

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

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## 1 Foreword

Founded in 1867, Voith is today one of Europe's largest family-owned companies, operating in over 60 countries worldwide.

The importance of sustainability and value-oriented business has always been implemented in our strategy.

This Policy Statement on Human Rights testifies to our deep-rooted ambition to act ethically and responsibly, enhancing our existing regulations for comprehensive compliance with our legal due diligence obligations.

We commit to respecting human rights and environmental regulatory obligations throughout our entire supply chain and consider the protection of human rights and the preservation of our environment as central elements of our corporate culture.

We not only adhere to existing laws but also expressly commit to upholding internationally recognized human rights and environmental responsibilities. To prevent human rights violations and environmental pollution in our business operations, we take sustainable measures.

We condemn any form of child and forced labor as well as all forms of human trafficking and (modern) slavery. We are strongly committed to promoting diversity and inclusion and reject discrimination.

We commit to complying with applicable occupational safety standards at our locations, to paying fair wages, and to respecting our employees' freedom of association.

For us, environmental protection is a fundamental prerequisite for upholding human rights. Therefore, we advocate for eco-friendly business practices that respect nature and promote sustainable resource use.

This Policy Statement applies to JMV SE & Co. KG, Voith GmbH & Co. KGaA, J.M. Voith SE & Co. KG, their respective subsidiaries, and all group companies over which Voith has a determining influence ("Group companies").

## 2 Risk management

To meet our due diligence obligations under the Supply Chain Due Diligence Act (LkSG), we have established and implemented comprehensive methods for risk analysis and for the prevention and remediation of human rights- and environment-related violations in all relevant business processes for both our own business area and for our suppliers, particularly in the areas of procurement, supplier management, and quality.

The supervision of the implementation and effectiveness of risk management system is the responsibility of the Voith Human Rights Committee, consisting of the Chief Financial Officers (CFOs) of the Group Divisions and the Voith Group.

## 3 Priority on human rights and environmental risks

Our primary focus is on prioritizing human rights and environmental concerns to ensure the integrity of our business practices.

Our risk analysis concentrates on identifying risks that could affect workers, communities, the environment, and human rights. In doing so, we consider the social, environmental, and ethical dimensions of our supply chain. We carefully assess factors such as supplier locations, industry practices, and regional contexts.

Prioritizing these risks forms the basis for responsible procurement and sustainable supply chain management.

## 4 Risk analysis

We conduct the identification and assessment of risks along our supply chain and in our own business area in accordance with the requirements of the LkSG.

### 4.1 Risk analysis in our own business area

Voith has introduced regulations that provide a high standard for the protection of human rights and the environment. The validity and application of these regulations in our Group companies reduce the likelihood of a breach of due diligence obligations under the LkSG. Accordingly, our Group companies are classified as low risk. If necessary, we conduct additional ad hoc risk analyses.

### 4.2 Risk analysis for suppliers

At least once a year, we conduct an analysis to identify human rights-related and environmental risks among our direct suppliers. This is done in two steps:

Assessment of country risks based on various indices, such as ITUC Global Rights Index, UN Ratification, Unicef Child Labor Data, etc.

Assessment of industry risks: The classification of the commodity group codes used at Voith into different risk categories is based on external sources for risk assessments and our own empirical values.

All direct suppliers that exhibit both an increased country risk and an increased sector risk are assigned a higher risk rating.

In certain cases, we also conduct ad hoc risk analyses, for example, if there is substantiated knowledge of a human rights or environmental obligation violation by a supplier or if the risk situation changes.

## 5 Preventive measures

We implement comprehensive measures aimed at identifying, preventing, or reducing potential risks related to human rights violations and breaches of environmental due diligence obligations in our supply chain, as well as in our own business operations. These measures also serve to ensure that our employees and our suppliers are familiar with our ethical, social, and environmental standards and expectations and comply with them.

### 5.1 Preventive measures in our own business area

We raise awareness and train our employees on human rights and environment-related risks and the associated due diligence obligations. For this purpose, we use online training, especially in the areas of quality, procurement, and supplier management. In addition, we regularly conduct compliance training for other target groups.

### 5.2 Preventive measures regarding direct suppliers

If the risk analysis reveals human rights or environmental risks with a direct supplier, over whom we have significant influence due to factors such as purchasing volume or legal frameworks, we assess the probability of a violation and the necessity of countermeasures through an additional compliance survey.

Suppliers registering for the first time in our procurement system also undergo an integrity assessment.

Additionally, we offer training to suppliers classified with a higher risk level.

During our supplier audits, human rights and environmental aspects are examined in accordance with the LkSG requirements, if necessary.

### 5.3 Effectiveness of preventive measures

The effectiveness of the preventive measures is reviewed at least annually after the fiscal year-end. Particularly, reported and generally known violations at our direct suppliers and within our own business operations are considered.

## 6 Remedial measures

As soon as we determine that a violation of a human rights or environmental obligation within the meaning of the LkSG has already occurred or is imminent ("human rights or environmental incident"), we will take appropriate remedial action without delay. Voith's ability to influence the supplier is also taken into account (among other things due to the legal framework).

### 6.1 Remedial measures in our own business area

We immediately investigate violations within our own business operations. In collaboration with Compliance, Quality, Health Safety Environment, and other relevant departments, the issue is investigated, and measures are determined. An internal audit may be necessary.

### 6.2 Remedial measures regarding suppliers

In case of human rights or environmental violations at a direct supplier, a defined escalation process is initiated. This includes, among other things, the investigation of the violation and the development of an action plan with the supplier. Conducting a Supply Chain Act review or supplier audit on-site is one way to verify the situation, or the action plan developed.

This approach also applies to indirect suppliers in case of reported or known violations.

Our focus is on preventing or ending imminent or existing breaches of duty. If this cannot be achieved in specific cases in

cooperation with the supplier, we reserve the right, in consultation with the Voith Human Rights Committee, to decide on the continuation of cooperation with the respective supplier.

## 7 Complaints procedure

Independently of the risk analysis and the identified risks, we have established an internal company complaints procedure that enables all affected individuals to report human rights and environmental risks, as well as violations of human rights and environmental obligations in accordance with the LkSG.

The handling of information and complaints at Voith is regulated by procedural rules.

The Voith Group ensures that there are dedicated reporting offices in all Voith regions, offering a broader range of languages for submitting information or complaints.

The complaints procedure, including regional contact details, is publicly accessible on our website: [Compliance / Whistleblower System | Voith](#)

We regularly review and further develop the effectiveness of the complaints procedure.

## 8 Documentation and reporting

Compliance with due diligence obligations under the LkSG is continuously documented within the company's internal IT systems. The documentation is retained for at least seven years from its creation.

Annually, a report on the fulfillment of the due diligence obligations under the LkSG in the previous fiscal year is prepared and published on the Voith website four months after the fiscal year-end. The report is publicly accessible there free of charge for a period of seven years and is also submitted annually to the Federal

Office for Economic Affairs and Export Control (BAFA).

## 9 Our expectations regarding human rights and environmental expectations

The principles outlined in this Policy Statement primarily apply to our own business area, i.e., all of our employees.

We also expect our suppliers and business partners to commit to respecting our principles. They should develop and establish appropriate and effective procedures to address and prevent identified risks and violations, as well as to uncover potential future risks.

Our Code of Conduct also clearly and comprehensively communicates our fundamental expectations of our employees and suppliers with regard to human rights

and environmental due diligence obligations. We are committed to continuously developing our human rights and environmental due diligence processes.

## 10 Implementation

To implement the measures and processes described in this Policy Statement, we occasionally utilize other Group companies through delegation.

## 11 Concluding remarks

With this Policy Statement, we reaffirm our deep-rooted commitment to respecting human rights and responsibly managing our operational processes and supply chains. By prioritizing these principles in our actions, we contribute to positively influencing global value chains.



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