



English Translation of the Policy Statement on ANDRITZ's Human Rights and Environmental Protection Strategy

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1. COMMITMENT

As a global company, we at ANDRITZ are aware of our responsibility in our own business activities and along our supply chain and are committed to respecting human rights and the environment.

Respect for others, human rights, fair working conditions as well as environmental and social responsibility and sustainability are key components of ANDRITZ's corporate culture and are therefore also embedded in ANDRITZ's Code of Conduct and Ethics. This Policy Statement complements our Code, laying down the company's strategy on human rights and environmental protection and focusing on specific risks in those areas.

This is done with reference to the legal requirements arising from the German Supply Chain Due Diligence Act (LKSG). In addition, we aim to align our conduct following internationally applicable standards, such as:

- Universal Declaration of Human Rights
- Principles of the UN Global Compact
- International Labor Organization's (ILO) Guiding Principles on Business and Human Rights
- Declaration on Fundamental Principles and Rights at Work and other relevant labor standards from the International Labour Organization (ILO)
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights (UNGPR)

We commit to prevent, as far as possible, and mitigate adverse impacts on human rights and the environment within our business operations and in our supply chain. We do this by identifying human rights and environment-related risks and setting actions to address potential issues.

Our corporate values are also laid down in our Supplier Code of Conduct. The ANDRITZ Supplier Code of Conduct and Ethics sets forth the minimum requirements for all suppliers to conduct business with ANDRITZ. It shall form part of all contracts entered between members of the ANDRITZ group and their suppliers.



With reference to the German Supply Chain Act (“LKSG”) the following applies: The Andritz German entities are part of and ultimately belong to Andritz AG, which is headquartered in Austria. The biggest German entity, ANDRITZ Deutschland Beteiligungs GmbH, has no direct employees.

By adding all directly and indirectly affiliated companies, ANDRITZ Deutschland Beteiligungs GmbH exceeds the threshold of 3,000 employees, which has been the relevant threshold for the applicability of the LKSG since January 1, 2023.

Since January 1, 2024, the reduced employee threshold of 1,000 employees per company applies, which includes Schuler Pressen GmbH, which has therefore also been directly subject to the LKSG since the effective date.

To all other subsidiaries of ANDRITZ Deutschland Beteiligungs GmbH, the LKSG is indirectly applicable because they are attributable to the business operations of ANDRITZ Deutschland Beteiligungs GmbH.

2. DUE DILIGENCE PROCESS

FOR HUMAN RIGHTS AND ENVIRONMENTAL PROTECTION

2.1. RESPONSIBILITIES

Group Corporate Compliance (GCC) is responsible for implementing the due diligence requirements, especially to establish the risk management as an integral process for compliance with human and environmental rights, as well as for guiding and supporting the relevant teams regarding the assessments and conducting diligence processes within ANDRITZ own business area and towards our suppliers.

To monitor the risk management, the Management Board appointed the Chief Compliance Officer as Human Rights Officer.

In addition to the Human Rights Officer, the Human Resources responsible person in Germany is appointed to fulfill the Human Rights Officer tasks for the human rights related sub-processes in ANDRITZ’s own business areas, whereby the HR managers of the affiliates carry out risk assessments based on our tools developed for this purpose (see below section 2.3).

Supply Chain Management/Procurement plays a key role regarding the practical implementation of the preventive and remedial actions as part of the supply chain due diligence. The team therefore is responsible for the development and implementation of appropriate procurement strategies and purchasing practices to prevent and/or minimize the identified risks.

Other relevant departments, such as Health and Safety, Quality Management, HR, report regularly and as required to the Human Rights Officer based on audits carried out at productions sites.

The Managing directors are responsible for setting up and implementing a process that enables them to be regularly (at least once a year) informed about the work conducted by the Human Rights Officer, therefore mainly about the monitoring of the risk management activities.



2.2. RISK MANAGEMENT

As an integral part of the corporate due diligence obligations, ANDRITZ performs a risk analysis and established and implemented an adequate and effective risk management in order to identify, and to prevent, minimize or terminate human rights and/or the environment risks in our own business area as well as in the supply chain.

The effectiveness of the risk management process, especially regarding the risk analysis, prioritization of risks, preventive measures, remediation measures and complaints procedure, will be reviewed by ANDRITZ once a year and whenever occasioned.

2.3. RISK ANALYSIS

The risk analysis is performed regularly (yearly) as well as occasion related. In addition, we apply the principles for new orders as well as part of our supplier onboarding process.

RISK IDENTIFICATION

Our risk mapping approach is based on systematic data collection and processing to identify human rights and environment-related risks.

In addition, we use internal knowledge to evaluate if any risks are known regarding the suppliers (such as the information contained in our supplier questionnaire and/or sourcing from supplier social audits).

RISK ANALYSIS PROCESS AND EVALUATION

As part of the implementation of the LKSG, we have further enhanced our existing risk assessment methodology and approach.

As a main criterium for supplier assessments as well as risk assessments in our own business area, we use our internal ESG questionnaire ("pre-qualification") which contains ca. 80 questions and is structured in the sections "environment", "social" and "governance".

Regarding supplier's assessments, the existing supplier database is evaluated according to whether those have completed the supplier questionnaire and/or passed the supplier assessment ("pre-qualification"). We filter these pre-qualified suppliers according to a high-risk country score. In addition, we filter suppliers according to their ESG score.

For the abstract risk analysis of our suppliers, we use the following parameters:

1) ESG ratings



We use an external database to examine the existing supplier database against company-specific risks regarding Environment, Social and Governance (ESG).

The suppliers which

- are not pre-qualified and
- have a negative overall ESG score (5)

are assessed on an individual basis and – if the negative score is substantiated – remedial actions are taken to address the issue.

AND

2) Country risk mapping

The suppliers which are selected due to the fact that they are not pre-qualified, are further screened and assessed against the country risk indicators.

As country risk indicators, we use the following indices:

- Environment Protection Index (EPI)
- World Justice Index (WJI)

In case the suppliers have a negative score according to the country risk indicators (which is a score below 0,5 respectively 5000) they will need to undergo further checks.

RISK ASSESSMENTS IN OWN BUSINESS AREA:

The risk assessments of our own business area are primarily the responsibility of the managing directors, supported by the Group Corporate Compliance Team and the HR manager. Existing processes (e.g., Quality management processes, HR-related processes) serve as a basis. In addition, Group Corporate Compliance provides templates for carrying out risk assessments and carries out a high-level risk assessment for the German group of companies affected by LKSG.

PRIORIZATION OF RISKS

Risks are prioritized according to the nature of the risk, the likelihood of the risk and the severity of the violation (by degree, number of people impacted and irreversibility).

Regarding suppliers screening, additional criteria are used: Degree of our own responsibility (for suppliers' risks) and causal contribution (of suppliers' risks).

The results of the prioritization of risks provide us with a basis for adapting internal regulations, and, where needed, for considering changes in requirements for our due diligence processes as part of the annual adjustment procedures. We integrate the learnings about human rights and environment-related risks and their impact into our corporate decision-making processes. This applies, for instance, to the selection and evaluation of suppliers.



The risks which have been identified as prioritized risks (in our own business area and towards our suppliers) in the regular risk assessment, can be found in section 3 and below.

RESULTS OF RISKS ANALYSIS

As a result of the initial risk analysis (which was conducted in 2023), the following results have been obtained:

- In our own business areas, the following areas have been identified as sensitive and prioritized: Discrimination, unfair working conditions, health & safety at workplace, right of collective bargaining, environmental protection.
- Towards our suppliers, the following areas have been identified as sensitive and prioritized: Discrimination, unfair working conditions, health & safety at workplace, right of collective bargaining, environmental protection.

A majority of the external procurement is done with German suppliers.

The risks which have been identified in the abstract risk analysis, are being assessed individually, in the concrete risk analysis. For the concrete risk analysis, the individual screening method is determined on a case-by-case basis to best clarify the risk exposure and to identify actual negative impacts on human beings and the environment.

Examples of further checks for the concrete risk analysis: Additional questionnaire, On-site-audit, alternative ESG rating.

2.4. PREVENTIVE MEASURES

OWN BUSINESS AREA:

To prevent and mitigate prioritized human rights and environmental-related risks, the following measures have been implemented in our own business area:

- Conduct of trainings in relevant business areas (esp. Procurement, HR)
- Conduct of risk-based control measures
- Adaption of ANDRITZ procurement and supply chain management sourcing strategy
- Inclusion in checks and audits which are conducted regularly in specific units and/or countries

DIRECT SUPPLIERS:



To prevent and mitigate prioritized human rights and environmental-related risks, the following measures have been implemented towards our direct suppliers:

- Conduct of trainings for high-risk suppliers (e.g., regarding child labor risks in the supply chain)
- Considerations of expectations in the selection process of suppliers
- Contractual assurance of suppliers to comply with the standards and to address it along their supply chain. This is done by signing ANDRITZ Supplier Code of Conduct and/or including contractual clauses in the underlying contracts and agreements with suppliers.
- Risk-based check of supplier's compliance with ANDRITZ Supplier CoC via social- and environment-audits

2.5. REMEDIAL ACTION

If ANDRITZ becomes aware of any (potential) human rights and/or environmental violations, it will take remedial measures.

In case the violation of an obligation relating to human rights, or the environment has already occurred or is imminent in our own business area or at a direct supplier, we will take appropriate remedial measures without delay. These shall ensure that a violation is prevented, ended or the extent of the violation is mitigated.

If the violation affects ANDRITZ's own business area, we will take measures that will end the violation.

If the violation affects a direct supplier of ANDRITZ and the violation cannot be ended in a foreseeable future, ANDRITZ will set up a concept containing a concrete timeline and measures to end or mitigate the violation and will implement it. The measures range from conducting trainings and audits to activities that will stop the causative behavior. The implementation of these measures will be pre-requisite for the supplier relationship with ANDRITZ.

Depending on the gravity of the violation, ANDRITZ will set appropriate reactions, ranging from the request for immediate removal of the infringement up to legal action and termination of the supplier relationship.



2.6. COMPLAINTS PROCEDURE

Our complaints procedure – which follows our regular company's reporting channels - enables everyone (internal and external) to report human rights and environment related risks and (potential) violations which are grounded in the activities of ANDRITZ respectively one of our direct or indirect suppliers.

The aim of the reporting channels is to become aware of potential weaknesses and/or wrong doings in our own business areas as well as our supply chain at an early stage.



Please seek guidance and use our company's available resources or contact the competent partners indicated in below tools:

ANDRITZ Whistleblowing Service Speak UP! - Speak UP! is an internet-based whistle-blower 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 the 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: <https://speakup.ANDRITZ.com>

You can also access Speak UP! via the QR code on the left.



- **Group Compliance Department:**
compliance@ANDRITZ.com / suppliercompliance@ANDRITZ.com
- **The Intranet homepage** (connect.ANDRITZ.com/gcc) of Group Compliance function contains the contact details of the Compliance Officers, further compliance-related policies and training material (where you can find the names and contact details of Group and Regional Compliance Officers)
- **The Internet homepage** (www.ANDRITZ.com/compliance) of the Group Compliance function contains the link to Speak UP!, compliance policies and further compliance-related materials

In the event of a complaint, the persons issuing the complaint are free to choose which reporting channel they use. The procedure for processing a report is regulated in detail in the "Compliance Investigation Guideline" (v01, created by GCC and released in January 2023).

We are committed to protecting whistleblowers against any reprisals or retaliation in connection with their whistleblowing, regardless of the law, as long as the reporting party acted in good faith when providing the information. In particular, there must be no change of position in the company, threats, or other forms of retaliation, sanctions, or discrimination.

2.7. INDIRECT SUPPLIERS

As outlined under 2.6., our complaints procedure is set up in a way that everyone can report about (potential) human rights and/or environmental risks respectively (potential) violations also regarding indirect suppliers of ANDRITZ.

Insofar as ANDRITZ acquires substantiated knowledge of a risk respectively (potential) violation via its reporting channels, we will follow up and, if necessary, will adapt the existing risk management accordingly.



In case of the appearance of a possible violation, ANDRITZ will occasion-related - without delay - conduct a risk analysis and subsequently implement appropriate prevention measures towards the third parties (such as control measures), a concept to prevent, terminate or mitigate and adoption of this policy, if necessary.

2.8. DOCUMENTATION & REPORTING

We inform the public regularly and transparently about our human rights and environment related due diligence measures in our annual sustainability reporting which is published on our website.

In addition, where required by local laws and regulations, we issue a report to the respective competent authority, such as the German Federal Office for Economic Affairs and Export Control.

Additionally, the fulfillment of human rights and environmental due diligence obligations is documented on an ongoing basis.



3. HUMAN RIGHTS AND ENVIRONMENTAL-RELATED RISKS

In our risk assessment, we examine human rights and environment-related risks regarding our own business area and our supply chain.

To ensure that our actions are as proactive and preventive as possible, we focus our supply chain due diligence processes on issues where we have identified the most relevant human rights and environment-related risks. These are either related to our business activities directly at our locations or, indirectly, in our global supply chains.



In our own business area, we focus on risks which may arise as part of our business activities. We follow up on every indication of relevant violations.

We also exert our influence in our supply chain and require existing and new suppliers to address the risks described below in an appropriate manner and to expect the same from their own suppliers and other business partners.

As a result of the above-mentioned risk analysis process procedure in our own business areas and our supply chain, the following risks have been identified and prioritized:

Human rights risks:

- **Prohibition of child labor**

In accordance with the ILO core labor standards, and as already outlined in our Code of Conduct, we observe the minimum age for employment in accordance with the applicable national regulations and strictly reject child labor. This applies in particular to the worst forms of child labor for children and adolescents under the age of 18, such as hazardous, slavery-like, or immoral activities.

In our own business areas, we therefore check, for example, whether applicants and employees have reached the minimum age for employment and which tasks adolescents are allowed to perform.

Towards our suppliers, we expect the same and therefore ask them to comply with the relevant regulations in our Supplier Code of Conduct.

- **Prohibition of forced or involuntary labor and modern slavery**

As a general principle and as already stated in our Code of Conduct as well as our Supplier Code of Conduct, we do not tolerate forced or compulsory labor of any kind. This applies to our own business areas and to our supply chain.

In accordance with ILO Core Labor Standards, we strongly oppose the use of forced or unlawful compulsory labor in our business activities, from the very beginning of the supply chain. This also includes all forms of modern slavery and human trafficking.

All employment contracts with ANDRITZ and suppliers commissioned by it must always be concluded on a voluntary basis. All employment relationships may be terminated by both parties, subject to reasonable respectively statutory notice.

- **Disregard of occupational health and safety obligations**



The protection and promotion of the health and safety of the people working for us is our top priority.

In our own business areas, we consistently comply with applicable occupational health and safety laws worldwide and set our own standards above and beyond this. For example, we apply ISO certification standards such as ISO 45001 to improve occupational safety. We strive to ensure the well-being of employees in our company as well as in the supply chain and ensure that no one is harmed by their work.

- **Disregard of right of association and right to collective bargaining**

The recognition and respect of the employees' rights of free association and collective bargaining is an important principle in our company and is therefore laid down in our Code of Conduct as well as our Supplier Code of Conduct.

- **Disregard of right of equal treatment in employment / discrimination**

Equal treatment is a fundamental principle of our internal and Supplier Code of Conduct. We do not tolerate discrimination or unequal treatment of any kind.

Throughout our supply chain, we are committed to ensuring that no one is favored or harassed based on characteristics such as gender, skin color, religion, nationality, political or other beliefs, ethnic origin, disability, age, sexual orientation, or any other characteristic protected by local law.

- **Disregard of right to fair remuneration**

International standards apply at ANDRITZ, such as the principle of equal pay for work of equal value regardless of gender, as well as fair and favorable working conditions.

We are committed to an appropriate wage that is at least equal to the minimum wage established by the applicable law and, in addition, enables our employees to at least secure their livelihood. Otherwise, it is determined by the law of the place of employment. The cost of living and social security benefits in the country concerned are considered. If there are no valid legal or applicable statutory or collectively agreed regulations, compensation and benefits are based on our applicable internal local regulations on compensation.

- **Working hours**

At ANDRITZ, the principle applies that working hours comply with the respective local legal requirements or the respective industry standards. Within the framework of the applicable law, we ensure that safe and healthy working conditions prevail, that work breaks, an appropriate limitation of working hours, and regular paid vacation are guaranteed, and that the applicable



international standards on working hours, and at least the relevant ILO conventions at the place of employment, are observed.

- **Hiring or use of private/public security forces without an adequate command structure or proper oversight to prevent harm**

If we deploy our own security forces to protect our operations, these forces are bound by our Code of Conduct, amongst others to respect human rights. If third party security service providers protect our operations, we must ensure that measures are in place to ensure that they respect internationally recognized human rights.

- **Prohibition of the destruction of vital natural resources through environmental pollution**

We are committed to 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.

The same is expected towards our suppliers. All in the supply chain shall be committed to the continuous development and use of environmentally and climate friendly products, processes and technologies.

in accordance with the respective applicable local legal regulations, harmful soil changes, water and air pollution, noise emissions as well as excessive water consumption shall be refrained from 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.

In addition, we commit ourselves and ask our suppliers to endeavor to avoid or reduce waste or emissions resulting from the business activities and dispose of waste in a legal and responsible manner.

- **Prohibition of unlawful eviction and unlawful taking of forests and waters**

We are committed to 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.

Environmental risks:

- **Mercury**

We comply with the prohibition of manufacturing, prohibition of processing of mercury, as outlined in the Minamata convention. The same is expected from our suppliers and as such embedded in our Supplier Code of Conduct.



- **Certain chemicals**

We comply with the prohibition of production and use according to the Stockholm/POP agreement. The same is expected from our suppliers and as such embedded in our Supplier Code of Conduct.

- **Waste**

We comply with the prohibition of non-environmental collection, storage, and disposal, according to the POP as well as any other applicable act. The same is expected from our suppliers and as such embedded in our Supplier Code of Conduct.

- **Prohibition of export of hazardous waste**

We comply with the prohibition of export of hazardous waste, as outlined in the Basel convention. The same is expected from our suppliers and as such embedded in our Supplier Code of Conduct.

4. HUMAN RIGHTS AND ENVIRONMENTAL-RELATED EXPECTATIONS

The values and principles as laid down in the above-mentioned rules and regulations, are embedded in our own policies. ANDRITZ Code of Conduct contains these principles and represents a binding document for all our directors, employees and other stakeholders working on our behalf. Our Code of Conduct obligates all of us to implement and act accordingly to the values of ethical business activities and good corporate conduct in our daily activities with our business partners. In addition, we expect and ask our employees to comply with the requirements set out in this policy.

At the same time, ANDRITZ expects its suppliers to support and protect human rights and environmental regulations 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, as outlined in this policy. Detailed expectations and requirements for our suppliers are outlined in the ANDRITZ Supplier Code of Conduct.

We expect from our suppliers that they act accordingly to the principles laid down in this policy and to apply appropriate due diligence measures to make sure that they comply with the requirements as laid down here in this policy.

5. RELEASE

This Policy was released by the Managing Directors of ANDRITZ Deutschland Beteiligungs GmbH and its Human Rights Officer.

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