

Water

On the topic of water, the materiality analysis revealed

- the following significant negative impacts: Impairment of local water resources due to consumption of fresh water for surface treatments, cooling processes and the production of concrete ties;
- no significant positive impacts for people and the environment;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 71 et seq.). The company has reviewed its assets and business activities with regard to their impact on water resources. Here, water consumption data was analyzed and production processes evaluated. At the relevant sites, the company is in regular contact with local authorities to discuss potential risks in water management. Vossloh strives to optimize its water consumption in order to reduce negative impacts.

Water is a precious commodity, and Vossloh generally aims to use this elementary resource as efficiently as possible. Various measures have been taken at different sites in recent years, but their impact has not yet been centrally documented. In the course of preparing this report, the first step in 2024 was to expand the group-wide standardized and systematic collection of data on water beyond pure consumption data.

In a second step, the development of a group-wide concept on this topic began, which is intended to supplement the existing sustainability guidelines in 2025. The reason for the lack of a specific concept on water is that Vossloh has so far concentrated on other material sustainability matters when drawing up guidelines and concepts. It is planned that measures for more sustainable water use, particularly in areas with an increased risk of drought and high average water consumption, will also be developed as part of the group-wide concept. This will provide Vossloh with a basis for systematically tracking the effectiveness of the concepts and measures in relation to the material impact in the area of water in the future. The effectiveness of the measures taken is evaluated on the basis of the expanded data collection. In the reporting year, the company did not yet have defined targets and it is not yet meaningful to provide a base year for this topic.

In Vossloh's factories, water is mainly used for the surface treatment of products, as a cooling agent in various production processes and for the manufacture of concrete ties. With the exception of the Indian turnout plant which has natural springs, the production units obtain their water from the respective local public water suppliers. In the production areas of the Fastening Systems business unit and the Customized Modules division in particular, used water is therefore recycled in own facilities and fed back into the operating process. Some of the production units here work with closed water circuits. In contrast, the water used in the production of concrete ties in the Tie Technologies business unit remains bound in the products.

To date, none of the Vossloh Group's sites have collected rainwater to any significant extent and reused it in core processes. At the new Vossloh Switch Systems site in Bendigo, Australia, Vossloh will be using this on a large scale for the first time, drawing industrial water from rainwater reservoirs in accordance with the latest findings. Vossloh disposes of wastewater at all sites via the respective public wastewater systems. Industrial water that is heavily contaminated during production is first treated in the company's own wastewater treatment plants so that it at least meets the discharge standards of the public systems.

The following table shows the water consumption within the Vossloh Group, 98.7 % of which is via meters:

Vossloh Group	2024	2023
Water consumption (m³)	156,108	182,988
Water intensity	129.2	150.7

The following table provides further details on group-wide water consumption in the 2024 financial year:

Water consumption 2024			
	In areas without water risks	In areas with high water risks	Consumption of treated and reused water
Water consumption (m³)	64,760	86,887	4,460

Water consumption in the 2024 financial year was measured in all production units or verified by utility bills. The Indian turnout plant has its own natural springs. Their use has been approved by the Indian government, which also controls the specified withdrawal quantities. For office complexes, the Vossloh units only pay flat-rate advance payments to the landlords for their low consumption. This consumption corresponded to 1.3 % of the group-wide volume of water used, whereby assumptions about statistical consumption values per employee were used in accordance with EurEau specifications.

As part of the preparation of this declaration using the ESRS, Vossloh examined for the first time which of its sites worldwide are located in areas with high water stress. Such regions are those in which the percentage of water abstraction from the total water supply is high (40 % to 80 %) or extremely high (more than 80 %), as indicated in the Aqueduct Water Risk Atlas of the World Resources Institute (WRI). According to Aqueduct, 43 % of Vossloh's sites are currently located in areas with high water stress.

Resource outflows related to products and services

The materiality analysis of resource outflows in connection with products and services revealed

- the following significant negative impacts: Environmental impact due to the use of insufficiently sustainable materials and inadequate recycling of concrete ties;
- the following significant positive impacts: Promotion of the circular economy through a high proportion of unpackaged, recyclable products and increasing recycling rates;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 71 et seqq.). Vossloh has reviewed its assets and business activities with regard to resource utilization and the circular economy. Here, material flows were analyzed and production processes evaluated. At the relevant sites, the company is in regular contact with local authorities to discuss, for example, potential impacts on regional resource availability, local waste management capacities and possible synergies in the circular economy. The company aims to optimize its use of materials and increase recycling rates.

Vossloh's main products, such as rail fastening and turnout systems or concrete ties, generally have a long service life (ESRS 2 SBM-1, 40 a) i and ii, see pages 26, 28 and 29). This is also generally characteristic of the rail infrastructure sector. Once installed, they remain in the track for years or decades and are largely maintenance-free during their service life. At the end of their service life, the products are also almost completely recyclable. Depending on the load and maintenance, turnouts and turnout crossings, for example, can be in use for 30 years, rail fastening systems for around 40 years. A service life of 40 to 50 years can be assumed for concrete and composite sleepers. Vossloh's services, such as rail grinding and milling or monitoring services, help to ensure that existing rail infrastructure can be used for longer.

However, raw materials are needed to manufacture the products, such as steel and plastic for rail fastenings and turnouts or concrete for sleepers. Grinding wheels are used for rail maintenance. The materiality