with all standards, we perform regular audits at waste disposal companies. These audits include inspections of facilities and plants as well as obtaining and documenting evidence of disposal. In the reporting period, no infringements of the law by our waste disposal service providers were identified.

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Universal standards

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On the report

The Sustainability Report has been prepared since 2011 to provide our stakeholders with information on our sustainability performance on an annual basis. The present report describes the progress made in the 2023/24 fiscal year, i.e. from October 1, 2023 to September 30, 2024. In this document, we focus on the fields of action material to our company and our stakeholders. The report is published on our website together with a supplementary factual basis.[1)]

In its reporting, Voith follows the guidelines of the Global Reporting Initiative (GRI) and uses the corresponding GRI standards (2020) as an orientation. The editorial deadline for the report was March 28, 2025. An external audit of the content was not performed.

Unless stated otherwise, all figures contained in the present report apply to the Group Divisions Voith Hydro, Voith Paper, Voith Turbo and CF&S worldwide. The Report features the same scope of consolidation as the consolidated financial statements. The entities included similarly correspond to those in the consolidated financial statements.

Whereas HR data are stated as headcount in this report, the reporting in the annual report mainly uses FTE, which means the figures may deviate from each other.

The data serving as performance indicators in the report was predominantly collected by means of software specific to the area concerned. Figures were rounded using standard commercial principles, for which reason there may be deviations between the totals of the individual amounts in the tables and the total figures stated. In individual cases, it is not possible to show a three-year trend, but efforts are being made to be able to do so in future. In certain cases, performance figures were corrected retrospectively due to changes in the data available of the calculation method. This has been noted at the places in question. All forward-looking statements in this Report are based on assumptions valid at the editorial deadline. On account of unknown risks, uncertainties and other factors, actual results, developments or achievements by the Company may deviate from the forecasts, assessments and announcements.

[1)] This report marks the start of our new approach to sustainability reporting.
The content to be reported is presented separately in the report itself and in the factual basis.
The report contains the description of the management approaches (strategies, targets and measures) and will only be updated as required.
The report therefore remains unchanged and applicable for the next fiscal years.
The factual basis contains the quantitative key figures. These are updated and published accordingly for each fiscal year.

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https://voith.de/nachhaltigkeit
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