



Supplier Code of Conduct and Ethics

TAKE RESPONSIBILITY. LIVE COMPLIANCE!

INTRODUCTION

Compliance and Ethics form the foundation of the way we at ANDRITZ do business, which we have already set forth in our own Code of Conduct and Ethics. With regard to compliance, we are committed to integrity, respect, reliability and sustainability as cornerstones of our actions. We are aware that our ability to meet our own compliance standards and those of our customers depends to a large extent on how we work together with our suppliers. Consequently, we expect our suppliers to adhere to a set of rules in order to ensure that we work on the basis of the same values and principles.

This “**Supplier Code**” thus sets forth the minimum requirements for all suppliers to conduct business with ANDRITZ. The principles formulated in this Supplier Code constitute the essential criteria for our supplier selection and evaluation. The Supplier Code shall form part of all purchase orders or contracts entered into between members of the ANDRITZ GROUP and their suppliers.

1 ORGANIZATIONAL REQUIREMENTS AND MANAGEMENT RESPONSIBILITY

ANDRITZ requires from its suppliers that they install and maintain adequate compliance procedures in order to enable effective compliance with this Supplier Code or the supplier’s own equivalent policy or code of conduct.

- As a minimum, the supplier’s procedures shall comprise: (i) identification of one or more individuals with senior management authority accountable for the implementation of the compliance management system (compliance officer or company director); (ii) identification of key compliance risk areas; (iii) policy setting by implementation of written instructions to employees concerned; (iv) systematic compliance training programs; (v) procedures for monitoring the effectiveness of the compliance system and for imposing sanctions in the event of infringement and (vi) sanctioning any violations of compliance regulations.
- We also request the supplier to communicate this ANDRITZ Supplier Code to those of his employees concerned with the ANDRITZ business. In addition, the supplier must request the same or equivalent compliance standards from the suppliers and business partners he uses or intends using to deliver supplies or services to ANDRITZ.



2 HUMAN RIGHTS, HEALTH AND FAIR WORKING CONDITIONS

ANDRITZ expects its suppliers to support and protect human rights and health in the supplier's workplace and business activities and to ensure that working conditions are in line with the law and with internationally applicable standards and conventions (such as ILO, OECD Guidelines for Multinational Enterprises, UN Global Compact Initiative). ANDRITZ expects its suppliers to commit to respecting global human rights and environmental standards and to embed them in their businesses as well as requiring the same standards from their downstream supply chain. In particular, the supplier shall:

- not be complicit in human rights violations within his sphere of influence;
- **not** engage in or benefit from any form of **child labor**, and in particular not employ any workers below 15 years of age (below 14 years of age in certain developing countries) or a higher minimum age according to national legislation in line with ILO Convention 138 on Child Labor;
- recognize and respect the employees' right of **free association** and to collective bargaining – in accordance with local laws;
- **not** engage in or benefit from any form of **forced or involuntary labor**;
- ensure that no forms of **modern slavery** or practices similar to slavery are practised;
- ensure that **security personnel** working on the supplier's premises act in accordance with generally accepted human rights standards;
- not practice any form of **discrimination** in hiring and employment practices on the grounds of race, color, ethnic origin, religion, nationality, gender, sexual orientation, age, physical ability, health condition, political or social opinion, union membership, or marital status. Unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;
- pay all workers at least the **minimum wage** required by law or applicable industry regulations (such as collective bargaining agreements or the like);
- ensure that **employment conditions**, including vacation, working time, and leave periods, are consistent with mandatory standard laws or applicable industry regulations;
- ensure that the workplace is **safe** and contains **no health hazards** – according to the local requirements, establish appropriate organizational structures and procedures for the effective management of health and safety risks, and train employees on these procedures. Suitable procedures and plans shall be developed and published.
- ensure that land, forests or waters, the use of which secures the livelihood of persons, are not taken or compulsorily cleared in contravention of local law;
- in accordance with the respective applicable local legal regulations, refrain from **harmful soil changes, water and air pollution, noise emissions** as well as excessive **water consumption** if this harms the health of persons, denies persons access to safe drinking water, impedes or destroys access to sanitary facilities or if this significantly impairs the natural basis for the production of food;
- adopt a strategy for the avoidance of the use of conflict minerals (including tin, tantalum, tungsten, or gold) and requires its suppliers to report any usage of **conflict minerals** in line with international and local legal requirements.



3 ENVIRONMENTAL AND SOCIAL RESPONSIBILITY, SUSTAINABILITY

ANDRITZ expects its suppliers to be committed to protecting the environment and to manage their operations in a responsible manner with a view to fulfilling the environmental requirements defined in the applicable laws, regulations, or permits.

We expect our suppliers to meet or exceed the requirements set forth in the applicable environmental laws and regulations. The supplier is responsible for managing, measuring, and minimizing the environmental and social impact of his facilities, products and projects. Specific focus areas include reduction of air emissions; waste reduction, recovery, and management; water use and disposal; and greenhouse gas emissions. In particular, the supplier shall:

- obtain and maintain the required **permits and licenses** and comply with the **reporting requirements** set forth therein;
- **use natural resources sparingly and conserve them where possible.** The use of natural resources shall be reduced through practices such as recycling, and through changes in production processes. All in the supply chain shall be committed to the continuous development and use of environmentally and climate friendly products, processes and technologies;
- endeavor to **avoid or reduce waste or emissions** resulting from his business activities and **dispose of waste in a legal and responsible manner.** The supplier undertakes not to import or export hazardous waste (as specified in the relevant provisions of the Basel Convention of 22 March 1989 in the currently valid version, and other applicable legal regulations);
- not produce mercury-added products and not use **mercury** and **mercury compounds in manufacturing processes**, as defined in the Minamata Convention on Mercury of 10 October 2013 in the currently valid version, and other locally applicable regulations. This is accompanied by a ban on the treatment of mercury waste as outlined in the Minamata Convention as well as other locally applicable regulations;
- not produce or use **persistent organic pollutants or chemicals** that are banned at the national or international level, in particular by the Stockholm Convention on Persistent Organic Pollutants of 23 May 2001, as well as other locally applicable regulations, in the currently valid version;
- install an **environmental management system** (e.g., ISO 14001 or equivalent) at his worksites to make sure that measures are implemented to protect the environment and to be compliant in all processes concerned;
- **report any environmental incidents** to the manager of the site where the incident occurred and, if necessary, to the applicable ANDRITZ business unit manager when working for ANDRITZ.



4 BUSINESS INTEGRITY

ANDRITZ requires its suppliers to conduct business with integrity and in compliance with legal requirements and to adhere to internationally agreed standards of business ethics. In particular, the supplier shall:

- **comply with all applicable laws and regulations** in the country where he carries out his business activities;
- **not engage in or tolerate any form of corruption, bribery, extortion or embezzlement.** In particular, suppliers shall not directly or indirectly engage in or tolerate any form of granting a payment or anything of value in favor of government officials and employees of business partners with the purpose of influencing decision-making in violation of the law. Suppliers' compliance management systems must comply in substance with the U.S. Foreign Corrupt Practices Act, the U.K Bribery Act, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. This means that suppliers may not offer, promise, give, or authorize any sort of bribe or kickback in order to obtain or retain business or any improper business advantage;
- **comply with antitrust and fair competition laws.** In particular, it must be ensured that suppliers do not discuss topics that could violate, or appear to violate, competition laws by price-fixing; terms of sale; bid-rigging; division of markets, territories or customers; tying and bundling products; using deceptive trade practices; or abusing a dominant market position;
- **avoid conflicts of interest**, in particular, by disclosing any financial interest that an ANDRITZ employee may have in the supplier and by not offering or granting directly or indirectly any benefit to an employee of ANDRITZ with a view to obtaining business from ANDRITZ. Suppliers may not influence or attempt to influence ANDRITZ employees or their family members by providing them with gifts, favors, entertainment, personal benefits, or preferential treatment that is beyond a modest and/or reasonable dimension and which cannot clearly be considered a culturally acceptable display of business manners or hospitality. However, no gift or favor must be given that could be interpreted as being intended or is intended to influence the objective decision-making process by our employees;
- **comply with insider trading rules.** ANDRITZ AG is a publicly traded company on the Vienna Stock Exchange. While working with us, you may occasionally have access to non-public "inside" information about ANDRITZ and the companies with which we do business. If such non-public information about ANDRITZ or its business partners would be considered by a reasonable investor in deciding whether to buy, sell or hold stock of these companies, it is considered to be material non-public (or "inside") information. Buying or selling securities, such as stock or options, on the basis of inside information is a violation of the law on securities and is strictly prohibited.



5 EXPORT CONTROL

ANDRITZ requires its suppliers to comply with export control laws and to respect export and trade sanctions or other bans, especially sanctions of the EU. If necessary, the supplier shall obtain any export permits required and/or assist ANDRITZ in obtaining its export licenses.

Our customers, stakeholders and public authorities expect us to comply with international trade laws. This extends to our compliance with the various export and import controls that apply to our work. We expect our suppliers to do the same. As a supplier of ANDRITZ, you should follow the various export and import controls that govern your work. If you engage in trade activities, ensure you know and follow the rules and regulations that apply to your job. In addition, suppliers must abide by international trade sanctions.



6 INTELLECTUAL PROPERTY RIGHTS, TRADE SECRETS, AND DATA PRIVACY AND PROTECTION

ANDRITZ requires its suppliers to respect third-party intellectual property rights and trade secrets and to protect our own or our customers' intellectual property rights, trade secrets, and personal data, which you as supplier may become aware of in the course of contract execution with ANDRITZ.

- This implies taking adequate technical measures to avoid unintended disclosure of intellectual property or trade secrets and requiring confidentiality undertakings from business partners who need to have access to the foregoing on a need-to-know basis for the execution of their supplies to our company.
- Furthermore, we expect our suppliers to respect the privacy of their employees' and business partners' personal data and to collect and retain personal data only as required to operate efficiently and as permitted by law. You as supplier to ANDRITZ are committed to handling personal data with care and to safeguarding and protecting such information to ensure it is not lost, misused, accessed without authorization, disclosed, altered or destroyed.



7 SUPPLIER COMMITMENT AND CONTRACTUAL OBLIGATIONS

The undertaking by suppliers to comply with this Supplier Code shall form the basis of our business relationship. This Supplier Code shall form part of any agreement entered into by you as supplier with any company of ANDRITZ (ANDRITZ AG and its affiliates), regardless of whether it is expressly incorporated into a contract by reference or not.

- However, when entering into a contract with us, the supplier may be asked again to reconfirm his compliance with this Supplier Code.
- We require our suppliers to pass on equivalent supplier compliance standards to their own suppliers in order to ensure that the supply chain conforms to the compliance values set forth herein.
- The supplier shall be held responsible to us for ensuring compliance with the Supplier Code by his employees, company representatives, as well as the subcontractors and any business partners the supplier is using to supply products and/or services when doing business with ANDRITZ.



8 REPORTING, MONITORING, AND SANCTIONING

If you as a supplier become aware of a violation of this Supplier Code, you shall report such violation to us (see item 9 below for our compliance contacts). Depending on the gravity of the violation, adequate corrective measures may be requested by ANDRITZ from the supplier, including the termination of cooperation with an employee or sub-supplier of the supplier. For as long as the requested remedies are not implemented, ANDRITZ may withhold payments that would otherwise be due to the supplier. If the requested remedy is not able to prevent or repair harm to ANDRITZ or if the breach of the Supplier Code is considered to be a major breach of contract, ANDRITZ shall be entitled to terminate the contract relationship with the supplier immediately. Such termination is irrespective of the supplier's obligation to remedy damages or losses incurred by ANDRITZ.

Regular monitoring is an important element of our supplier compliance program. The supplier may, therefore, be invited to complete a supplier compliance questionnaire in order to give more details on his compliance management system. We may possibly wish to have a face-to-face meeting and an on-site audit to verify important elements of the supplier's compliance system and eventually to define a compliance organization target together with the supplier. This is part of our efforts to continuously improve our supplier compliance management system. The supplier shall, therefore, agree to support such compliance checks and audits and not unreasonably withhold any relevant information that we require to assess the quality of his compliance management system. Reasonable confidentiality restrictions (non-disclosure) may be agreed upon for such audits, however the supplier shall agree that such data may be disclosed to the customers for whom we intend to use his supplies or services.



9 COMPLIANCE CONTACTS AT ANDRITZ

The right course of action may sometimes be difficult to determine. If you are unsure what to do in a particular situation or have any other questions, please first seek guidance from your company's internal resources. For the purposes of implementing this Supplier Code, you are invited to contact the following resources at ANDRITZ:

- **ANDRITZ Supplier Compliance:** suppliercompliance@andritz.com
- **ANDRITZ Compliance:** compliance@andritz.com

If you wish to report any violations, please use our company's **Whistleblowing Service Speak UP!**



Speak UP! is an internet-based whistleblower system providing a platform for reporting of suspected compliance-related misconduct to the Group Compliance department. Speak UP! is available (internally and externally) to anyone with a justified interest in ANDRITZ. Speak UP! also allows to process information anonymously, however, that will make it more difficult for us to investigate your concerns. Speak UP! enables you to set up a personal mailbox (which can also be anonymous if so requested) that can be used for further communication with and feed-back from the Compliance department. Speak UP! is operated in a high-security data center and allows secure communication with the latest standards. Speak UP! web address: [iWhistle - Welcome \(andritz.com\)](https://iWhistle-Welcome.andritz.com)

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