



Powering a Clean Future

Sustainability Report 2023





Message From the CEO

“Sustainability is not just a buzzword, but a fundamental aspect of doing business in today’s interconnected world.”

Charles “Chip” Blankenship Jr.
Chairman of the Board and Chief Executive Officer

At Woodward we take incredible pride in our commitment to sustainability and our continued efforts to make a positive impact on our world. Our focus on energy control solutions that enhance system performance, increase fuel efficiency, and reduce carbon emissions exemplifies our dedication to creating a cleaner, better future.

We understand that sustainability is not just a buzzword. It is a fundamental aspect of doing business in today’s interconnected world. We are on a journey and continue to take ground on sustainable growth for our company and our customers. We remain fully committed to partnering with all our stakeholders to drive meaningful progress towards a sustainable future.

Our 2023 Sustainability Report, “Powering a Clean Future,” is a testament to our ongoing efforts and our commitment to environmental and social sustainability. We believe economic prosperity and social and environmental responsibility go hand-in-hand, and are proud to deliver innovation and manufacturing excellence that enable that progress. As part of our ongoing commitment to continuous improvement, we also released our updated Purpose & Values in fiscal 2024.

Below are a few key highlights and accomplishments included in this report:

› **Enhancing Our Safety Culture:** Across our organization, the health and safety of all employees, who we refer to as members, is our top priority. We strive towards our aspiration of zero safety incidents. In 2023, we implemented Human and Organizational Performance (HOP), a world-class approach to safety management, at our Rock Cut, IL, facility. We plan to deploy HOP at manufacturing facilities worldwide by the end of 2026. In addition, our “Find It / Fix It” program and a digital tool for reporting potential safety risks have made it easier for all members to proactively engage in improving the health, safety, and environmental performance of our workplace.

› **Developing a Robust Sustainability Program:** With 33 locations in 14 countries around the world, we continue on our journey to continuously improve our sustainable outcomes. This includes looking at ways to track and improve global environmental impact of our footprint, creating value for our members and communities, and comprehensive governance around sustainability programs.

› **Giving Back to Our Community:** Woodward strongly supports our communities. Most of our charitable giving is directed by and through the Woodward Charitable Trust, an independent foundation managed by a Board of Trustees. Last year, the Trust provided nearly 1.5 million dollars in grants to worthy and important causes, such as initiatives to support Science, Technology, Engineering and Math (STEM) education and training, and assistance for those in need. Through sponsorships and volunteerism, we are also engaged with specific initiatives at colleges and high schools to foster capabilities and interest in technical and business careers.

Thank you for your interest in Woodward’s sustainability path forward. Our global teams look forward to continuing to make a positive impact on the industries we serve, the communities where we operate, and the world we live in.

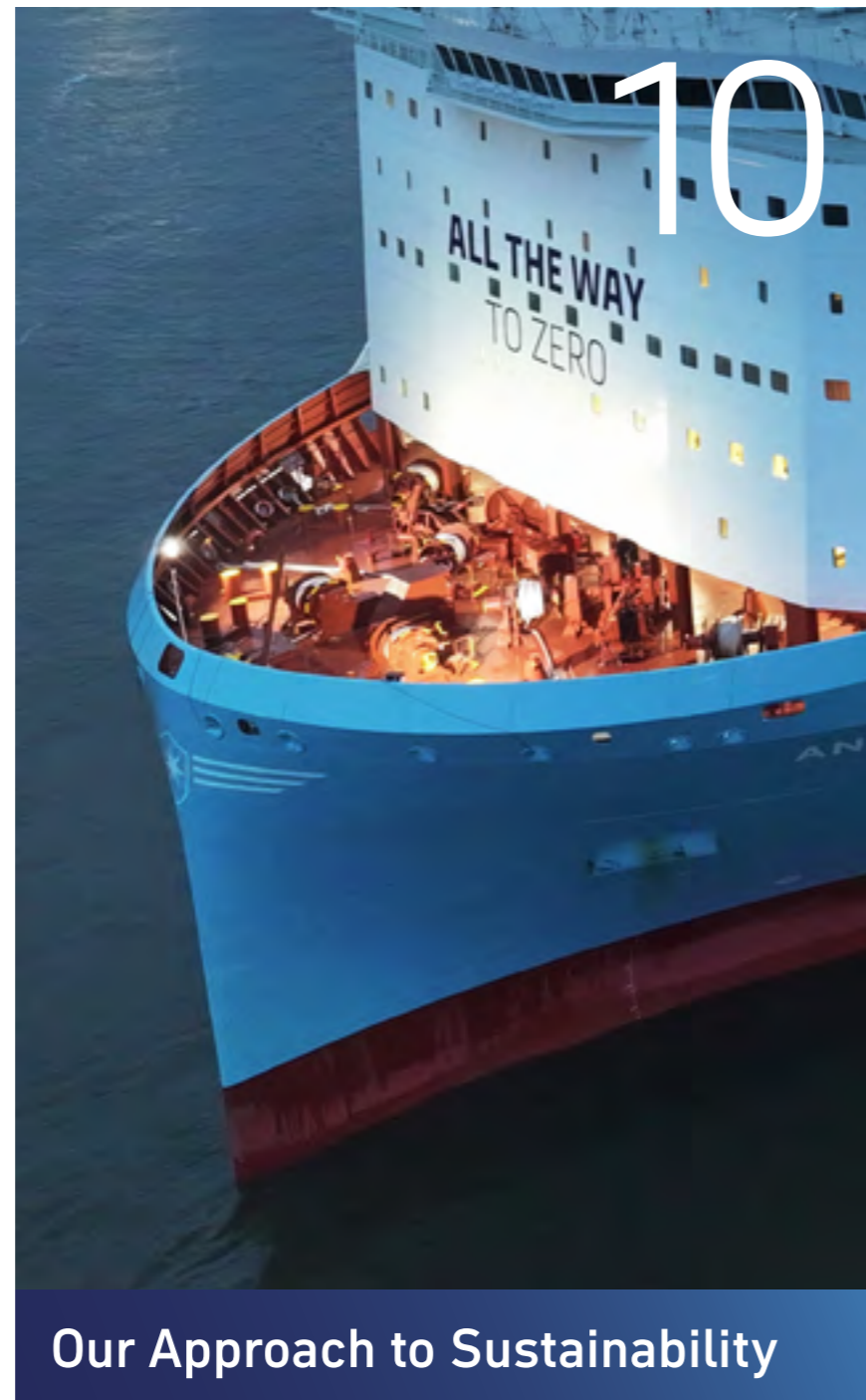
Charles “Chip” Blankenship,
Woodward, Inc.
Chairman of the Board and
Chief Executive Officer

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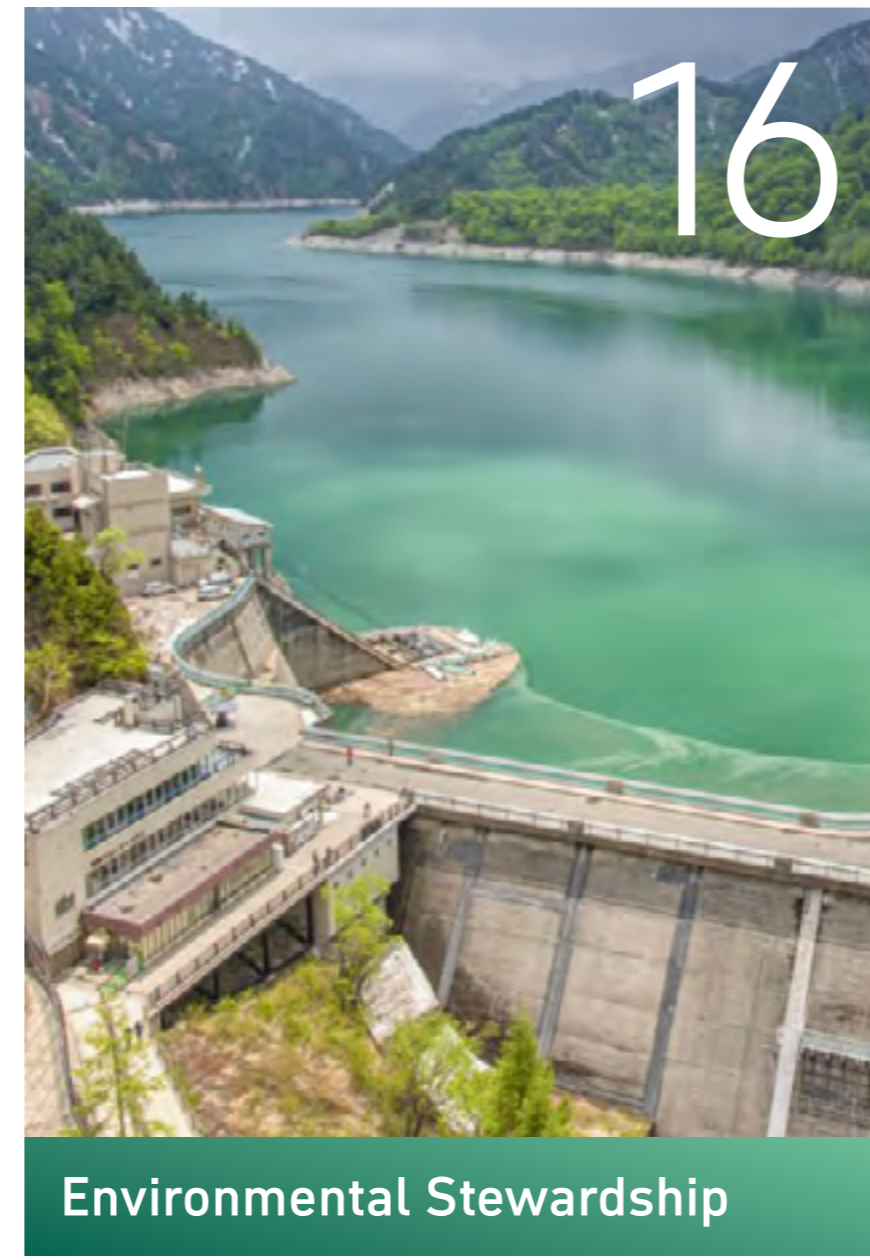
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About Woodward

Headquartered in Fort Collins, Colorado, USA, Woodward is the global leader in the design, manufacture, and service of energy conversion and control solutions for the aerospace and industrial equipment markets. Together with our customers, we are enabling the path to a cleaner, decarbonized world. Our innovative fluid, combustion, electrical, propulsion and motion control systems perform in some of the world's harshest environments. Our purpose is to design and deliver energy control solutions our partners count on to power a clean future.

Fort Collins, USA (HQ)



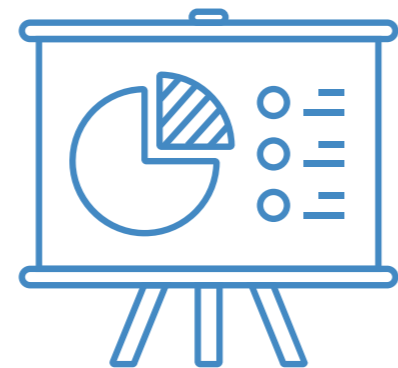
Woodward At a Glance



33 Locations
in 14 Countries



153
Years of Innovation
(Founded 1870)



INDUSTRIAL SALES
\$ 1.15 Billion
AEROSPACE SALES
\$ 1.77 Billion

SEGMENTS / MARKETS

Aerospace
> Commercial / Defense

Industrial
> Power Generation / Transportation /
Oil and Gas

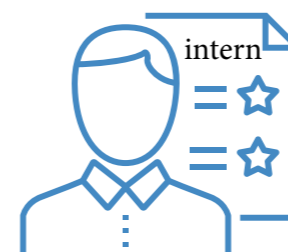


\$ 2.91 Billion
Company Sales



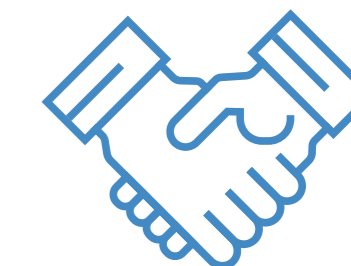
Number of Members:
Approximately

8,800



AVERAGE TENURE

10.66
Years



Woodward
Charitable Trust
Giving

\$ 1,446,000
in CY23

\$ 177 Million
Amount returned
to shareholders

\$ 51 Million
in dividends

\$ 126 Million
in share repurchases

\$ 132 Million
INVESTMENT IN R&D



Business Segments



Aerospace

Woodward solutions are on virtually all major commercial aircraft. Our technologies enable performance, efficiency, and reliability of commercial, business, and military flight. Our Aerospace segment delivers leading energy control and airframe solutions for aircraft OEMs. Our advanced engine control systems, integrated cockpit controls, precision actuation solutions, motion controls and sensors meet the aviation industry's extremely rigorous regulatory and performance demands.

Woodward's Maintenance, Repair and Overhaul services, deliver exceptional value for our customers, supporting ongoing performance throughout the lifecycle of aircraft fleets. We are also partnering with customers on programs to support the aviation industry's goal aspiration to achieve net-zero emissions by 2050 through control solutions for sustainable aviation fuels (SAF), electrification, and advanced aerodynamics. Recently, Woodward was selected to provide Balance of Plant (BoP) solutions for the Airbus ZEROe demonstrator for hydrogen-powered aircraft.

Industrial

Whether shipping critical cargo, fueling the transfer of data, or building and powering homes, our industrial technologies and services help keep modern life in motion. With our precision fuel-control components and renewable fuel technologies, we enable high-performance, efficiency and reliability for OEMs and end users in transportation, power generation, fuel production/refining and support a societal transition of these activities to a sustainable future.

Our Industrial segment designs, produces, and services systems and products for management of energy in the form of fuel, air, fluids, gases, motion, combustion, and electricity. Our key focus areas are applications and control solutions for machines that produce electricity using conventional or alternative energy sources, as well as fluid, motion, and combustion control solutions for complex oil and gas, industrial, power generation, and transportation applications.

The Woodward Constitution

The ideals of the Woodward Constitution, outlined in our core values, have been part of the fabric of the company since its inception in 1870. Our leadership team and members are dedicated to fulfilling our purpose and exemplifying the principles of the Constitution by fostering an environment that promotes behaviors aligned to our values. We most recently renewed our Constitution in 2023 to reflect Woodward's culture today, and to reinforce our commitment to making a meaningful impact on the world.

Woodward, Inc. was founded in Rockford, IL as the Woodward Governor Company after Amos Woodward invented and patented a better, faster, more efficient water wheel governor.



OUR PURPOSE

To design and deliver energy control solutions our partners count on to power a clean future.



OUR CORE VALUES

Integrity

We do the right thing. Always.

Respectful & Accountable

We hold each other in high esteem and hold each other to high standards.

Humble & Driven

We're confident but not arrogant.
We're always striving for better.

Our Approach to Sustainability

We continue to build upon our commitments to sustainability in areas of environmental stewardship, social responsibility, and corporate governance. We apply a systematic approach to identifying, evaluating, and managing risks across our operations, with the goal to be a supplier, community partner and employer of choice.



Sustainability Highlights

Innovation to Power a Clean Future

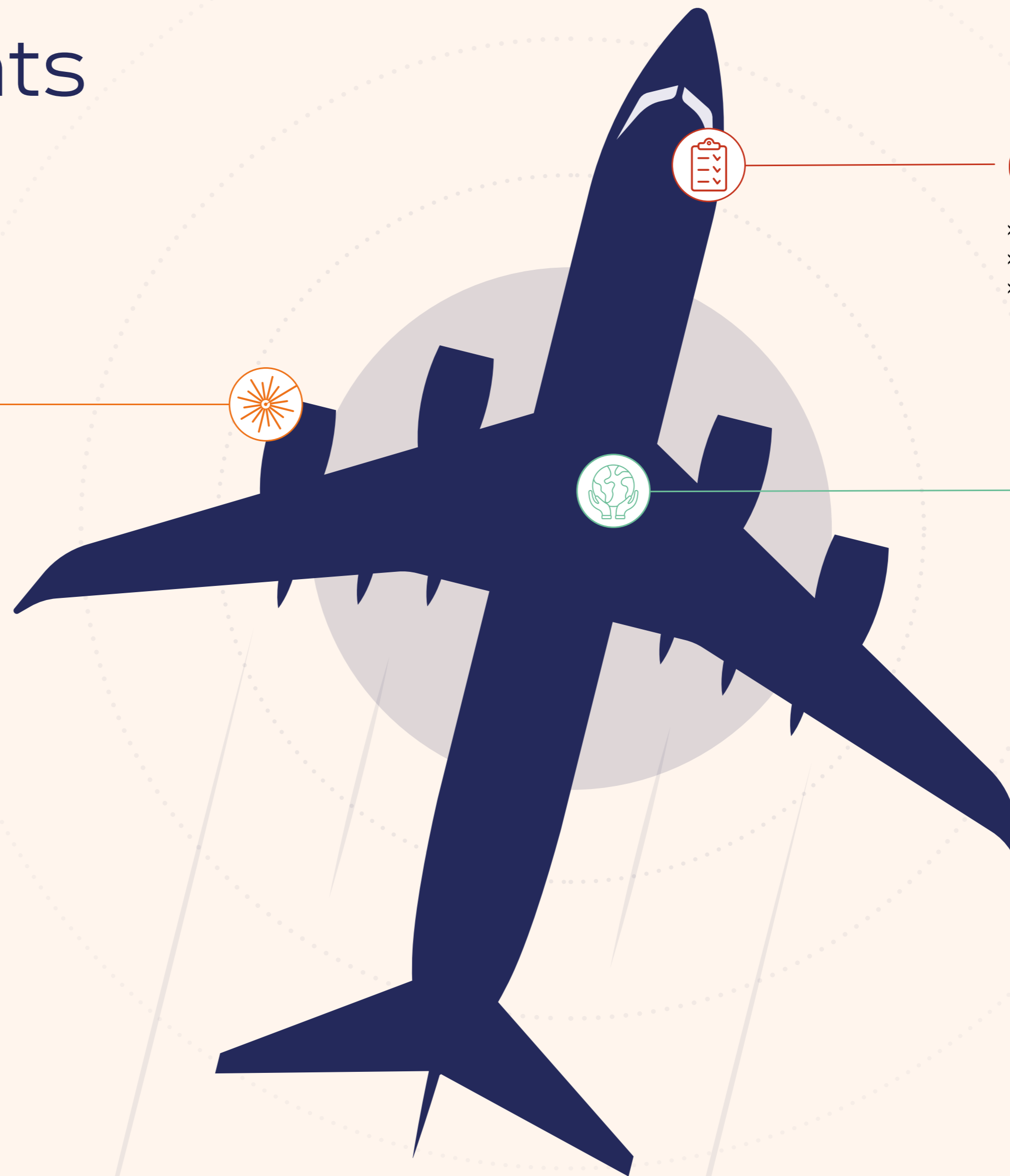
- > Sustainable Aviation Fuel Technologies
- > Net-Zero Flight Demonstrator
- > P2X
- > Dual Fuel
- > Enhance Energy Efficiency

Governance

- > 90% independent Board members
- > Board ESG oversight
- > Strong whistleblower & ethics reporting mechanisms

Global Operations

- > Launched Human and Organizational Performance (HOP)
- > Fatalities and Serious Injury Prevention (FSI)
- > Tracking and reducing facilities emissions
- > Reducing waste & natural resource consumption



Our Commitment to Social Responsibility

At Woodward, our members are core to our success. We take actions to provide a safe and meaningful work environment for our teams around the world. Our communities are also important stakeholders, and through sponsorships and volunteerism we are helping the communities where we operate to thrive.

Our Strategic Approach to Sustainability

At Woodward, we view sustainability as integrated into our strategy, which supports our company's long-term value and performance.

Sustainability has been ingrained in our purpose and values well before sustainability frameworks were developed and widely accepted. We recognize that sustainability issues are increasing in significance for many of our stakeholders who carefully consider and evaluate risks, as well as broader environmental and social impacts. Therefore, it is important for Woodward to continue to establish and implement company-wide sustainability strategies and to transparently communicate these efforts to all stakeholders.

We continue building our institutional knowledge in this area as well as the organizational capacity to gather and analyze sustainability data, which we believe will enable us to increase and improve future disclosures.

Our approach to sustainability is built upon four pillars:

01 Evaluate



Evaluate Woodward's sustainability practices and how these practices address pertinent local and global sustainability issues.

02 Strategize



Develop and recommend sustainability strategies, practices and commitments, including the identification of sustainability matters that should be a principal focus company wide.

03 Implement



Coordinate and engage with business groups and functional leaders to ensure efforts are leveraged and synchronized across the enterprise and support the businesses to help achieve effective implementation of sustainability initiatives.

04 Communicate



Ensure Woodward's global sustainability strategies, initiatives, and accomplishments are accurately and transparently communicated to all stakeholders (e.g., investors, members, communities, customers, and suppliers).

Sustainability Oversight & Steering Committee

Board Oversight of Sustainability

Woodward's commitment to sustainability and corporate social responsibility is reflected in our core value of integrity. At Woodward, strong governance and oversight of sustainability matters is critical, particularly with respect to the matters that impact our stakeholders. A robust sustainability program, with oversight from our Board of Directors (the Board) and the standing committees of the Board, contributes not only to the long-term value of our business, but also to the overall positive impact on stakeholders in our society.

- › **Our Board** works closely with the management team to oversee sustainability at the Company, including direct and active oversight of the Company's health and safety initiatives. The Board also exercises its oversight through its standing committees that each have sustainability oversight duties associated with their respective areas of responsibility.
- › **Our Nominating & Governance Committee** provides, by delegation of the Board, primary oversight over the Company's sustainability program generally.
- › **Our Audit Committee** oversees the adequacy and performance of the Company's ethics and compliance program, the Company's information security and risk management programs, and any public emissions and climate-related disclosures, including the establishment and periodic review of internal controls and procedures related to such disclosures.
- › **Our Human Capital & Compensation Committee** oversees the development, implementation and effectiveness of the Company's strategies and policies related to human capital management.

Management's Role in sustainability

To manage our sustainability programs and initiatives, we created a cross-functional executive-led team to establish and promote the strategies, standards and practices that advance Woodward's sustainability performance (the Sustainability Steering Committee). The Sustainability Steering Committee is responsible for evaluating our sustainability practices; developing and recommending sustainability strategies, practices and commitments that should be a principal focus company-wide; coordinating across the business to ensure sustainability efforts are leveraged and synchronized across the enterprise; supporting the businesses to help achieve effective implementation of strategic sustainability goals; and ensuring that our global sustainability strategies, initiatives and accomplishments are effectively communicated to our stakeholders.

Stakeholder Engagement

Woodward has a strong tradition of investing in, engaging with, and creating value for all stakeholders. We purposefully engage with these groups to ensure we understand realities and goals, incorporate unique perspectives, and respond to shifting trends when developing and implementing sustainability initiatives.

STAKEHOLDER GROUP	PHILOSOPHY	ENGAGEMENT MECHANISMS	STAKEHOLDER INVESTMENT
Shareholders	As stewards for our shareholders, we strive to ensure they receive a return that represents a superior, long-term investment.	<ul style="list-style-type: none"> > Quarterly and annual reports > Quarterly earnings calls > Investor Day > Annual meeting > Investor calls, meetings, and conferences 	<ul style="list-style-type: none"> > Financial performance > Long-term strategies > Capital allocation > Executive compensation > Sustainability performance
Members	We promote an environment that ensures safety, enables growth, development, and promotes meaningful work.	<ul style="list-style-type: none"> > Regular member engagement surveys > Quarterly all-member meetings across our global sites > Interactive internal member platform (Upward) 	<ul style="list-style-type: none"> > Prioritize workplace safety and the wellbeing of our members > Build a culture that enhances workforce capability > Provide meaningful employment that provides fair and competitive wages. > Promote opportunities for all members including professional development, tuition reimbursement, and leadership training
Customers	We are committed to partnering with our customers to deliver products and services that meet or exceed their expectations.	<ul style="list-style-type: none"> > Customer events > New product development > Sales meetings > Participation in industry associations (NAM, CIMAC, AIA, GAMA) 	<ul style="list-style-type: none"> > Invest in innovation to provide our customers with high quality products and services that maximize energy efficiency and enable affordable and clean energy solutions > Product safety and quality > Enhanced product cybersecurity > Responsible sourcing > Support customer sustainability goals and initiatives
Suppliers	We are invested in long-term partnerships with our suppliers, recognizing that our success is strongly linked to their performance and success.	<ul style="list-style-type: none"> > Onboarding process > Direct engagement > Responsible sourcing campaigns 	<ul style="list-style-type: none"> > Supplier development > Responsible sourcing > Quality expectations
Community	We cultivate a spirit of giving and volunteerism, and engage in our communities to ensure they are desirable places to live and work.	<ul style="list-style-type: none"> > Active involvement with chambers of commerce, economic development organizations, non-profits, and NGOs in the locations where we operate > Employee volunteering efforts 	<ul style="list-style-type: none"> > Economic vitality for local communities > Support for education, youth, and family services
Environment	We leverage some of the brightest minds in the world and unique engineering and manufacturing capabilities to contribute to a cleaner future.	<ul style="list-style-type: none"> > Product innovation to increase energy efficiency and reduce emissions > Supporting and enabling the energy transition to low carbon fuels 	<ul style="list-style-type: none"> > Develop a plan to reduce the impacts of our own global footprint by continuously monitoring and improving the efficiency of our operations

Environmental Stewardship

For more than 150 years, Woodward has specialized in developing products and solutions designed to improve efficiency and energy control in aerospace and industrial engines, as well as other systems and products.



Supporting a global transition towards increased energy efficiency

We continue to innovate products that reduce emissions, and we look for opportunities to minimize the environmental impacts of our operations. In future years, we anticipate adopting a systematic approach to reducing our emissions, industrial waste, and water usage.

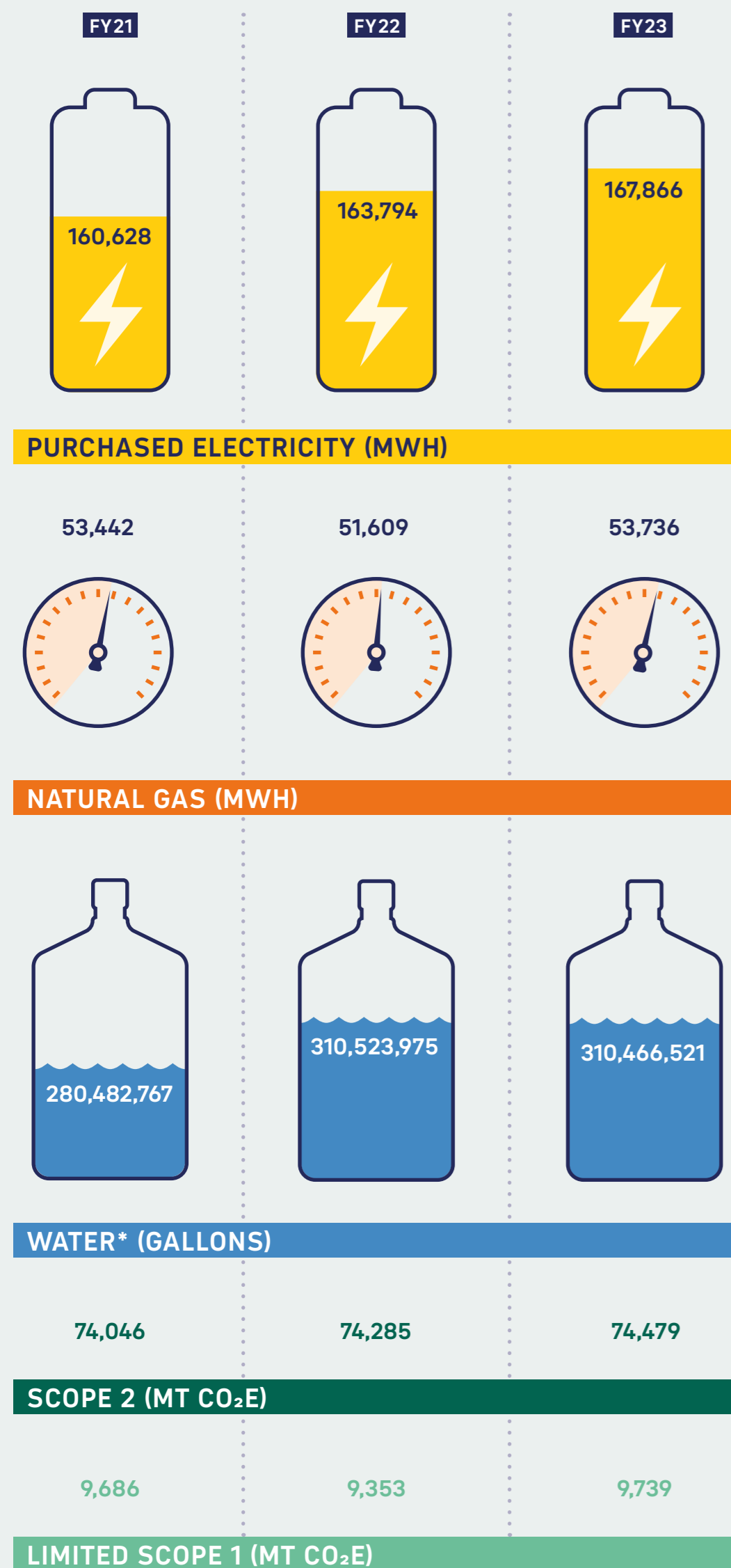
We pride ourselves on being responsive to our customers' needs and delivering innovative solutions that make our customers' products more energy-efficient, more cost effective, and support reduced emissions. For example, our innovative fluid energy, combustion control, electrical energy, and motion control systems help customers offer cleaner, more reliable, and more efficient equipment.

This includes solutions in fuel efficiency and sustainable fuels for aviation, transportation, oil and gas, and power generation. By focusing on improving energy efficiency and emissions intensity in our products and in our customers' products, we believe we are well positioned to support a global transition towards increased energy efficiency and greenhouse gas reduction.

Through our Environment, Health & Safety (EHS) Policy, we enact our commitment to the health and safety of our members, contractors, customers, suppliers, the communities in which we operate, and the protection of the environment.



Environmental Data: Woodward total absolute



Natural Resource Conservation

GHG Emissions

We have made significant progress in developing processes and procedures in connection with assessing, measuring and validating emissions generated from our operations (i.e., Scope 1 and Scope 2 emissions). For the first time we are now able to report certain emissions data, and we are actively establishing a program to expand these disclosures in future years.

Energy Usage

Manufacturing operations require a significant amount of energy, which is often dependent on nonrenewable sources. We have coordinated with certain energy suppliers to reduce our energy usage during peak hours and relieve the burden on the local energy grid. We are also cooperating with some of our power providers around the world to

increase the purchase of renewable energy where possible. We continue to explore opportunities to maximize energy efficiency.

Clean Water

In an effort to reduce water pollution, several manufacturing locations are equipped with a wastewater treatment system, which responsibly treats wastewater in compliance with local permits and standards to remove contaminants before the water leaves our facilities. Wastewater is treated using various techniques, including flocculation/precipitation processes to remove suspended solids and chemical adjustments to balance potential of hydrogen (pH) levels. Several manufacturing locations also utilize a closed loop cooling system, which reduces the amount of freshwater consumption required for operations.

Industrial Waste

Waste is an unavoidable byproduct of our manufacturing processes. We strive to minimize waste generation in our operations through material substitution, reusing materials when possible, and prioritizing recycling. Each year, many of our manufacturing facilities recycle thousands of gallons of liquids and thousands of pounds of solids (i.e., scrap metal, used oil, and solvent waste), thereby diverting these materials from landfills. Hazardous and non-hazardous waste that cannot be recycled is disposed of in a safe and responsible manner by third-party vendors.

Environmental Data

This report is generally comprised of information from our fiscal year 2023. Nonetheless, to increase the transparency and veracity of our environmental disclosures, the environmental data presented in this section covers fiscal years 2021 – 2023. The appendix to this report describes the basis of our reporting with respect to greenhouse gas emissions.

WOODWARD TOTAL / \$1000 OF SALES	FY21	FY22	FY23	
Purchased Electricity / \$1000 of sales	0.072	0.069	0.058	MWh / \$1000
Natural Gas / \$1000 of sales	0.024	0.022	0.018	MWh / \$1000
Scope 2 / \$1000 of sales	0.033	0.031	0.026	MT CO ₂ e / \$1000
Limited Scope 1 / \$1000 of sales	0.0043	0.0039	0.0033	MT CO ₂ e / \$1000
Water* / \$1000 of sales	124.9	130.3	106.5	Gal / \$1000

* Excludes limited supplemental water sources from two facilities that are sourced outside of standard utility services.

Managing the Environmental Impact of Facilities & Operations

Over the last decade as demand for Woodward products has increased, we have expanded our manufacturing footprint to increase production capacity.

Over the last decade, as demand for Woodward products has increased, we have expanded our manufacturing footprint to increase production capacity. We constructed multiple state-of-the-art facilities. Where feasible we renovated several structures instead of building new facilities on undeveloped land. We carefully integrated various environmental considerations into the design and development of these new and renovated facilities to incorporate modern sustainable features, such as LED lighting, daylight harvesting, occupancy sensors, low-flow toilets and faucets, high-efficiency heating and cooling systems, and building energy management systems that monitor and improve energy usage to achieve real-time energy savings. Additionally, during construction of our corporate headquarters campus in Fort Collins, Colorado and our Rock Cut campus in Loves Park, Illinois, we incorporated xeriscaping with native plants and grasses to support water conservation and the preservation of local biodiversity.





Recent Local Initiatives

Woodward L'Orange

The four Woodward L'Orange facilities in Germany use electrical power from 100% sustainable sources, primarily hydropower.

Loves Park

Sustainability is a key focus of significant investments we're making to transform our Rock Cut campus in Loves Park, Illinois, into a world-class repair and overhaul facility. In 2023, we began to add cooling infrastructure and a closed loop chiller system to significantly reduce the amount of well water required to run our next generation narrowbody jet engine fuel system test stands. Our testing activity is anticipated to increase significantly in future years, so we designed the chiller system to enable expansion of up to an additional 50% capacity. Additionally, we replaced nearly 500 fluorescent lighting fixtures with LED panels to increase energy efficiency and improve lighting in workspaces. We were able to eliminate more than 150 light fixtures due to the increased luminosity of modern LEDs as compared to fluorescent lighting. We also upgraded ceiling tiles to reduce noise levels and provide for an improved work environment for our Loves Park members.

Krakow

Local Krakow, Poland, members appoint "Energy Guardians" to ensure machines and devices are properly shut down at the end of each shift.

Santa Clarita

Woodward's Santa Clarita, CA, facility identified a solution to reduce the Total Suspended Solids (TSS) in their cooling tower. The facility began using bromide tablets instead of hydrogen peroxide tablets, which significantly reduced the amount of TSS created. This solution reduced water usage in the cooling tower by approximately 2.2 million gallons total in 2022 and 2023.

Sofia

Woodward Sofia, Bulgaria, supports bee populations and beekeepers through an annual "adopt a beehive" initiative. The team hosts educational seminars at the adopted hive and purchases honey from local beekeepers. The program focuses on conservation of biodiversity by supporting regional growth of bee populations.

Woodward facilities strive to manage environmental responsibilities in a systematic and effective manner. Twenty of our 34 locations have current ISO 14001 Environmental Management System certifications. Additionally, four locations in Germany have current ISO 50001 Energy Management System certificates.

For more information on our certifications, please visit our website at <https://www.woodward.com/about/locations/site-certifications>

Global Environmental Regulation Risks & Opportunities Management

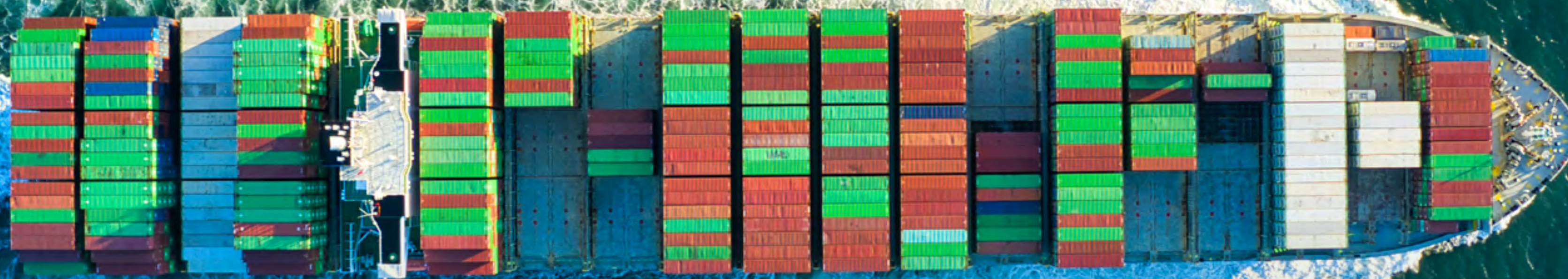
Domestic and foreign legislative initiatives on emissions control, renewable energy, and climate change tend to favorably impact the sale of energy control products. We are proud to partner with several industry leaders in innovating new technologies that drive decarbonization.

As a publicly traded U.S. company with facilities around the globe, we are monitoring international developments with respect to climate risk and emissions reporting requirements, including Securities and Exchange Commission (SEC) rules, as well as the European Corporate Sustainability Reporting Directive (CSRD). Additionally, we are assessing several voluntary international sustainability reporting frameworks to leverage as we mature our sustainability program and reporting.

We are regulated by federal, state, and international environmental laws governing our use, transport, and disposal of substances and control of emissions. Woodward conducts its business in accordance with the Woodward Constitution, our Code of Business Conduct and Ethics, our Environment, Health & Safety Policy, and our established corporate social responsibility practices. Many of these materials are discussed in this report and are publicly available on our website. Woodward is committed to promoting environmental sustainability and dedicated to conducting business ethically, legally, and with integrity.



Product Efficiency & Innovation



Consistent with our legacy of innovation, Woodward continues to look for ways to increase fuel efficiency and reduce emissions through innovative product solutions and operational initiatives. We collaborate closely with our customers to develop solutions that increase the safety, quality, performance, and efficiency of products and systems.

Hydrogen Compatible Fuel Systems

Woodward is redesigning traditional fuel systems for use in pure hydrogen environments. One key challenge is hydrogen embrittlement, where certain metals become brittle and crack when exposed to hydrogen. In partnership with industrial and aerospace original equipment manufacturers, universities, external research labs, and materials experts, we are preparing a detailed roadmap to overcome this obstacle. This important work focuses on the selection of optimal metals and sealing materials, as well as research on metals processing (e.g., heat treatments and annealing), to ensure our designs perform consistently and meet rigorous quality and safety standards.

T901 Fuel System

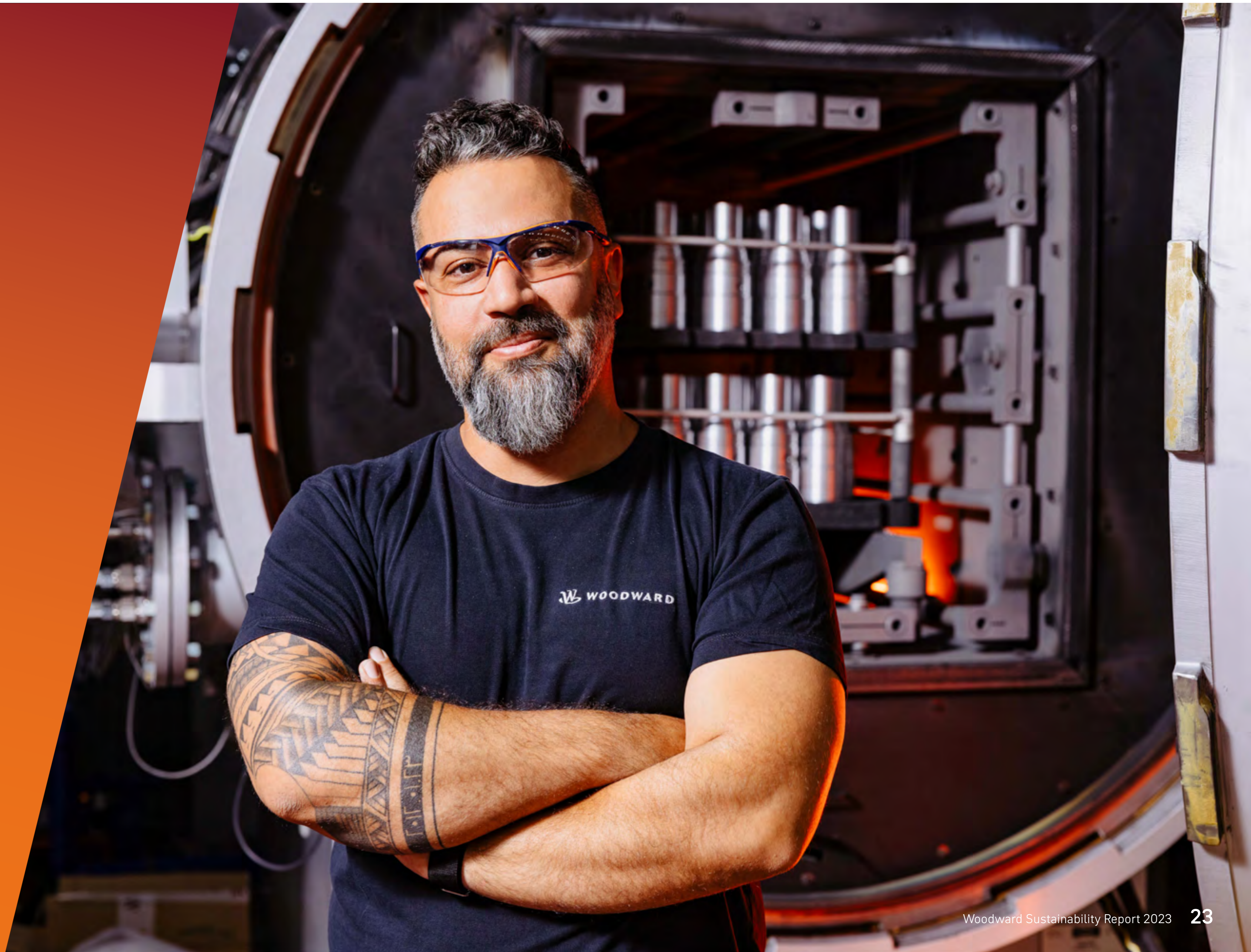
Woodward successfully delivered the first T901 Fuel System Components to General Electric ("GE") for the next generation rotorcraft engine for the UH-60 Black Hawk, AH-64 Apache, and Future Attack Reconnaissance Aircraft (FARA). In ground engine tests, the GE T901 engine burned significantly less fuel than prior engines and is a drop-in replacement for the T700 engine that powers the current Blackhawk and Apache helicopters. The T901 program represents over a decade of close collaboration between Woodward and GE, including multiple technology demonstrations and related trade studies. With innovative features that improve fuel flow accuracy and weight, Woodward is proud to support GE with industry-leading systems that reduce emissions.

Sustainable Propulsion

Engines that can operate using a mixture of two different fuels are called dual fuel engines. Dual fuel engines are typically designed to operate on a primary fuel (usually diesel), with a secondary fuel used to supplement the combustion process, resulting in improved fuel efficiency and reduced emissions compared to engines that solely run on diesel. Woodward's innovative high pressure dual fuel injection technology supports these engines, particularly in the marine market where our dual fuel injection systems enable the use of methanol and ammonia as secondary fuels, thereby reducing the need for carbon-based fuels and significantly lowering emissions.

Social Responsibility

Our members around the world are core to our success. We take deliberate actions to provide a great place to work that enables growth and development and fosters a sense of belonging. This includes prioritizing safety, opportunities for learning and development, and a purpose-driven culture.





Our Members

Our compensation strategy provides competitive pay, benefits, and incentives. We continually invest in the advancement of our members' skills, and we provide professional and leadership development opportunities.

Woodward's Workplace

Woodward's workplaces around the globe are designed to foster member engagement and collaboration while prioritizing safety and security for all members and visitors. It is our goal to make our spaces visually appealing and productive environments, with flexibility where appropriate. Woodward policies require members to perform their work free from the influence of any substance, legal or illegal, that could impair job performance. We have in place protocols to fairly assess reports of member impairment and provide access to resources for any member experiencing substance-abuse disorder.

Non-Discrimination & Non-Harassment

Our employment decisions are in accordance with the principle of equal employment opportunity, and we recognize that our organization performs at its best when we create a psychologically safe environment where

members and visitors have a strong sense of belonging and feel their voice counts. This provides individuals an environment where they can focus on the challenging and rewarding work we do to serve our stakeholders.

Our members engage in regular interactive training to identify and manage situations that could lead to discrimination or harassment in the workplace. Woodward does not tolerate discrimination or harassment in any form, and we promptly investigate and take appropriate action to address situations that arise.

Talent Attraction & Retention

Woodward's recruiting strategy includes attracting top talent around the world to join our purpose-driven organization. Creating a talent powerhouse requires opportunities for members at all career stages to foster and develop their skills and capabilities.

Compensation Program

Woodward's compensation program is designed to attract, retain, and motivate high-performance teams and to link their total compensation to company performance. We structure our compensation program to include performance metrics and rigorous performance goals that are aligned with our business strategy and long-term stockholder value creation. Woodward follows all applicable wage and hour laws including minimum wage, overtime, and maximum hour rules in all countries where we do business.



We view promoting mental health and wellness as integral to cultivating a positive member experience

- > paid holidays, paid vacation days, paid sick days, paid parental leave for new births and adoptions, part-time and flexible work arrangements, and several other benefits to support the wellbeing of our members; and
- > a comprehensive and competitive 401(k) savings plan. Members are auto-enrolled in the plan, and all employer match contributions are immediately vested. Further, we annually contribute 5% of eligible compensation in the form of Woodward stock into the 401(k) plan accounts of active U.S.-based members.

Outside the United States, we provide benefit levels consistent with common market practices in those locations.

We view promoting mental health and wellness as integral to cultivating a positive member experience. To that end, we extend resources to our members to reduce the barrier of receiving mental health and emotional support, including our Employee Assistance Program.

Employee Benefits

We strive to be an employer of choice by offering a range of benefits that support the health and wellness of our members. We want our members to thrive both inside and outside the workplace. By delivering comprehensive benefits and resources to our members, we aim to provide a strong foundation for both a career and personal life.

In the United States, we offer:

- > comprehensive plans, resources, and services for health-care needs, including medical, dental, and vision coverage, as well as healthcare flexible spending accounts;





We promote lifelong learning and invest in our members by providing various professional development opportunities

Employee Engagement

At Woodward, our members are core to fulfilling our purpose. They provide exceptional service to our customers and create value for our investors and communities. Highly engaged members are happier at work, go above and beyond, and more likely to remain at Woodward.

We strive to continually improve the member experience, and we perform company-wide engagement surveys on a regular basis. Our survey enables members to provide feedback in over 20 topic areas, with particular emphasis on two questions: satisfaction with working at Woodward, and whether they would recommend Woodward as a great place to work. Our leadership team is committed to using this member feedback to develop strategies and action plans for enhancing the member experience. Our overall engagement score reached 73 out of 100 in the final survey performed during 2023.

Professional Development

At Woodward, we believe in investing in our members' personal and professional growth. We promote lifelong learning and invest in our members by providing various professional development opportunities. As part of an integrated talent management strategy, and to promote continuous education, we link continuous learning to our performance management programs. We also have recently increased course offerings and

have launched new leadership programs to support our members' interests and career aspirations.

Woodward University provides over 20 instructor-led courses, as well as various coaching programs. These courses and programs are designed to be highly interactive and experiential. These programs aim to offer development pathways for members and are designed to engage learners before, during, and after the learning event. We have a state-of-the-art learning space in our Fort Collins, Colorado headquarters building, and we strive to improve our technology offerings to better achieve excellent learning outcomes.

Members have unlimited access to thousands of e-learning modules in the Woodward Learning Hub, including from LinkedIn Learning, Franklin Covey's on-demand library, select Skillsoft and Tooling U courses, and many more. The Woodward Learning Hub caters to individuals across all levels of the organization and focuses on four main content categories: values-based development, leadership development, enterprise business processes, and technical development.

By supporting our members' growth and development, we're not only investing in their future, but also in the future of our company and the communities we serve.

FISCAL YEAR 2023

Woodward Learning Hub

WOODWARD UNIVERSITY (GLOBAL)

Total Training Hours
56,992

LINKEDIN LEARNING

Hours Viewed
8,308

Course Completions
8,824





Our Tuition Assistance Program has supported many of our members advance in their careers

Tuition Assistance Program

We also support our members' development by providing opportunities to pursue higher education through our Tuition Assistance Program. The program offers financial assistance to eligible members interested in higher education degrees. We're proud to say that our program has supported many of our members to achieve their educational goals and advance in their careers.

Internship Program and Early Career Development

As part of our early career development program, interning at Woodward provides students the opportunity to engage with a large publicly traded engineering company, apply skills gained in the classroom, and collaborate with industry-leading professionals on exciting real-world projects. Woodward's University Relations team is committed to creating opportunities for interns to network with management at all levels and participate in community outreach – all while building their awareness and individual brand. We believe the Woodward internship program is a challenging and rewarding experience.

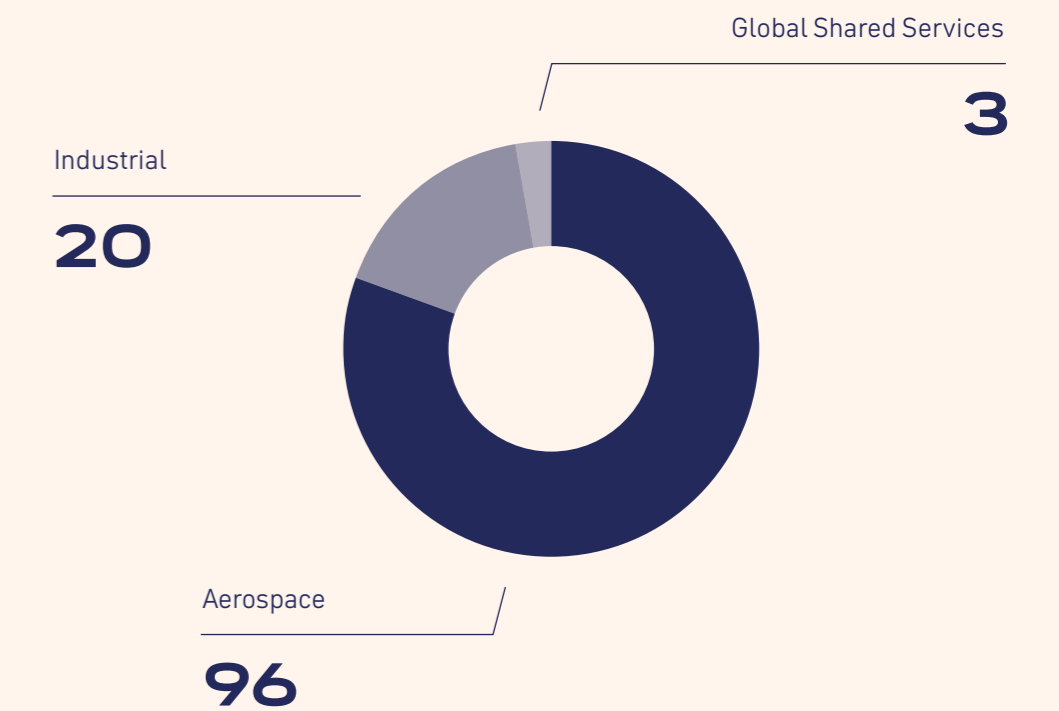
We provide interns with an end-of-summer internship survey to gain a better understanding of their overall experience, including their work, networking opportunities, training, and level of support from leaders and the University Relations team. We use this feedback to continuously improve the internship program.

FISCAL YEAR 2023

Tuition Assistance Program (US only)

Each participant receives a yearly stipend of up to	Number of members participating in 2023
\$ 5,250	119

NUMBER OF MEMBERS PARTICIPATING BY SEGMENT



Award-winning employer

Woodward continues to gain recognition as a great place to work, including from Forbes America's Best-in-State Employers 2023 for Illinois, in the Aerospace and Defense sector.





Occupational Health & Safety

Leadership

The health and safety of our members is the number one priority for Woodward and is a key business priority. We believe effective leadership is essential to our strategy of incorporating safety-centered processes into our daily operations. At the highest level, the Board exercises direct and active oversight over the Company's health and safety program.

To further support our strategy, Woodward created an enterprise position at the corporate level to oversee and provide comprehensive strategic direction, thereby ensuring the continuous maturity of our Environmental, Health and Safety programs. This position is charged with creating and implementing global standardized safety policies, incorporating best safety practices in manufacturing operations, and monitoring the environmental impact of our worldwide operations.

Safety

We use a risk-based approach to our occupational health and safety programs, and we continuously seek opportunities for improvement. Woodward ended fiscal year 2023 with a global total recordable incident rate (TRIR) of 1.68. We are proud to report that we are also continuing our long-standing streak of zero fatalities.

Woodward undertakes procedures and precautions to ensure the safety of our workforce each and every day. We are committed to maintaining compliance with all federal, state, and local occupational health and safety laws, regulations, and requirements in the various regions where we operate. We also continue to look for ways to go beyond compliance, applying our continuous improvement discipline to mitigate risks.

Our members are regularly trained on our safety and security protocols. Members practice these protocols and are encouraged to keep them front of mind through daily safety tips that cover a variety of safety and security topics. In addition, emergency evacuation drills appropriate to each location are conducted on an annual basis.



Human and Organizational Performance

In 2023, we implemented Human and Organizational Performance (HOP) at our Rock Cut facility. In 2024, we will implement HOP at four additional key manufacturing facilities, and we intend to implement HOP company-wide by the end of 2026. HOP is an approach to safety management that focuses on understanding how people and organizations work, and how to improve their performance in order to prevent accidents and incidents.

HOP recognizes that humans are fallible and that errors are inevitable; however, establishing informed systems and processes can reduce the likelihood of errors and mitigate consequences. HOP also teaches how to avoid error traps, which are conditions or situations that people may fall into without recognizing it and that are proven to be leading causes of incidents and injuries. HOP supports the creation of an environment where situations and risks are addressed before they become problems, which should result in the improvement of work quality, safety, and engagement.

Find It / Fix It

In 2022, Woodward launched our “Find It / Fix It” program at all sites, and we have continuously worked to improve the program and our safety performance in subsequent years. The “Find It / Fix It” program empowers and encourages members to focus on correcting identified hazards immediately when an issue is discovered.

This program encourages members to proactively participate in improving the health and safety of our workplace by giving them a simple and quick way to report health and safety concerns, hazards, and potentially unsafe conditions, as well as to make proactive safety suggestions and improvement opportunities. This solutions-oriented mindset helps us quickly eliminate or control environmental health and safety risks in the workplace and promotes proactive member engagement in this area. Reports are properly streamlined and managed to ensure timely responses and solutions. The “Find It / Fix It” program is not limited to production members; all members are encouraged to report observed safety concerns and risks.

To demonstrate our commitment to the “Find It / Fix It” program, in 2023 we included a safety strategic metric based on “Find It / Fix It” observations as part of the short-term annual incentive plan applicable to all Woodward officers and senior leaders.

➤ [See our 2023 Proxy Statement for additional information.](#)



Safety comes first

Safety is the top priority for Woodward. We are implementing Human and Organizational Performance, which creates systems of problem solvers and trust, with the goal that every member stays safe on the job.

Governance & Accountability

At Woodward, we believe that good governance and accountability are critical components of sustainable business practices. We are committed to operating with transparency and integrity, and to being accountable to our stakeholders at all levels.



Corporate Governance & Risk Management

Corporate Governance

At Woodward, we are committed to operating our businesses with integrity. We adopt robust and transparent governance policies that promote the interests of our stakeholders, and that strengthen the accountability of both the Board and management. The Board’s corporate governance philosophy is guided by our Bylaws, Constitution, Director Guidelines, Code of Business Conduct and Ethics, and Committee Charters. Together these frameworks establish sound governance policies and procedures to support the Board in the exercise of its responsibilities.

Our Board takes its role in corporate governance seriously and remains focused on overseeing the execution of Woodward’s strategic plans to generate long-term value for Woodward and all our stakeholders.

Learn more about our corporate governance policies and practices in our 2023 Proxy Statement.

Risk Management

The Board, which meets regularly throughout the year, is responsible for overseeing risk management, including but not limited to oversight of identification and mitigation of risks. The Board has the ultimate oversight responsibility for the Company’s risk management activities, with various committees of the Board overseeing certain aspects of risk management.

Our CEO and the senior leadership team regularly review and discuss with the Board key areas of strategy and risk, including, among other things, our strategic plan, capital structure, operational performance, supply chain

management, health and safety programs, business development activities, talent attraction and retention, succession planning, compliance with government regulations, cybersecurity, market and technology shifts, and other significant inherent risks. See our 2023 Proxy Statement for additional discussion of the Board’s risk oversight activities, including the specific responsibilities of each of the Board’s committees.

Board Composition

As of the date of this Sustainability Report, Woodward’s Board has ten members, nine of which are independent. Our Board consists of four standing committees, including the Audit Committee, the Human Capital and Compensation Committee, the Nominating and Governance Committee, and the Executive Committee. Except

for the Executive Committee, all Board committees are entirely independent. Our Board is qualified and experienced, and our directors bring unique perspectives to the issues and challenges we face. When evaluating our Board composition, the Nominating and Governance Committee reviews (including with the Board) the desired skills, qualifications, and composition of the Board as a whole to ensure alignment with the Company’s strategic priorities and evolving needs.

Related Links

- [2023 Proxy Statement](#)
- [Director Guidelines](#)
- [Committee Composition and Charters](#)

An Experienced Board

As of the date of this report.

90%

independent

7.5

years average tenure

63

years average age



Global Ethics & Compliance Program

Our commitment to compliance is defined by our core value of integrity, as expressed in both the Woodward Constitution and our Code of Business Conduct and Ethics. These documents shape who we are, how we do business, and guide our daily interactions internally and externally. Our Code of Conduct and supporting policies cover a range of topics including ethics, human rights, anti-corruption, antitrust, conflicts of interest, equal treatment, and other important governing principles. We expect our suppliers to uphold these same standards, as indicated in our [Supplier Code of Conduct](#).

Our robust global ethics & compliance program includes:

- > policies and procedures to inform our members how to conduct business ethically;
- > tailored trainings to members on a variety of key topics relevant to their roles within Woodward;
- > annual review and acknowledgement of our Code of Conduct by our members;
- > an ongoing enterprise risk management program; and
- > appropriate diligence into third-party partners.

Ethics Help Line

Members and third-parties are encouraged to submit all good-faith concerns to our confidential whistleblower [Ethics Help Line](#), which includes the ability to report concerns anonymously and in a member's local language. Members may also report their concerns to any Woodward leader, Human Resources, or at Ethics@Woodward.com. All submissions are taken seriously and handled in accordance with our standard processes and investigation protocols, with oversight by our Business Conduct Oversight Committee. Woodward has a zero-retaliation policy and prohibits taking adverse action against any individual for raising a good-faith concern or for assisting with an investigation.

Cybersecurity

Ensuring the protection of our information and systems and that of our customers and other stakeholders is of critical importance. Our security protocols and practices are designed to protect sensitive information and systems. Our cybersecurity program is based on the U.S. National Institute for Standards and Technology (NIST) standards, and includes a cyber incident response plan, annual training for members, and periodic testing of our cybersecurity posture using third parties.

The Audit Committee of the Board has responsibility for the oversight of risk management activities related to cybersecurity and other information security and technology risks. Our Vice President of Information Technology leads our cybersecurity program and provides the Audit Committee with a strategic review of cybersecurity matters and risk management action plans at least annually, as well as periodic updates as required. Periodic updates may include, among other topics, results of exercises performed by advisors that provide an independent assessment of our cybersecurity program and internal response preparedness.



Supplier Excellence

Our Suppliers

Our Chief Operating Officer has oversight of our global supplier network. Woodward's success is strongly linked to the performance of our supply chain. We are invested in the success of our suppliers and value long-term relationships based on shared business principles, values, and ethics. We strive to maintain a mutually beneficial balance of short-term and long-term objectives.

We monitor our supply chain in accordance with international, federal, and local laws, to ensure that we manufacture products in an ethical and responsible manner. Our processes enable us to support the development of our supply base and collaborate to identify opportunities to improve individual supplier performance.

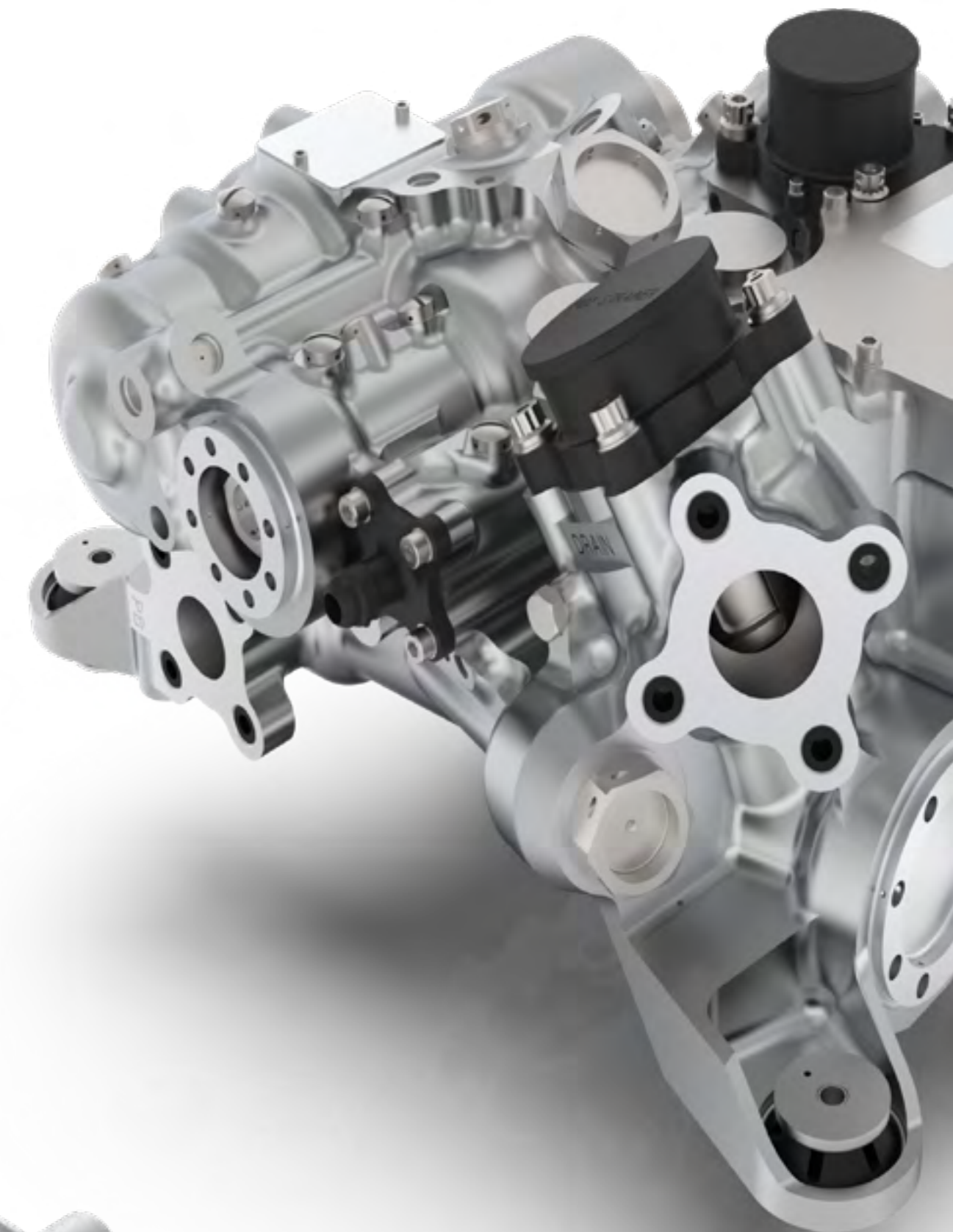
We partner with a third-party supply chain risk management resource to provide end-to-end supply chain resilience, which includes mapping our supply chain network and flagging potential risk events. This allows Woodward to immediately respond to potential issues, which prevents supply chain disruptions and risks before they adversely impact our operations and business continuity.

We use supplier data management software with dashboard capabilities to identify and monitor supplier performance and environmental management certifications (e.g., ISO 14001 and Eco-Management and Audit Scheme, EMAS).

Supplier Code of Conduct

Through our Supplier Code of Conduct, Woodward establishes our expectations for our suppliers regarding ethics, integrity and compliance. We seek commitment from our suppliers to these principles, by incorporating the Supplier Code of Conduct into our legally binding contracts and terms & conditions of purchase. We expect our suppliers to adhere to all laws and regulations regarding human rights, including those pertaining to human trafficking, forced labor, and child labor.

Suppliers must also uphold discrimination-free work environments, avoid conflicts of interest, respect confidentiality, and protect Woodward's data and intellectual property rights. Additionally, suppliers must comply with all applicable laws and regulations, including those pertaining to insider trading, anti-corruption, antitrust/competition, trade compliance, environmental, and member health and safety. Woodward retains the right to terminate its relationship with any supplier who fails to adhere to these expectations.





Respecting Human Rights & Fair Labor Practices

Human Rights

Woodward upholds the human rights of all people. We prohibit all forms of modern slavery, illegal child labor, and human trafficking throughout our organization and supply chain. These commitments are set forth in the Woodward Code of Business Conduct and Ethics, our Supplier Code of Conduct, and our Anti-Human Trafficking Policy. Our members, business partners, and suppliers are required to operate in accordance with all applicable human rights laws in our global operations. Any suspected violations of human rights laws or Woodward policies should be reported through our confidential Ethics Help Line or to a Woodward leader.

Conflict Minerals

As with many manufactured goods, our products contain different minerals and metals that are required for functionality. Some of these raw materials can originate from conflict-affected and other high-risk areas. Although we do not have direct business relationships with any smelters or refiners of metals, we are committed to the transparency of our sources of certain minerals and to procuring minerals from suppliers that do not directly or

indirectly finance or contribute to armed conflict. We have implemented robust company management systems to ensure that we meet our Conflict Minerals commitments, including adopting an internal management structure that provides for executive oversight of our Conflicts Minerals compliance initiatives and adopting a formal Conflict Minerals Policy.

We perform extensive due diligence of our supply chain each year in conformance with an internationally recognized due diligence framework to mitigate the risk that our products contain items or materials procured from sources which fund armed conflict. We leverage diligence tools offered by third-party service providers, and we proactively engage with suppliers who do not respond to our requests for information. We encourage suppliers that report the use of smelters or refiners of concern to find alternative sourcing relationships and/or request that these smelters or refiners participate in a responsible mineral sourcing validation program.

See our [Conflict Minerals Policy](#) and filings for more information.
www.woodward.com/en/about/corporate-governance/compliance



Community Engagement

Woodward helps our communities thrive by contributing to economic prosperity as an employer, and by supporting residents' well-being through partnerships, sponsorships, grants, and volunteering. Helping our communities to thrive has been core to Woodward since its founding. In communities around the world, we support many philanthropic and economic development causes to help lift underserved communities, support families and children, and care for the environment. Woodward is also very active with local economic development initiatives and Chambers of Commerce.

Volunteerism

To cultivate a spirit of volunteerism, we encourage our members to be involved in our communities. Teams and members across our global locations generously dedicate countless hours to volunteering for local causes and communities. We are deeply committed to supporting programs and organizations that ensure our communities are desirable places to live and work.

Charitable Giving

Community outreach committees in the United States and many of our international sites provide grants, sponsorships, and fundraising opportunities to numerous local non-profits and causes in our communities. We do this through local committees at our sites, as well as through the Woodward Charitable Trust, an independent foundation managed by a Board of Trustees.

Our U.S. sites participate in annual United Way giving campaigns to engage members in fundraising for non-profits that support health and wellness, education, community engagement, and youth and family services. Each year, food, clothing, and essential supply drives are common activities across our sites. Several sites also provide financial support (and also volunteer) for programs supporting STEM education, including robotics competitions and initiatives for underserved communities.





Purpose driven teams

Around the world, Woodward members contribute to our sustainability journey. Guided by our values and driven by our purpose, our teams are powering a clean future and creating value for our members, our customers, our communities, and our investors.

About this Report

This report reflects Woodward's (NASDAQ: WWD) continuous commitment to sustainability and corporate responsibility. This report covers generally the initiatives undertaken and progress made for fiscal year 2023 and includes facilities worldwide that are under the operational control of Woodward and its wholly owned subsidiaries.

Unless otherwise specified, all references to years in this report refer to fiscal years of the Company and all financial disclosures are presented in United States Dollars (USD). The non-financial data presented herein has been collected based on Woodward's internal systems and processes and has not been externally assured. Woodward is variously referred to in this report as "Woodward," "the Company," "we," "us," and "our."

This report has been revised and republished to ensure consistency with our current applicable rules and reporting standards.

To learn more about Woodward, please visit our website. For questions related to Woodward's sustainability report or other sustainability disclosures, please email sustainability@woodward.com

Special Note Regarding Forward-Looking Statements

Certain statements in this report may be "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "should," "expects," "intends," "projects," "plans," "believes," "estimates," "targets," "anticipates" and similar expressions generally identify these forward-looking statements. Examples of forward-looking statements include statements relating to our future plans, goals and strategies, particularly with respect to sustainability practices and targets, our business prospects, and our financial condition and operating results, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on expectations and assumptions that we believe to be reasonable when made, but that may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict.

Factors that could cause actual results and the timing of certain events to differ materially from the forward-looking statements include, but are not limited to:

- (1) global economic uncertainty and instability, including in the financial markets that affect Woodward, its customers, and its supply chain;
- (2) risks related to constraints and disruptions in the global supply chain and labor markets;
- (3) Woodward's ability to successfully manage competitive factors including expenses and fluctuations in sales;
- (4) changes and consolidations in the aerospace market;
- (5) risks related to Woodward's U.S. government contracting activities including potential changes in government spending patterns;
- (6) volatility with respect to the China on-highway natural gas truck market;

(7) Woodward's ability to protect its intellectual property rights and avoid infringing the intellectual property rights of others;

(8) environmental risks;

(9) Woodward's continued access to a stable workforce and favorable labor relations with its employees;

(10) Woodward's ability to enact goals and strategies to further talent development;

(11) Woodward's ability to manage various regulatory and legal matters;

(12) risks from operating internationally;

(13) cybersecurity and other technological risks, including Woodward's ability to design security protocols and practices to protect Woodward's sensitive information and systems and that of Woodward's customers and other stakeholders;

(14) Woodward's ability to enhance system performance, increase fuel efficiency, and reduce carbon emissions;

(15) Woodward's ability to manage the environmental responsibilities of Woodward's factories in a systematic and effective manner;

(16) Woodward's ability to continue building our institutional knowledge to gather and analyze sustainability data;

and other risk factors and risks described in Woodward's filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise any such statement, whether as a result of new information, future events, or otherwise, except as required by law.

Appendix

Greenhouse Gas Emissions – Basis of Reporting

Guidance and Boundary

Within this report, Woodward measures and discloses the company's limited Scope 1 and Scope 2 GHG emissions in accordance with the following guidance and standards:

> WRI/WBCSB GHG Protocol

Organizational Boundary

For limited Scope 1 and Scope 2 location-based GHG emissions, Woodward selected an organizational boundary based on operational control. Woodward accounts for GHG emissions from facilities for which it has direct control over operations, and where it can influence decisions that impact GHG emissions.

Limited Scope 1 GHG Emissions

Data Sources

Direct emission sources disclosed in this report are limited to emissions from the stationary combustion of natural gas. Woodward obtains primary data from energy utility invoices. Woodward is working to enhance our energy and emissions data measurement and management processes to provide full Scope 1 emissions in the future.

Estimates and Assumptions

Where primary data is not available, the Woodward team uses generally accepted estimations methods to calculate emissions to complete our organizational boundary based on operational control. For facility-level data gaps, Woodward utilizes the Commercial Building Energy Consumption Survey (CBECS) energy intensity values and facility square footage to estimate.

Limited Scope 1 Emissions Factors

Environmental Protection Agency (EPA) Factors (EPA) GHG Emission Factor Hub

Scope 2 GHG Emissions

Data Sources:

Woodward obtains primary data to calculate Scope 2 GHG emissions from purchased electricity, cooling energy units and district heat units through utility invoices.

Estimates and Assumptions:

Where primary data is not available, the Woodward team uses generally accepted estimation methods to calculate emissions to complete our organizational boundary based on operational control. For facility-level data gaps, Woodward utilizes the Commercial Building Energy Consumption Survey (CBECS) energy intensity values and facility square footage to estimate.

Scope 2 (Location-based) Emission Factors:

- > International Energy Agency (IEA) (Pub. Sep 2019)
- > International Energy Agency (IEA) (Pub. Sep 2022)
- > Environmental Protection Agency (EPA) eGRID2016
- > Environmental Protection Agency (EPA) eGRID2018
- > Environmental Protection Agency (EPA) eGRID2019
- > Environmental Protection Agency (EPA) eGRID2021

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Powering a clean future

