

## TRANSPARENCY ACT STATEMENT OF DUE DILIGENCE ASSESSMENTS

### VOITH HYDRO AS

Valid for the period 01.10.2024 – 30.09.2025



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*The purpose of the Transparency Act is to promote the company's respect for fundamental human rights and decent working conditions. The Act requires large companies to carry out due diligence, account for their work and respond to information requirements. This report describes how Voith Hydro AS works to identify, assess and follow up on findings and deviations in its own operations and in the supply chain.*

## 1. Introduction

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Voith Hydro AS is a leading player in hydropower technology, supplying products, systems and services to the hydropower sector. We focus on hydropower projects within automation, turbines, generators and electromechanical auxiliary systems. This includes service, rehabilitation, modernization, upgrading and delivery of new plants.

Voith Hydro AS is part of the Voith Group in Germany, an international technology group with operations in several countries. The Norwegian business has complete local expertise in electromechanical products and systems for hydropower plants.

We have four locations in Norway: Oslo, Trondheim, Fredrikstad and Tranby, and a total of 160 employees. Our primary market and catchment area is Norway. We mainly sell our goods and services to Norwegian hydropower producing companies.

At the same time, we are part of a global industrial value chain. Our deliveries can include technical components, metal products, automation equipment, electronics, transportation and project-based services. This makes it important for us to work systematically with responsibility in the supply chain.

## 2. Anchoring responsibility

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We support and respect fundamental human rights and decent working conditions in our own operations and expect our suppliers and business partners to do the same.

Work on the Transparency Act is anchored in management and in the company's management systems. The Board of Directors has overall responsibility, while management is responsible for ensuring that the work is followed up in practice. The work is carried out in collaboration between relevant functions, particularly purchasing, compliance, HSE and management.

As part of the Voith Group, we are subject to the Group's overall principles and guidelines for responsible business practice. This includes requirements for compliance, anti-corruption, human rights, working conditions, the environment and sustainability. At the same time, we have an independent responsibility to carry out and document due diligence in accordance with the Norwegian Transparency Act.

We have dedicated compliance resources that follow up the work on compliance, including the Transparency Act. The compliance function helps to ensure that issues relating to human rights, decent work, supplier follow-up and whistleblowing are handled in line with internal procedures.

Our key guidelines and documents include the Code of Conduct, Supplier Code of Conduct, procedures for selecting and approving suppliers, questionnaires in connection with the Transparency Act, checklist for the use of foreign labor and internal procedures for compliance, HSE and supplier follow-up.

When entering into agreements with suppliers, we set requirements for responsible practices. Suppliers are expected to comply with our principles for human rights, decent working conditions, HSE, the environment and ethical business operations.

### 3. Prudential assessments and methodology

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Our work on due diligence is based on the OECD Guidelines for Responsible Business Conduct. The work is an integral part of our procurement processes, supplier follow-up, compliance work and internal management systems.

In 2025, we updated our supply chain mapping. The survey covers 277 suppliers, of which 86 are included in the prioritized follow-up. The suppliers are distributed across 23 countries.

Prioritization is based on an overall assessment of, among other things, the supplier's importance to the business, type of delivery, geographical location, industry, subcontracting chain and available information about the supplier's work on human rights, HSE and compliance.

We use questionnaires and checklists as an established part of supplier follow-up. The questionnaires include management systems, compliance, anti-corruption, child labor, forced labor, human trafficking, discrimination, unionization, HSE, working hours, wages, the environment, information security, certifications and links to high-risk countries.

We also have an external advisor who provides support tools that contribute to structuring supplier data, risk mapping, analysis, monitoring of open sources and documentation of due diligence work. This strengthens our ability to follow up suppliers systematically and to capture changes in the risk picture over time.

### 4. Implementation in the reporting period

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During the reporting period, we continued and updated our work on mapping and following up the supply chain. The purpose of risk-based prioritization is to ensure that the follow-up is targeted and proportionate.

When assessing suppliers, we have emphasized the type of goods or services the supplier delivers, whether the delivery is critical to our projects, geographical location, any production in other countries, use of subcontractors, available information on HSE and working conditions, as well as any risk signals from open sources.

Monitoring takes place through established processes, including the use of questionnaires, collection of documentation, dialogues, assessment of country and industry risk and control when establishing new supplier relationships and suitable systems that provide an updated information basis for this. Where indicated by the risk picture, suppliers can be followed more closely through follow-up meetings, demands for improvement measures or additional documentation.



## 5. Identification of risk areas

As a supplier to the hydropower sector, we purchase technical components, metal products, machined parts, electronics, transportation and project-based services.

We have identified some significant inherent risk areas that are relevant to our business and industry.

### **Raw materials, metals and components**

Raw materials, metals and components

We are dependent on technical components, metal products, machined parts and electromechanical equipment. The risk in such supply chains often lies further down the value chain, particularly in the extraction, processing and production of steel, aluminum, copper, electronics and other input factors. This can involve significant risks related to working hours, wages, HSE, forced labor, child labor or lack of traceability.

### **Production, assembly and subcontractors**

Our deliveries may consist of customized products and systems that are manufactured, assembled or processed by several suppliers and subcontractors. The more links there are in the supply chain, the more demanding it can be to get a full overview of working conditions. This makes it important to follow up suppliers who use subcontractors in countries or industries with higher inherent risk.

### **Project work, installation and hired labor**

Servicing, rehabilitation, modernization and upgrading of hydropower plants involves the use of hired labor, fitters, specialists, subcontractors and transporters. Significant risks in this part of the business include working hours, overtime, wages, HSE, training, language skills and control of contractors.

### **HSE and safety in technical work**

Working with hydropower technology and electromechanical systems can involve handling heavy components, electrical systems, mechanical equipment, lifting operations and working on sites. This presents an inherent HSE risk both for our own employees and for suppliers who carry out work on our behalf.

### **Geographical risk and international supply chain**

We have suppliers in 23 countries. An international supply chain creates a need for systematic assessment of geographical risk, particularly where production, component sourcing or assembly takes place in countries with weaker enforcement of labor rights, higher corruption risk or limited freedom of association.

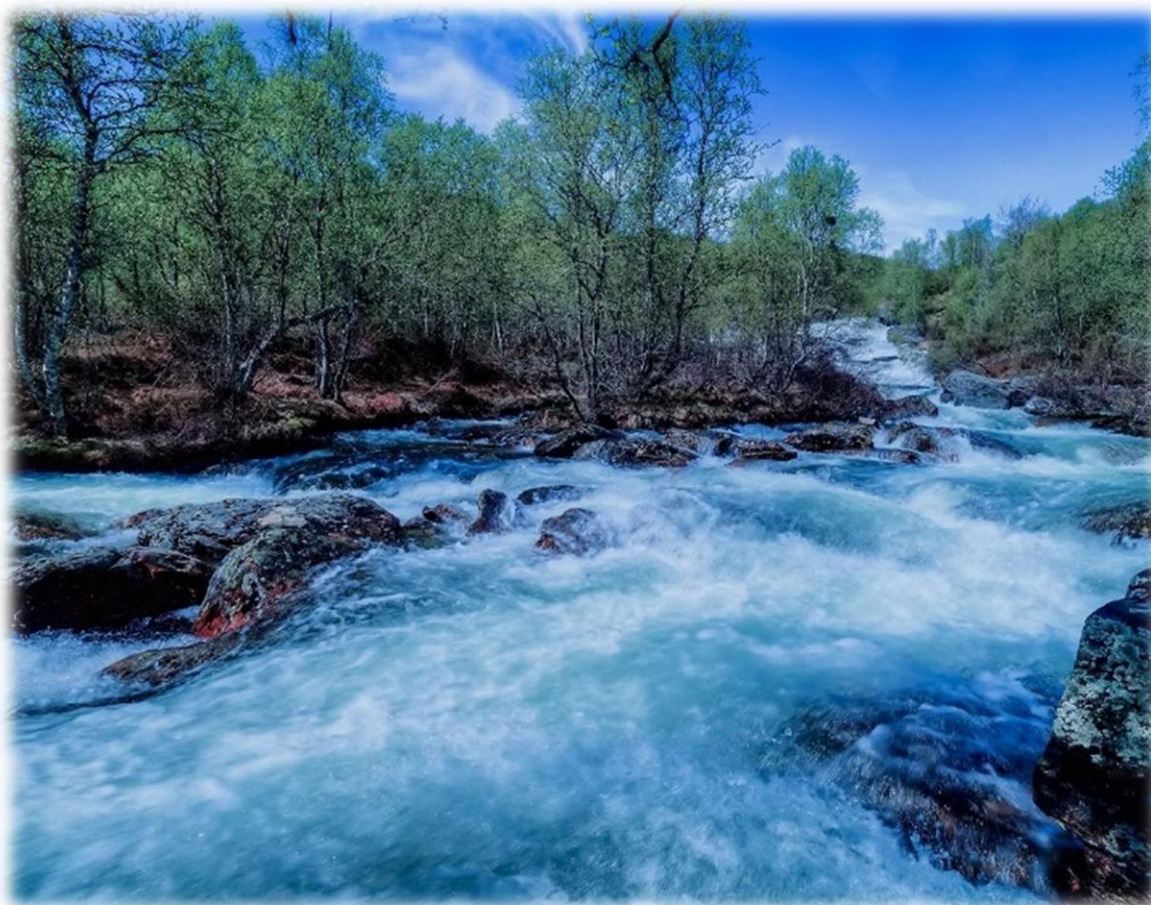
## 6. Identified risk

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As of the end of the reporting period, no specific breaches of fundamental human rights or decent working conditions have been identified in our own operations or in the supply chain.

Nor have any specific circumstances been identified that indicate that we have caused or contributed to negative consequences for human rights or working conditions. The risk areas that have been identified are mainly considered to be significant inherent risk areas related to industry, geography, raw materials, subcontractors, project work and HSE.

If indications of breaches of laws, ethical guidelines or basic expectations of human rights and decent working conditions are uncovered, we follow up the matter through established procedures. This may include dialog, documentation collection, improvement plans, follow-up meetings or other corrective measures. In the event of serious or persistent issues, we may consider limiting or terminating the business relationship.



## 7. Measures for good supplier follow-up

We work continuously to identify and follow up risk areas in both the supply chain and our own operations. Measures must be proportionate and risk-based, and follow-up is prioritized where the risk is considered most significant.

Based on the mapping and assessments carried out, we will continue with the following measures:

### **Follow-up on priority suppliers**

Priority suppliers are monitored through the collection of documentation, updated supplier information, assessment of subcontractor chains, dialogue meetings, and follow-up on any deficiencies or ambiguities.

### **Supplier Requirements and Documentation**

We set requirements for suppliers through our Supplier Code of Conduct, contracts, procurement procedures, and other policy documents. We also use questionnaires to assess suppliers' work regarding human rights, working conditions, health, safety, and the environment (HSE), compliance, the environment, and information security.

### **Verification of new supplier relationships**

Before establishing new supplier relationships, we conduct relevant checks. This may include an assessment of country risk, publicly available information, compliance incidents, financial standing, and other factors that may affect the supplier's suitability.

We use, among other things, the Voith Integrity Check process, which is an automated, web-based risk screening tool for suppliers. The tool checks for red flags such as bribery, fraud, antitrust violations, corruption, and child labor in both English and the supplier's local language. The tool also scans the World Bank's sanctions list.

### **Monitoring of temporary and foreign workers**

We continue to follow procedures for monitoring temporary and foreign workers. This includes, among other things, reviewing employment contracts, pay and working conditions, working hours, health, safety, and environmental (HSE) standards, and compliance with relevant regulations.

### **Supplier audits and follow-up meetings**

We may conduct supplier audits or follow-up meetings when the risk warrants it. This may apply to suppliers with critical deliveries, suppliers in countries or industries with elevated risk, or suppliers whose documentation is incomplete.

If issues requiring follow-up are identified, we will consider specific corrective actions. These may include requests for documentation, corrective measures, deadlines, follow-up meetings, or an audit. If a supplier does not demonstrate a willingness or ability to rectify serious issues, we may consider limiting or terminating the partnership.

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## 8. Contact and Access

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We are committed to transparency regarding our work under the Transparency Act. This report is part of our external communication on how we address human rights and decent working conditions.

Internally, relevant requirements and expectations are communicated through the company's established channels, procedures, and training programs. Suppliers and business partners are made aware of our expectations through contracts, guidelines, questionnaires, and dialogue.

Information regarding any issues of concern can be reported to our reporting channel at <https://voith.integrityline.app/>

All inquiries regarding Voith's work with the Transparency Act may be sent to [compliance.vho@voith.com](mailto:compliance.vho@voith.com).

Upon receipt of information requests under the Transparency Act, we will process the inquiry in accordance with the Act's requirements. Generally, inquiries must be answered within three weeks. If the request is extensive or if additional information needs to be gathered, the response deadline may be extended in accordance with the law's provisions. In such cases, the sender will be informed of the expected processing time.

All inquiries are handled in a manner that complies with the requirements of the Freedom of Information Act, privacy considerations, and any business-sensitive information.

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Andreas Christian Wellmann  
*Chairman of the Board*

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Arild Brovold  
*Board member*

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