

**Voith's Annual Report
on
Forced Labour and Child Labour**

Bill S-211 Report

*An Act to enact the Fighting Against Forced Labour and Child Labour in
Supply Chains Act and to amend the Customs Tariff*

Dated May 30, 2025

For the fiscal year that ended on September 30, 2024

The Voith Group is a global technology company. With its broad portfolio of systems, products, services and digital applications, Voith is a supplier of goods and services to the markets of energy, paper, raw materials and transport & automotive. Founded in 1867, the Voith Group today has around 22,000 employees, sales of € 5.2 billion and locations in over 60 countries worldwide and is thus one of the larger family-owned companies in Europe.

A large proportion of the world's paper production is manufactured on Voith paper machines. A quarter of the energy generated worldwide from hydropower is produced with turbines and generators from Voith Hydro. Voith's drive components are found in applications all over the world, both in industrial plants and in road and rail vehicles, as well as on the waters.

Voith's operating business is bundled in three Group Divisions: Voith Hydro, Voith Paper, and Voith Turbo. In North America, Voith Paper and Voith Turbo are a part of Voith US Inc. (in the US) and Voith Canada Inc. (in Canada). Voith Hydro is a part of Voith Hydro Inc. (in the US) and Voith Hydro Inc. (in Canada).

Voith's supply chain is global and includes supplier countries identified as increased risk or very high risk. Voith has set up processes and procedures to mitigate such risks.

As Voith states in its Code of Conduct, "Voith is aware of its responsibility to society, and it acts accordingly. We acknowledge the duty of our company and our employees to serve the common good."

Voith condemns modern slavery, including forced labour and child labour as defined in the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"). Voith's Management Board Declaration on Human Trafficking, Forced Labor and Child Labor, which is available at https://voith.com/corp-en/brochures_modern_slavery_en.pdf, is fully incorporated into this report and included below. The Management Board Declaration states Voith's rejection of any form of human trafficking, forced labour or child labour, and includes information on the business policy, due diligence efforts, description of the at-risk company divisions and steps to evaluate and minimize the risk, the effectiveness of the measures and employee training. As expressly stated therein, if such compliance violations are discovered, the business relationship will be terminated. Further measures to remediate, including measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in Voith's activities and supply chains, would be considered on a case-by-case basis depending on the circumstances.

Additional information can be found in Voith's 202 Sustainability Report, which is available at: https://www.voith.com/corp-en/Voith_Sustainability_Report_2024.pdf.

This report constitutes a joint report of the following Voith entities:

- Voith Canada Inc., a Canadian corporation
- Voith Hydro Inc., a Canadian corporation
- Voith Hydro Inc., a Delaware corporation (US)
- Voith US Inc., a Delaware corporation (US)

Financial Reporting Year: The fiscal year that ended on September 30, 2024.

The following is the referenced Management Board Declaration on Human Trafficking, Forced Labor and Child Labor, which is made a part of this Report.

**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.”

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.



Dr. Toralf Haag
(President & CEO)

Voith Group
St. Poeltener Str. 43
89522 Heidenheim, Germany

Contact:
Tel. +49 7321 37-6218
compliance@voith.com
www.voith.com

VOITH
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Attestation:

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I, in the capacity as an officer of the companies as listed below, attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.



Stephanie S. Vandertie

Secretary of Voith Canada Inc., Voith Hydro Inc. and Voith Hydro Inc.

Senior Vice President – Central Functions and Corporate Secretary of Voith US Inc.

May 30, 2025

I have the authority to bind Voith Canada Inc., Voith Hydro Inc., Voith Hydro Inc. and Voith US Inc.