

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

Voith rejects any form of human trafficking, forced labor or child labor. This declaration complies with the “UN Universal Declaration of Human Rights 1948,” the “California Transparency in Supply Chains Act 2010” and the “UK Modern Slavery Act 2015.”

Structure of the company and its supply chains

Voith is a technology company that operates globally. With a broad portfolio of systems, products and digital services, Voith serves five essential markets: Energy, oil & gas, paper, raw materials as well as transportation & automotive. The holding company is Voith GmbH headquartered in Heidenheim/Brenz, Germany.

Voith GmbH is 100% family owned. The advisory committee and the supervisory board are the shareholders' committee and the board of directors, respectively. The latter is also the controlling authority with respect to the Management Board. The operating business is combined in four Group Divisions: Voith Hydro, Voith Paper, Voith Turbo and Voith Digital Solutions.

Voith is a global production company with more than 60 locations in 17 countries and procures products and services from suppliers worldwide.

Business policy with regard to forced labor and human trafficking

The shareholders, supervisory boards and the Management Board of Voith proscribe any sort of human trafficking, forced labor or child labor.

In the Voith Code of Conduct, the basic principles for fair working conditions are formulated in the following way. “Voith always offers its employees appropriate wages and fair working conditions that meet all legal requirements. We also reject any form of forced labor or child labor just as we reject interfering with the legal representation of the rights of employees.”

With regard to selecting suppliers and service providers, this means, “When selecting business partners, Voith requires that the partner complies with the values cited in this directive. A violation by a partner can lead to termination of the business relationship.”

Due diligence efforts in the company and supply chains

An integrity check is performed for every supplier with an expected order volume exceeding €25,000. In addition, the suppliers are to provide a self-disclosure including, among other information, statements with regard to the compliance officer and the presence of compliance rules and standards as well as training courses. If this indicates a risk, Internet research and, if necessary, an expanded background check are performed.

In the case of supplier audits that also contain a walkthrough of the plant, attention is paid to indications of forced labor or child labor, among other factors. If compliance violations are found during research or audits, the business relationships will be terminated immediately.

Description of the at-risk company divisions and steps to evaluate and minimize the risks

Forced labor and child labor are a component of the risk analysis and risk assessment in every part of the company. During this process, country-specific risks are evaluated just as are risks in the individual fields of endeavor of the business partner. The compliance officer of the unit performs this risk assessment.

Risks exist particularly when acquiring parts and services from suppliers in regions where forced labor and child labor are still widely practiced in the opinion of NGOs or other institutions.

In the General Purchasing Conditions, we require the following from all of our suppliers:

“Within the scope of its corporate responsibility, the Supplier acknowledges that in or in connection with the manufacture and sale of its goods or rendering of its services, legal requirements, including laws to protect the environment, must be complied with, labor-law provisions and laws for maintaining the health of the employees must be adhered to and child labor or forced labor will not be tolerated.

The Supplier also confirms on acceptance of the order, that it will not entertain or tolerate any form of bribery and corruption. The Customer references, in this connection, the “Voith Code of Conduct” that applies throughout the Voith Company and that can be viewed at <http://www.Voith.com>. The Customer expects from the Supplier that the Supplier will avow compliance with the rules and principles contained therein and support their observance.”

Effectiveness of the measures

Voith is of the opinion that the measures taken are effective, sufficient and appropriate against every type of forced labor or child labor.

Observance of the internal rules and standards and use of the risk analysis and risk assessment are checked on a regular basis and, in case of doubt, also on an event-driven basis, during the audit activities of the Corporate Audit function.

Employee training sessions

The Voith Code of Conduct is presented to and explained to all Voith employees upon joining the company. In addition, every employee must successfully complete two online training courses on the topic of compliance. These courses describe our basic principles regarding forced labor and child labor in addition to the basic concepts on anticorruption and antitrust law. These training courses each last about 30 minutes and must be repeated every 3 years.

For our managers and all employees in Sales and Purchasing, we require participation in a 1-day training course that covers in detail all compliance-related requirements. These also include the legal principles and actions to prevent forced labor and child labor. These training courses are reinforced every 3 years using online training.



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