



**NON-FINANCIAL
STATEMENT
2024**



ANDRITZ

The Austrian Sustainability and Diversity Improvement Act (NaDiVeG) has not yet been updated to incorporate the Corporate Sustainability Reporting Directive (CSRD) into national legislation. Therefore, the ANDRITZ Group is currently required to comply with the existing NaDiVeG framework and to publish a non-financial statement.

However, as a European company with global operations, we have prepared our non-financial statement in accordance with the European Sustainability Reporting Standards (ESRS). This ensures transparency and consistency with the evolving reporting landscape. The limited assurance engagement performed by an independent auditor is summarized in the assurance report included in this document.

CONSOLIDATED NON-FINANCIAL STATEMENT 2024

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1. General information

ESRS 2 General disclosures

Basis for preparation

BP-1 General basis for preparation of the sustainability statement

The non-financial statement was prepared in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) pursuant to §267a of the Austrian Commercial Code (UGB). In addition, the non-financial statement was voluntarily prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting requirement under the Corporate Sustainability Reporting Directive (CSRD).

The scope of consolidation for ANDRITZ's consolidated non-financial statement and consolidated financial statements is the same for both reports. There are no subsidiaries excluded from ANDRITZ's consolidated non-financial reporting under Article 19a (9) or Article 29a (8) of Directive 2013/34/EU, so all consolidated companies are included in this non-financial statement.

In ANDRITZ's double materiality assessment (DMA), the company's own operations (including all business areas: Pulp & Paper, Metals, Hydropower, and Environment & Energy) and its value chain were both examined. The statement provides information on the upstream and downstream elements of the value chain where they relate to identified material impacts, risks and opportunities (IROs). The following chapters will particularly cover the upstream and downstream value chain:

- E1 Climate change (upstream and downstream)
- E2 Pollution (downstream)
- E3 Water and marine resources (upstream and downstream)
- E4 Biodiversity and ecosystems (downstream)
- E5 Resource use and circular economy (upstream and downstream, end of life)
- S2 Workers in the value chain (upstream)
- S3 Affected communities (downstream)
- G1 Business conduct (upstream and downstream)

ANDRITZ does not opt to exclude sensitive information relating to intellectual property, know-how, and innovation results in this sustainability statement.

Austrian law has not yet established a provision allowing for the omission of disclosures relating to impending developments or ongoing negotiations, as referenced in ESRS 2 BP-1-5-(e). Accordingly, no use was made of such an exemption.

BP-2 Disclosures in relation to specific circumstances

The time horizons for the measurement of impacts, risks and opportunities (IROs) were applied as defined in ESRS 1 6.4:

- Short-term time horizon: one year
- Medium-term time horizon: from one year to five years
- Long-term time horizon: more than five years.

Scope 3 emissions were calculated using indirect sources. In calculating Scope 3 emissions data, ANDRITZ employs several estimation methods, including general emissions factors, averages, and spend-based calculations. The data quality is generally fair to good across categories. Some challenges exist for category 3.11. "Use of sold products", where data quality is comparatively lower due to reliance on estimations and industry averages.

To enhance data accuracy, ANDRITZ plans to increase direct data collection, particularly from suppliers and through project-based methodologies for specific high-emission categories such as Scope 3.11. "Use of sold products." This approach will allow these refined data points to gradually replace general emission factors in calculations.

Some measurement uncertainty exists in the water data collection. Values for water discharge and total water consumption were estimated in cases where only the value for water withdrawal is available. For water discharge, 90% of the water withdrawal figure was used, while 10% of the water withdrawal figure was used for the total water consumption. It is important to ensure that the equation "water withdrawal - water discharge = total consumption" is correct. A discharge rate of 90% was assumed, as water is not incorporated into ANDRITZ products, and it was assumed that in this context relatively little water evaporates, transpires, is consumed by humans, or is polluted to a point where it becomes unusable by other users.

There have been changes in the preparation and presentation of sustainability information compared to the company's previous reporting. This year marks ANDRITZ's first non-financial statement in line with ESRS requirements, which has led to updates to the materiality assessment and the inclusion of new disclosures when compared to the previous GRI-aligned report.

Due to the changes in the reporting framework and data-collection methods, it may not be possible to adjust the comparative information for one or more prior periods. When figures from prior years have been revised due to these changes, the adjustments are clearly marked in the relevant tables.

The sustainability statement also includes information required by EU Taxonomy Regulation 2020/852.

ANDRITZ holds the following certifications:

- ISO 50001:2018 – Energy management systems
- ISO 37301:2021 – Compliance management systems
- ISO 37001:2016 – Anti-bribery management systems
- ISO 55001:2014 – Asset management
- IEC 62443 – Security for industrial automation and control systems
- ISO/IEC 27001:2022 – Information technology – Security techniques – Information security management systems

Multi-site certification:

- ISO 9001:2015 – Quality management systems
- ISO 14001:2015 – Environmental management systems
- ISO 45001:2018 – Occupational health and safety management systems

Moreover, all products and processes are certified internally and externally to the highest standards (Machinery Directive, ASME, GB 150, ISO 3834, ANSI, EN, DIN, and ISO norms), and are reviewed regularly for possible health-and-safety as well as environmental impacts.

List of disclosure requirements incorporated by reference:

Disclosure requirement	Reference
The role of the administrative, management and supervisory bodies (GOV-1)	ANDRITZ.com/governance-en
Integration of sustainability-related performance in incentive schemes (GOV-3)	ANDRITZ.com/governance-en
Prevention and detection of corruption and bribery (G1-3)	ANDRITZ.com/governance-en

Governance

GOV-1 The role of the administrative, management, and supervisory bodies (incl. G1)

The Executive Board of ANDRITZ AG consists of five executive members responsible for the company's operations.

The Supervisory Board consists of nine members. Its role is non-executive, overseeing and advising the Executive Board without involvement in day-to-day management. The Supervisory Board is made up of six non-executive members appointed by shareholders, and three non-executive members delegated by the Works Council.

The delegated members are:

- GEORG AUER, member of the Supervisory Board of ANDRITZ AG since 2011.
- ANDREAS MARTINER, member of the Supervisory Board of ANDRITZ AG since 2001 and member of the Audit Committee.
- TANIA SANDTNER, member of the Supervisory Board of ANDRITZ AG since 2024 and member of the Audit Committee.

The main criteria in selecting the members of the Supervisory Board are professional qualifications and personal skills, as well as long-term experience in management positions. The members of the Supervisory Board have relevant experience in the following areas: risk management; governance; sustainability integration, especially in the pulp and paper, energy, metals, and automotive industries; and functional experience in strategy, finance, legal, human resources, innovation and technology development, supply chain management, mergers and acquisitions, and internal audits.

The competencies and responsibilities of the individual ANDRITZ Executive Board members are listed in the notes on the Executive Board members in the Consolidated Corporate Governance Report which can be found on the ANDRITZ website [ANDRITZ.com/governance-en](https://www.andritz.com/governance-en). The members have relevant experience in the business areas and sectors covered by ANDRITZ, gained in management positions in similarly sized industrial companies and within ANDRITZ. Since the company operates worldwide, the members' international experience is also relevant in light of ANDRITZ's geographic locations. These include, for example, Austria, Germany, Finland, North America, Mexico, and China.

The Corporate Governance Report also describes the working methods of the Executive Board, Supervisory Board, and internal control measures, which together make up the corporate governance system of the ANDRITZ GROUP.

In the reporting year, the Executive Board had no female members. There were three female members on the Supervisory Board, where the ratio was 3:9, meaning the proportion of women on the Supervisory Board was approximately 33%.

In terms of independence criteria, the Supervisory Board of ANDRITZ AG follows the guidelines stated in the Austrian Code of Corporate Governance. The Supervisory Board is independent of the company and its executive bodies. With the exception of Wolfgang Leitner, who represents the shareholder Custos Vermögensverwaltungs GmbH, no other members of the Supervisory Board elected by the Annual General Meeting are shareholders with a holding of more than 10%. Thus, the requirements of C rules 53 and 54 of the Austrian Code of Corporate Governance are met. The percentage of independent members of the Supervisory Board is 89%.

Sustainability at ANDRITZ is overseen by the Supervisory Board. This includes responsibility for the oversight of IROs. Additionally, topics related to sustainability reporting are on the agenda of the Audit Committee of the Supervisory Board.

ANDRITZ is in the process of developing a comprehensive governance framework that clearly delineates how the responsibilities of governing bodies within ANDRITZ address sustainability IROs. This framework aims to align with existing terms of reference, Board mandates, and organizational policies to ensure coherent integration of sustainability considerations into decision-making processes.

On the operational level, sustainability is managed by the Chief Executive Officer, the other members of the Executive Board, the Group Sustainability function, the Group Corporate Compliance function, and other senior leaders across the different global functions and business areas. The Executive Board, supported by the Supervisory Board, is the highest body responsible for approving the guiding policies for sustainability and outlining sustainability principles that inform the company's strategy.

Group Sustainability

The Vice President, Communications, Marketing, and Sustainability reports directly to the CEO. In 2024, ANDRITZ made a strategic decision to develop the company's overall sustainability approach and created the new role of Group Sustainability Director, reporting to the VP, Communications, Marketing, and Sustainability. The Group Sustainability Director drives sustainability at a strategic level across ANDRITZ and leads Group Sustainability.

Sustainability leadership team

As sustainability is a core part of ANDRITZ's Group strategy, it is integrated into almost all areas of the organization. To further facilitate this integration, the Group initiated the ANDRITZ sustainability leadership team in 2024. The team consists of the business area sustainability leads for Pulp & Paper, Hydropower, Metals, and Environment & Energy, and Group Sustainability. The sustainability leadership team is led by the Group Sustainability Director. It brings together expertise and initiatives from all areas in the Group in a focused way, fostering transparency and ownership while promoting a sustainability transformation across the company.

Group Corporate Compliance

The Group Corporate Compliance team is responsible for legal compliance at ANDRITZ and for ensuring that risk assessments are carried out and that compliance regulations and procedures are implemented and improved. Group Corporate Compliance conducts internal and external audits to assess the effectiveness of rules and proposes improvements. The Group Compliance Officer, who leads Group Corporate Compliance, reports to the Chief Financial Officer.

Compliance Committee

The Compliance Committee implements ANDRITZ's compliance program, monitoring its effectiveness and reporting on its overall status – including sustainability-related compliance topics – to the Executive Board. The Compliance Committee's responsibilities include proposing compliance initiatives and collaborating with other Group functions to assist with compliance-related matters as needed. The Compliance Committee consists of Group Legal, Group Internal Auditing, Group Human Resources Management, Group Controlling, Group Supply Chain Management, and Group Sustainability. It is led by the Group Compliance Officer, who also leads Group Corporate Compliance.

Group Internal Auditing

The Group Internal Auditing function conducts comprehensive audits of ANDRITZ's subsidiaries and Group functions, focusing on financial and operational topics (e.g., compliance with the company's Code of Conduct). Event-driven audits are conducted without prior notice. The purpose of the audits is to ensure compliance with internal policies and the fundamental principles of profitability, and to highlight potential areas for improvement in operational workflows. Other tasks handled by this Group function include the identification of risks and the appropriate handling of them. The department reports directly to the CFO of ANDRITZ AG, and the audit reports are also presented to the Executive Board and, in summarized form, to the members of the Supervisory Board. The improvement measures proposed in the audits are aligned directly with the management of the company or the Group function under audit. The agreed improvement measures are continuously monitored in a specially implemented system and the status of implementation is reported to the Executive Board on a quarterly basis.

The CEO oversees the setting of targets associated with climate-related objectives, including emissions reduction targets, as well as targets for water and waste management. Additionally, the CEO oversees the establishment of social targets (e.g., increasing diversity) and governance-related goals, such as the share of suppliers assessed within the supply chain.

Both the Supervisory Board and the Executive Board receive quarterly reports on key performance indicators (KPIs) that detail progress on established ESG targets.

For other IROs identified in the DMA, target-setting processes are currently under development.

For sustainability topics with defined targets – such as climate (e.g., GHG emissions reductions), water and waste management, social (e.g., gender diversity), and governance (e.g., supplier assessments) – the Supervisory and Executive Boards rely on the organization’s long-standing experience in reporting and managing these areas.

Additionally, with respect to the opportunities identified through the material IRO assessment, the Executive Board brings specialized expertise in evaluating and advancing products and technologies aligned with sustainability goals.

For sustainability matters where targets or oversight frameworks are still being developed (e.g., additional impacts and risks identified in the materiality assessment), the company is designing mechanisms to identify and address skill gaps. This includes assessing training needs and leveraging external expertise where necessary. The mechanisms are as follows:

- **Recruitment and selection:** when recruiting and selecting personnel, a higher priority is given to candidates with demonstrated sustainability knowledge, especially when combined with an understanding of an ANDRITZ-relevant business sector and the related customer needs
- **Skills assessment:** the aim is always to strengthen the team and close potential gaps
- **Training programs:** members of the two Boards are invited to top-management sustainability-training sessions
- **External sustainability experts and organizations:** expert organizations include, for example, the VDMA (of which ANDRITZ’s CEO is chairman of the board) and the International Hydropower Association (IHA, of which the Executive Board member responsible for the ANDRITZ Hydropower business area is a member of the board); consultants are brought in for strategic sustainability advice, providing additional sustainability insights and expertise

ANDRITZ ensures access to sustainability-related expertise through a combination of internal training, external resources, and participation in specialized networks:

- **Internal training:** A general sustainability training session was conducted in 2023, with one session designed specifically to enhance the Executive Board members’ understanding of sustainability-related topics. The company plans to conduct such training every two years. In addition, the Executive Board members must complete topic-specific training, such as the anti-corruption training which took place in 2024.
- **External expertise:** ANDRITZ supplements its in-house knowledge by leveraging external consultants who provide specialized insights and guidance on sustainability matters.
- **Participation in sustainability networks:** ANDRITZ is actively involved in several sustainability-focused initiatives, including the UN Global Compact, where it utilizes the UN Global Compact Academy and various events to keep its expertise up to date. Membership in the VDMA Sustainability Committee, which focuses on sustainability within mechanical engineering, further enhances the company’s knowledge base.
- **Engagement with regional and sectoral organizations:** The company belongs to multiple regional and industry-specific associations, including the IHA, which provides additional expertise in areas relevant to its operations.

Supervisory Board members are selected based on their deep understanding of ANDRITZ’s core technologies, customer requirements, operating environment, and trends impacting decision-making. This ensures that their expertise directly helps to address industry-specific environmental challenges, such as those in metals, hydropower, and pulp and paper. The expertise of Executive Board members is tailored to the specific characteristics of the business area they oversee.

To complement their technical and operational expertise, the Executive Board members also bring strong financial skills, enabling them to integrate sustainability considerations into the organization's broader financial and strategic decision-making processes.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

ANDRITZ's supervisory bodies are regularly (at least once a year, unless stated otherwise) informed about material IROs – as well as the implementation of due diligence and the effectiveness of sustainability-related policies, actions, metrics, and targets – through the following processes:

The CEO provides the Supervisory Board with quarterly updates on sustainability management, offering a general overview of progress and key strategic considerations.

The sustainability leadership team, comprising business area sustainability leads from Pulp & Paper, Hydropower, Metals, and Environment & Energy, along with Group Sustainability, plays a key role in the information flow. The team is led by the Group Sustainability Director, who provides regular updates to the CEO on material sustainability topics and initiatives.

Specific sustainability-related KPIs are monitored at varying frequencies. For example, health-and-safety metrics and green revenue are reviewed monthly, as they are considered a high priority. Other metrics are monitored quarterly, and in the case of specific interests, they may be reviewed more frequently.

The Group Compliance Officer regularly informs the Supervisory Board and the Executive Board about the implementation and results of the due-diligence process for human rights and environmental protection as part of the compliance reporting.

The administrative, management, and supervisory bodies at ANDRITZ consider sustainability IROs to be integral components in the oversight of strategy, major transactions, and the risk-management process.

Decarbonization is a core element of ANDRITZ's corporate strategy. This ensures that climate-related risks and opportunities are systematically considered in strategic decisions. Initiatives supporting the principles of circular economy and zero pollution further reinforce the company's commitment to embedding sustainability in its business model. Sustainability is linked to operations and customer needs, guiding decisions on transactions and technology innovations such as carbon capture and renewable energy. Environmental risks and resource challenges are factored into risk processes, enabling mitigation while capitalizing on opportunities in green technology.

As ANDRITZ conducted and validated its DMA in 2024, all material IROs listed in chapter SBM-3 were addressed by the Executive Board and Supervisory Board during that year.

GOV-3 Integration of sustainability-related performance in incentive schemes (incl. E1)

During the 2024 reporting year, ANDRITZ AG employed a remuneration policy developed in 2020 that was based on an incentive system with both short-term incentives (STIs) and long-term incentives (LTIs) as variable remuneration components. The non-financial goal included in both variable remuneration components was the accident frequency rate. However, this is not climate-related, i.e. the percentage of compensation linked to climate-related considerations was 0% in the reporting year.

The primary goal of the remuneration policy is to promote long-term and sustainable corporate development, above all in the interests of shareholders. The remuneration of the Executive Board is composed of a fixed component and a variable, success-based component. The variable component consists of the short-term incentive (STI) and the long-term incentive (LTI). The STI is based on the achieved reported net income and the accident frequency rate as a non-financial target. The LTI is based on the increase in the share price (weighting 30%) and the comparable EBITA margin achieved (weighting 60%), plus the accident frequency rate (AFR) as a non-financial target (weighting 10%). In this way, non-financial targets are integrated into both the STI and the LTI.

As stated in the remuneration policy valid in 2024, ANDRITZ aims to reduce the accident frequency rate by 30% each year compared to the previous year. If the AFR target is reached, the AFR portion of the STI for each member of the Executive Board is 100,000 EUR. If the accident frequency rate is unchanged compared to the previous year, the AFR portion of the STI does not apply. If the accident frequency rate improves but does not reach the target value, the AFR portion of the STI is calculated proportionately on a straight-line basis. If the target value is exceeded, the AFR portion of the STI increases linearly up to a maximum of 150,000 EUR.

Stock option programs represent the LTI component and the AFR has been selected as non-financial KPI (weighting 10%). In case of the achievement of the AFR target, 100% of the options for this target are granted. The percentage of variable remuneration that depends on sustainability-related targets cannot be determined in a generalized way because the variable remuneration consists of the Short-Term Incentive (STI) and the Long-Term Incentive (LTI). Both the STI and LTI remuneration depend on a certain accident frequency rate (AFR) not being exceeded. Further information on these incentives can be found in the publicly accessible remuneration policy on the ANDRITZ website [ANDRITZ.com/governance-en](https://www.andritz.com/governance-en).

In 2024, the Supervisory Board commissioned an independent consulting firm as independent experts to review the existing remuneration policy for the Executive Board. The firm was tasked with considering regulatory requirements as well as the expectations of investors and proxy advisors. The new policy was approved by the Supervisory Board in 2024 with effect as of January 1, 2025, and will be submitted to the Annual General Meeting on March 27, 2025 for final approval.

The remuneration policy developed in 2024 provides for a target bonus for the short-term incentive (STI) that is based on financial and non-financial sustainability targets and includes clearly defined weightings, thresholds, targets and caps.

Long-term variable compensation (LTI) will consist of a performance share plan based on external targets such as relative total return to shareholders and internal financial and non-financial sustainability targets. Each target criterion is associated with a clearly defined weighting. In contrast to the previous system, target achievement will only be determined after a three-year performance period.

The remuneration policy will serve as a framework for the remuneration report going forward, increasing transparency around the remuneration granted, goals achieved, and resulting payouts. Emphasis has been placed on maintaining an attractive, simple, fair, and performance-based system to continue promoting long-term and sustainable corporate development in the interests of shareholders. The new policy includes the principles of determining the compensation of the Executive Board and the Supervisory Board of ANDRITZ AG and will be submitted to the Annual General Meeting on March 27, 2025 for final approval.

GOV-4 Statement on due diligence

The following table indicates the sections of the non-financial statement in which the key elements of due diligence can be found:

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	GOV-2, GOV-3, SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, GOV-3, SBM-2, IRO-1, MDR-P
c) Identifying and assessing adverse impacts	GOV-2, SBM-2, IRO-1, S1-2, S2-2
d) Taking actions to address those adverse impacts	IRO-1, SBM-3
e) Tracking the effectiveness of these efforts and communicating	S1-4, S2-4

ANDRITZ's due-diligence process for human rights and environmental protection, which is outlined in its 2024 Policy Statement on the company's Human Rights and Environmental Protection Strategy, is structured to comply with international standards and the German Supply Chain Due Diligence Act (LkSG). Key aspects include:

- **Risk management:** ANDRITZ conducts regular risk analyses within its operations and supply chains to identify and mitigate human-rights and environmental risks. This process includes country-specific risk assessments, ESG ratings, and supplier screenings.
- **Preventive measures:** the company implements preventive actions such as training, audits, and contractual obligations for suppliers to adhere to ANDRITZ's Supplier Code of Conduct. High-risk suppliers undergo additional checks, including audits focused on compliance with human-rights and environmental standards.
- **Remedial actions:** when violations are identified, ANDRITZ takes immediate measures, which may include setting remediation plans, providing supplier training, and potentially terminating relationships with non-compliant suppliers.
- **Complaint mechanism:** the "Speak UP!" whistleblowing service is available for internal and external parties to report potential human-rights and environmental violations anonymously.
- **Ongoing reporting:** ANDRITZ documents and reports its due-diligence efforts annually, ensuring transparency and compliance with applicable regulations.

GOV-5 Risk management and internal controls over sustainability reporting

ANDRITZ's risk-management system spans all business areas, addressing various risk categories and including sustainability-reporting risks within its broader framework. It aligns with ISO 31000 and COSO Enterprise Risk Management (ERM) standards, focusing on identifying, analyzing, evaluating, mitigating, and monitoring risks. Key components include a comprehensive internal control system (ICS) for regulatory compliance as well as a standardized risk catalogue for systematic risk categorization and assessment. The main task of the ICS is to identify nascent risks at an early stage and – if possible – to implement countermeasures promptly. The Executive Board is responsible for implementing and monitoring the ICS for the accounting process and financial reporting. For this purpose, binding Group-wide regulations, policies, and guidelines have been adopted for the major business risks and for the financial reporting process.

ANDRITZ uses a standardized risk catalogue managed by Group Controlling to identify and assess financial and sustainability risks. Risk prioritization is based on likelihood and potential impact, with risks categorized as strategic, operational, market, compliance, or environmental.

Changing customer behavior was identified as a significant risk. ANDRITZ manages this risk by focusing development efforts on innovative, sustainable solutions and technologies such as carbon capture and textile recycling, in addition to its general focus on increasing efficiency to ensure that the changing customer requirements are met.

Findings from sustainability risk assessments are integrated into operational decision-making and strategy development. For example, operational processes such as environmental data gathering from ANDRITZ's manufacturing locations have been developed based on the identified risks, and additional internal controls regarding data quality have been set up in the Group Quality and Safety function and the environmental management process across the company's four business areas. The findings have resulted in risk-management practice reviews to ensure that the practices remain effective and aligned with evolving reporting standards and stakeholder expectations.

Findings related to sustainability reporting also inform ANDRITZ's overall strategic planning, forming part of processes such as the development of our sustainability strategy and goal setting to address identified risks related to climate change or resource scarcity.

Each year, the Risk Management Committee prepares a report summarizing risk assessments, including those related to sustainability. This also includes the financial and non-financial reporting risks. These findings are presented periodically to the Executive Board and summarized for the Supervisory Board. They include insights from internal controls and external audit findings, promoting transparency and accountability in line with CSRD and ESRS requirements.

Strategy

SBM-1 Strategy, business model and value chain

ANDRITZ provides a broad range of products and services across four primary sectors: Pulp & Paper, Metals, Hydropower, and Environment & Energy (previously known as Separation). Each sector offers state-of-the-art technologies and services aimed at enhancing efficiency and promoting sustainable practices. Key offerings include equipment and systems for pulp and paper production, metal processing and forming, hydropower solutions, and environmental technologies promoting clean air and water, green hydrogen, renewable fuels, and carbon capture. No products were added to or removed from the portfolio in the reporting year.

ANDRITZ serves various industry sectors and operates globally with a significant presence in North America, Europe, Asia, and South America. The company's customer base includes but is not limited to industrial manufacturers in the pulp and paper industry, metals and automotive industries, renewable energy producers, and organizations seeking solutions with environmental benefits. This extensive market reach underscores ANDRITZ's role in facilitating sustainable production and energy solutions.

As of the end of 2024, ANDRITZ employed a total of 30,003 individuals globally.

Employees by geographical areas

	Absolute 2024	Absolute 2023	Percentage 2024	Percentage 2023
Europe	15 478	15 373	52%	52%
North America	4 136	4 080	14%	13%
South America	4 160	4 148	14%	14%
China	3 910	3 863	13%	13%
Asia (without China)	2 164	2 104	6%	7%
Rest of the world	155	149	1%	1%
TOTAL	30 003	29 717	100%	100%

None of ANDRITZ's products are banned in any markets.

ANDRITZ's total revenue in 2024 amounted to 8,313.7 MEUR.

Information by operating segment (in MEUR)

	PP	ME	HY	EE	Total
Revenue	3 461.1	1 811.2	1 537.9	1 503.5	8 313.7

ANDRITZ has a strong focus on products that enable the green transition. This is also reflected in the company's goal of increasing the share of certain sustainable solutions and products to over 50% of Group revenue by 2025. ANDRITZ works with a variety of renewable energy technologies – from hydropower and pumped storage power plants to biomass pelleting and gasification plants through to power and recovery boilers.

In addition to renewable energy, ANDRITZ's initiatives extend to solutions for the production of EVs, batteries, and bipolar plates for fuel cells, which will be pivotal in the transition to more sustainable transport, as well as textile recycling, a critical component in reducing the environmental footprint of clothing and the apparel industry.

For ANDRITZ's pulp and paper customers, the company's CircleToZero initiative aims to eliminate unused industry side streams, transforming them into new, value-added products and achieving zero waste and zero emissions from the production process.

In carbon capture, ANDRITZ is advancing the field by offering solutions for hydrogen production and the synthesis of green hydrogen with the captured CO₂ to produce e-fuels and valuable chemicals.

ANDRITZ also provides clean air technologies – from dedusting and flue gas cleaning systems to desulphurization, denitrification, and mercury control technologies – as well as various water preparation and recovery solutions from wastewater management to desalination and treatment of tailings.

Other important focus areas include enhanced environmental protection, increased energy and material efficiency, and extending the life cycle of machinery and plants.

Maintaining good relationships with suppliers is an important part of ANDRITZ's success. In addition to quality, sustainability is increasingly becoming a decisive factor. ANDRITZ has therefore set a sustainability goal related to its suppliers. The goal is to source 85% of the supply volume from assessed suppliers by the end of 2025. More information can be found in the chapter on ESRS S2.

ANDRITZ provides technology for:

The green transition

- Pulp & Paper: helping customers to reach and exceed their sustainability targets
- Metals: reducing customers' carbon footprints
- Hydropower: providing renewable low-carbon energy, that is emission free
- Environment & Energy: breakthrough sustainable process solutions for multiple industries

CO₂ abatement and renewables

- Carbon capture
- Green hydrogen and P2X
- Battery plants for e-mobility
- Renewable fuels for aviation, road transportation, and shipping
- Hydropower
- Pumped storage
- Biomass boilers and gasifiers

Circular economy

- Recycling textiles
- Turning waste and side streams into new, value-added products
- Recycling of electronic waste, refrigerators, cable scrap, aluminum scrap, automotive parts, tires, and organic and plastic waste

Environmental technologies

- Flue gas cleaning
- Water treatment
- Tailings treatment
- Desalination and irrigation

Enabling the green transition

ANDRITZ is a global market leader in all of its business areas. Technological leadership and global presence are cornerstones of the Group's strategy, which is focused on long-term profitable growth. Decarbonization is a particularly important component of this strategy. The company develops economically viable key solutions for the green transition and provides full life-cycle services from project development to operation and maintenance.

VALUE CREATION

INPUTS



BUSINESS MODEL



OUTPUTS



OUTCOMES



ANDRITZ'S VALUE CHAIN

NATURAL RESOURCES

- Purchased metals, plastics, electronics and components
- Energy consumption 621 GWh
- Renewable electricity 75%
- Water consumption 293,330 m³

PEOPLE

- Around 30,000 employees from more than 80 countries
- Over 32% are working in engineering, technology or project management
- Over 650 apprentices
- Over 480,000 hours of training
- Around 30,600 suppliers worldwide

FINANCIAL

- Total equity MEUR 2,280
- Net liquidity MEUR 905
- Cash and cash equivalents MEUR 1,165

ASSETS

- More than 280 locations in over 80 countries
- Over 140 production sites

FUELING GROWTH & EXPERTISE

- Around 110 MEUR for R&D
- Around 400 new patent applications
- 5,293 patent protection rights
- ANDRITZ brand
- Metris – ANDRITZ Digital Solutions
- Close collaboration with customers, suppliers and universities

We deliver advanced plants, equipment, services, and digital solutions across industries. As a global technology leader, we drive progress that benefits customers, society, and the environment. Our sustainable solutions support the green transition, advanced digitalization boosts performance, and our services maximize plant value throughout their lifecycle.



ENVIRONMENT & ENERGY

OUR KEY ACTIVITIES

- R&D
- Marketing & Sales
- Engineering & Design
- Procurement
- Manufacturing
- Logistics
- Site installation
- Services

OUR CUSTOMERS

- Pulp and paper industry
- Metals industry
- Automotive industry
- Energy industry
- Other process industries

SOLUTIONS

- Pulp, paper, tissue, panelboard (MDF), and nonwoven production
- Metal forming and processing
- Electromechanical equipment and services for small and large hydropower plants
- Clean air and carbon capture technologies
- Mechanical and thermal separation equipment
- Processing equipment and pellet mills for biofuel, animal, aqua and sea food production
- Pumps for various applications
- P2X, green hydrogen, e-fuels and advanced biofuels

DIGITALIZATION

- Process optimization
- Plant management
- Asset optimization
- Cyber security
- Training

CUSTOMER SERVICE

- ... at every step, ensuring high product quality, output and uptime through quick response time and cost-competitive, efficient life cycle solutions
- Capital systems
- Field services
- Parts & consumables
- Retrofits & upgrades

EMISSIONS AND WASTE

- Scope 1: 54,214 tCO₂e
- Scope 2: 51,570 tCO₂e
- Scope 3: 110,125,000 tCO₂e
- Waste: 51,865 t
- Recycling rate: 72%

ENVIRONMENTAL

- Helping customers achieve sustainability goals with innovative technologies like carbon capture, green hydrogen, renewable fuels, and textile recycling.
- Efficient processes and services reduce energy, water, and resource use while cutting CO₂ emissions during operation.

SOCIAL

- Direct employment, but also the creation of indirect jobs through new plants
- Investment in education, training, and skills development for employees and society
- Direct and indirect improvement on occupational health and safety
- Renewable energy, clean air technologies and more sustainable industrial processes contribute to a healthier environment and thus to a better quality of life

ECONOMIC

- Wages and benefits: MEUR 2,301
- Taxes: MEUR 150
- Payments to shareholders: MEUR 219
- Commitment to international standards like the UN Global Compact, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights etc.

USE PHASE OF TECHNOLOGIES (DOWNSTREAM)



OWN OPERATIONS



SUPPLY CHAIN (UPSTREAM)



Business model inputs

Project materials and services account for the largest share of inputs required (57.8%), measured on the basis of the external costs. These include mechanical parts, electrical components, structural steel and conveying technology, mechanical structures, installation work, and start-up/commissioning. Manufacturing materials such as sheet metal, screens, bars, profiles, and cast and forged parts account for 25.3%. The remaining 16.9% relates to overheads for materials, services, and investments.

The Group Supply Chain Management (GSC) function defines ANDRITZ's procurement strategy and the general conditions for collaboration with its approximately 30,600 suppliers worldwide. Approximately 2,600 of these suppliers account for almost 80% of the external purchasing volume.

ANDRITZ's ability to secure these inputs depends on good supplier relations. This includes fairness on both sides, regular alignment meetings, and on-site visits by ANDRITZ supply chain personnel. The meetings consist chiefly of feedback and strategy reviews with all supply chain partners. New potential focus suppliers must pass a defined qualification process including a compliance and sustainability assessment before any purchase order may be placed with the company in question.

Business model outputs and outcomes

ANDRITZ offers a broad portfolio of innovative plants, equipment, systems, services, and digital solutions for a wide range of industries and end markets. These include technologies and services for all types of pulp, paper, board and tissue, metal forming and processing, hydropower, green hydrogen and renewable fuels, carbon capture and emission reduction, mechanical and thermal solid/liquid separation, grinding, pelletizing, and pumping fluids. Benefits for our customers include access to reliable, high-quality machines and services that meet their operational needs. With our service and automation solutions, we improve the performance of our customers' processes as well as their material and energy efficiency. A particular focus is on sustainable solutions which enable our customers to achieve their sustainability goals. Our investors benefit from long-term profitability from operational efficiency and cost management as well as sustainable revenue growth driven by customer satisfaction and loyalty. Finally, our suppliers and business partners benefit from long-term collaboration and strong partnerships.

[Value chain](#)

Upstream activities

ANDRITZ is a major purchaser of semi-finished and finished goods for its global project business as well as internal production processes. In the course of this activity, ANDRITZ interacts with approximately 30,600 suppliers of raw materials, products, and services. The materials purchased consist mainly of metals, plastics, electronics, and semi-finished or finished manufactured components. ANDRITZ has suppliers in approximately 90 countries, with supply chain concepts made flexible and resilient by incorporating ESG indicators to react to impacts of environmental changes as well as employers' operating environments.

Own operations

ANDRITZ has approximately 280 locations in more than 80 countries worldwide, and offers a broad portfolio of innovative plants, equipment, systems, services, and digital solutions for a wide range of industries and end markets. ANDRITZ has over 140 manufacturing locations, which may impact the environment through emissions to air and water as well as solid waste and noise. As stated in ANDRITZ's Code of Conduct, all of the company's operations obtain and maintain the required permits and licenses and comply with the reporting requirements set forth therein.

ANDRITZ invests in R&D activities to develop innovative, economically viable solutions and products focusing on decarbonization, the circular economy, and zero pollution, thus helping to enable the green transition. This results in intellectual capital such as patents and proprietary technologies. ANDRITZ's R&D and manufacturing activities are accompanied by marketing, sales, engineering, supply-chain management, delivery, and service activities. Globally, approximately 30,000 people are employed by ANDRITZ, indicating the direct impact the company has on people and communities.

Downstream activities

ANDRITZ's solutions and products have a long lifespan, typically ranging from 10 to 40 years. Services such as the refurbishment and repair of ANDRITZ's solutions and products are an integral part of the company's portfolio, enabling customers to align with the principles of the circular economy. Over 90% of ANDRITZ's greenhouse gas (GHG) emissions inventory is caused by use of the products it manufactures (Scope 3, category 11 in the GHG Protocol). Because of this, collaboration with customers is key in reducing the company's climate impact. Potential partners, and the service providers engaged for product distribution, installation, and other services, are also included in ANDRITZ's downstream activities, although their climate impact is only a fraction of that of the customers who utilize the machinery developed and manufactured by ANDRITZ.

SBM-2 Interests and views of stakeholders (incl. S1, S2, S3)

Stakeholder engagement is a continuous process at ANDRITZ. Dialogue on sustainability topics with customers, suppliers, investors, employees, and other stakeholders takes place regularly.

Stakeholder engagement: purposes and outcomes

Key stakeholder	Engagement	Purpose	Outcome
Employees	ANDRITZ Global Employee Engagement Program (employee engagement survey, life-cycle pulses, ad-hoc pulse surveys)	Gather feedback on employee satisfaction and workplace conditions Identify areas for improvement	More focus on internal communication Updates to HR policy
	Talent management program	Integrate strategy into everyday work	Launch of ANDRITZ global inclusion program
	Training and onboarding		Enhanced training programs and updates to e-learning
	Intranet	Develop capabilities	
Works Council*	Regular meetings	Continuous dialogue between employee representatives and top management	Focused discussions on specific themes with top management
Customers and business partners*	Business interactions	Insights into customer needs and preferences	Input for innovation and growth projects
	Joint projects		Improvements to existing portfolio
	Webinars	Ensure product and service offerings align with sustainability expectations	Insights related to potential business opportunities and market adaptation
	Newsletter		
	Website	Enable customers to achieve their targets	
Suppliers*	Supplier due diligence, incl. supplier onboarding and questionnaire	Adherence to ANDRITZ Supplier Code of Conduct	Development of supply-chain management
	Business interactions	Screen new suppliers and foster long-term relationships	Improved supplier performance
	Supplier days		Reduced supply-chain risks
	Newsletter	Protect rights of workers in the value chain	
	Website	Understand sustainability maturity level of the suppliers	

Investors and shareholders	Annual General Meeting	Understand current and future expectations	Responses to investor queries and organizing ESG deep-dive sessions
	Investor relations and communications	Provide transparency regarding sustainability strategy and performance	Development of plans related to ESG ratings
	Website		Updates in investor-related communication
	Newsletter	Address potential concerns	
	ESG ratings and questionnaires		
Press and the media	Press releases	Communicate sustainability initiatives and achievements	Raised awareness of ANDRITZ and its role in the green transition
	Website		
Local communities*	Engagement before projects	Address community questions and concerns	Strengthened community relations
	Dialogue on large projects	Understand the impact of company operations on local communities	Support for local initiatives
		Support community development	
Governments and authorities	Participation in public consultations	Insights into regulatory development, and transition risks and opportunities	Input for long-term strategy development
	Dialogue on large projects		
		Ensure regulatory compliance	
Trade associations	Participation in working groups and industry-wide projects	Gain industry insights	Increased business opportunities
	Participation in consultations	Shape industry standards	Ability to shape industry policies and regulations in line with business interests
	Conferences and networking events	Access industry research, trends, and regulatory updates	Greater visibility through networking
Non-profit organizations, incl. science and research	Dialogue with NGOs on large projects, regular questionnaires	Address public concerns, build trust	Increased understanding of potential concerns
	Research projects	Advance scientific understanding to develop innovative solutions	Partnering with universities and research institutions

Additional focus interviews were conducted with the stakeholders marked (*) in connection with ANDRITZ's DMA.

The interests and views of ANDRITZ's stakeholders were assessed during the due-diligence and materiality-assessment processes and found to be in line with the company's strategy and business model. Stakeholder input is considered in product development, investment decisions, and market positioning, ensuring that ANDRITZ remains aligned with regulatory trends and customer demands. ANDRITZ considers these interests and views in relation to, for example, the product and technology portfolio the company offers. This includes considerations such as decarbonization, the circular economy, and the sustainable use of natural resources, as well as societal considerations related to how ANDRITZ and its value chain operate and are managed. In 2024, ANDRITZ did not amend its Group Strategy (2024–2026) and business model. There are currently no plans to do so, or none which would affect the relationships with or views of stakeholders. Stakeholder views are included in regular sustainability and business updates to the Supervisory Board and other ANDRITZ top management, to ensure that these views inform strategic decision-making.

Additional information on the interests and views of the own workforce

ANDRITZ's workforce is a key stakeholder whose interests, views, and rights play a critical role in shaping its strategy and business model. A fundamental aspect of the organization's approach is its commitment to respecting human rights in the workplace. This includes fair wages, safe working conditions, non-discrimination, and freedom of association. By embedding human rights principles into its operations, ANDRITZ fosters a culture of dignity, inclusivity, and well-being. The #1ANDRITZ way is anchored in the group strategy. ANDRITZ actively seeks input from its workforce through structured feedback mechanisms such as the annual engagement survey, lifecycle and ad-hoc pulse surveys or the annual appraisal interviews. This engagement ensures that the concerns, aspirations, and suggestions of the employees are incorporated into business decisions, enhancing job satisfaction and loyalty to the organization.

Additional information on the interests and views of workers in the value chain

ANDRITZ acknowledges the importance of respecting the views, interests, and rights of workers in the value chain as a part of the strategy and business model. We are aligned with international standards such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO Standards, and the Principles of the UN Global Compact. We prioritize the protection of fundamental human rights in every aspect of our value chain and manufacturing processes, recognizing the significant role that value chain workers have. ANDRITZ is committed to ensuring fair labor practices, safe working conditions, and the well-being of all workers within its value chain.

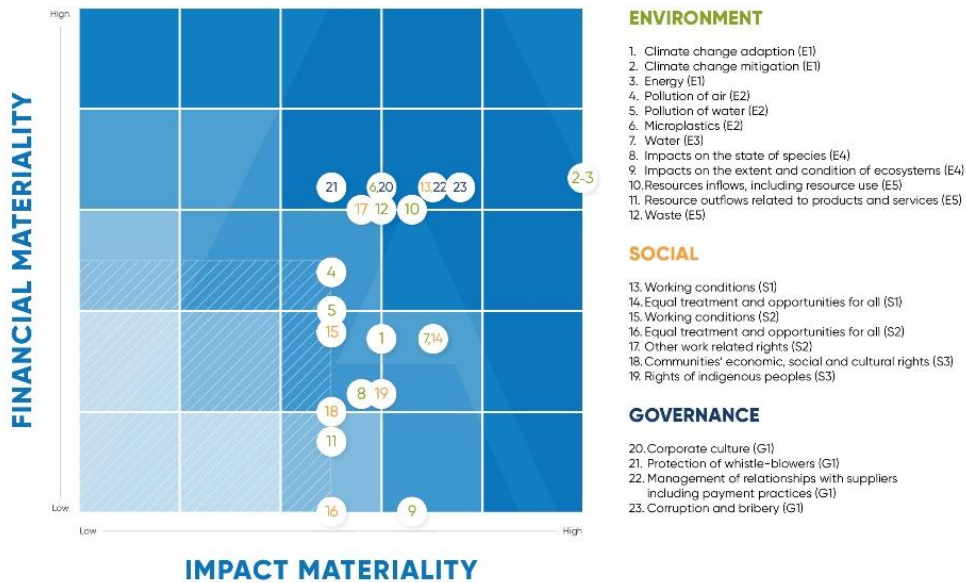
Additional information about the interests and views of affected communities

ANDRITZ recognizes the importance of respecting the views, interests, and rights of affected communities, including indigenous peoples, as a part of the strategy and business model. Our operations are aligned with international standards such as the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO Standards and the Principles of the UN Global Compact. We prioritize the protection of fundamental human rights in every aspect of our supply chain and manufacturing processes. Before participating in large-scale projects, due diligence audits are conducted in order to determine their potential effects on human beings and their environment. The resulting data and findings are evaluated and analyzed. Participation in projects is then decided on this basis.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

All material IROs identified by ANDRITZ are comprehensively addressed through the standardized disclosure requirements defined in the European Sustainability Reporting Standards (ESRS). Following a detailed materiality assessment, no additional entity-specific disclosures were found to be necessary to supplement the ESRS framework.

MATERIALITY MATRIX



Below is a detailed list of all the material impacts, risks and opportunities that have been identified:

Topic-level	Negative/Positive impact	Impact Description	Value chain	Time horizon
E1 Climate change adaptation	Pumps as a solution to counteract e.g. floods or droughts Positive impact	Pumps for drinking water supplies, desalination, flood control, drainage and irrigation are adaptation solutions for various consequences of climate change. This includes e.g. floods or droughts	Downstream	Short term
E1 Climate change mitigation	Use of recycled metal Positive impact	The use of recycled metal reduces CO ₂ emissions, as the extraction of primary metals is more CO ₂ intensive, leading to an overall reduction in GHG emissions	Upstream	Medium term
	Largest contributors to emissions in upstream value chain Negative impact	Steel and copper, used in electromechanical equipment, have the largest contribution to raw material related emissions.	Upstream	Long term
	Renewable energy sources Positive impact	Switching from fuel and gas to renewable electricity or alternative heating can help reduce CO ₂ emissions and overall energy consumption in processes	Own operations	Short term
	Non-renewable energy sources Negative impact	Production in plants (e.g. in emerging markets) can result in higher CO ₂ emissions if non-renewable energy sources are used in the company's own operations	Own operations	Short term
	Use of hydropower Positive impact	Hydropower generation has no/very low CO ₂ emissions during operation and can help accelerate the transition to green energy and thus result in lower CO ₂ emissions	Downstream	Short term
	Emissions in the use phase Negative impact	The use phase of the products and plants sold by ANDRITZ can lead to high emissions due to energy intensity and a long lifespan (several decades), especially the company's pumps portfolio. Affected BAs: P&P, ME, EE.	Downstream	Short term
	Sustainable products Positive impact	ANDRITZ offers various solutions that contribute to GHG emissions reduction such as technologies for renewable energy (hydropower, biomass boiler), carbon capture, green hydrogen, pumped storage, renewable fuels, power-to-x or e-mobility	Downstream	Short term
E1 Energy	Energy efficiency in own operations Positive impact	Energy-efficient production processes can help to reduce energy consumption and thus CO ₂ emissions	Own operations	Short term
	Energy consumption in own operations Negative impact	The operation of plants and systems consumes considerable amounts of energy and thus causes CO ₂ emissions	Own operations	Short term
E2 Pollution of air	Clean-air technologies Positive impact	ANDRITZ's clean-air technologies (for dedusting, multi-pollutant control, heat recovery, desulphurization, denitrification) help to reduce air emissions and help our customers to meet legal environmental requirements	Downstream	Short term
E2 Pollution of water	Product offering for water treatment Positive impact	Product offering for water treatment (pumps for wastewater treatment, separation technologies for industrial and municipal wastewater treatment) and for efficient tailings treatment in the mining sector helps to avoid tailings dam failures	Downstream	Short term
E2 Micro-plastics	Technologies that can replace plastic Positive impact	Technologies that can replace plastic (e.g. fibers or packaging) with renewable materials (e.g. lyocell, dry molded fiber or other wood-based fibers) prevent formation of microplastics	Downstream	Short term
E3 Water	Technologies for sustainable use of water Positive impact	Technologies for sustainable use of water (e.g. CircleToZero initiative in P&P plants, water treatment, drinking water supply, irrigation, desalination) have a positive impact on society and the environment. BAs: P&P, E&E.	Downstream	Short term
	Water consumption in steel industry Negative impact	The steel industry and the production of steel can have very high-water consumption that may cause water scarcity for ecosystems and society	Upstream	Short term
	Water consumption in pulp and paper industry Negative impact	Pulp and paper industry is heavily dependent on water and can consume a significant amount of water per ton of product (pulp/paper/board etc.), which may cause water scarcity for ecosystems and society	Downstream	Short term

E4 Impacts on the state of species	Impact of hydropower on habitats Negative impact	Hydropower plants are the subject of controversial discussion in the context of biodiversity impact (fish migration, habitat changes for flora and fauna). Damming of water resources may lead to negative impacts for wildlife.	Downstream	Short term
E4 Impacts on the extent and condition of ecosystems	Deforestation for pulp and paper production Negative impact	ANDRITZ's capability to supply world-class factories for pulp and paper production may lead to serious impacts to biodiversity. If rainforests are cut down to allow for fast-growing trees like eucalyptus, this has a negative impact both in terms of wildlife and CO ₂ .	Downstream	Short term
E5 Resource inflows, including resource use	Suppliers with sustainable extraction practices Positive impact	By working with suppliers who also apply sustainable practices (e.g. recycled materials), the overall flow of virgin resources can be reduced, resulting in more sustainable use of natural resources	Upstream	Medium and long term
	Extraction of virgin raw materials Negative impact	The extraction of virgin raw materials can lead to considerable environmental damage and an increase in the overall consumption of resources	Upstream	Short term
E5 Resource outflows related to products and services	Refurbishment/recycling of sold products Positive impact	Most of ANDRITZ's products have an extremely long lifespan. Afterwards, the equipment is 100% recycled, as the main materials are steel, copper, aluminum. E.g. pulp and paper mills have a long lifespan (typically 40-50 years) and much of the equipment can be refurbished to be used again at the original mill or sold as second-hand products. Even at the very end of the life cycle, equipment materials can be recycled as they are mostly metals.	Downstream	Long term
E5 Waste	Recycling of material cut-offs Positive impact	ANDRITZ returns its metal cut-offs to recyclers for the creation of new metals, which has a positive impact on the circular economy as natural resources are used in a more sustainable way	Own operations	Short term
	Waste streams from pulp and paper Negative impact	There are certain solid waste streams from pulp and paper mills for which it is challenging to find another use for besides landfill	Downstream	Short term
S1 Working conditions	Work-life balance Positive impact	An adequate work-life balance at ANDRITZ increases employee motivation, satisfaction and health	Own operations	Medium term
	Social security Positive impact	ANDRITZ is a large and secure employer for its employees, which leads to social security/protection for them and their families	Own operations	Medium term
	Lack of flexibility in working hours Negative impact	A lack of flexibility in working hours can lead to a restriction of personal needs, time with the family, etc. due to overnight stays on business trips	Own operations	Medium term
	High health and safety standards Positive impact	High health and safety standards reduce the likelihood of accidents and stress-related challenges at work, which has a positive effect on the well-being of employees	Own operations	Medium term
S1 Equal treatment and opportunities for all	Lack of/inadequate measures against violence and harassment Negative impact	Lack of/inadequate measures against violence and harassment in the workplace at ANDRITZ could lead to lower employee satisfaction or a less developed workforce	Own operations	Medium term
	Training opportunities Positive impact	A wide range of training opportunities can have a positive impact on employee satisfaction and future career opportunities	Own operations	Medium term
	Discrimination or unequal opportunities Negative impact	Discrimination or unequal opportunities may occur within the workforce, which could lead to dissatisfaction among employees	Own operations	Medium term
	Error culture at ANDRITZ Positive impact	Employee motivation and satisfaction are increased by an established error culture at ANDRITZ	Own operations	Medium term
	Fair treatment at ANDRITZ Positive impact	By treating all employees equally, employee satisfaction can be increased	Own operations	Medium term
	Financial progress for employees Positive impact	Further education and training often lead to higher income and thus financial progress for employees	Own operations	Medium term

S2 Working conditions	Working conditions in the value chain Positive impact	Fair working conditions in the value chain promoting prosperity, health and safety contribute positively to society	Upstream and downstream	Short and long term
S2 Equal treatment and opportunities for all	Working conditions in the value chain Positive impact	Working conditions promoting equal opportunities and diversity in the value chain including training and gender equality contribute positively to society by fostering a culture of awareness of these topics	Upstream and downstream	Short and medium term
S2 Other work-related rights	Human rights in the value chain Negative impact	Lack of fair working conditions to protect human rights (child labor, forced labor) in the value chain can have a negative impact on the people working in these companies	Upstream and downstream	Short term
S3 Communities' economic, social and cultural rights	Economic impact of pulp and paper mills Positive impact	Pulp and paper mills are usually in remote areas (due to the proximity of wood resources to the mill site). This positively affects the living conditions of local people: the mill usually brings income streams to the nearby community, stimulating the need for shops, restaurants and other services.	Downstream	All time horizons
S3 Rights of indigenous peoples	Negative impact on indigenous peoples	Indigenous peoples and local communities may be negatively affected by insufficient management of large construction projects (unequal benefit sharing, lack of dialogue, resettlement, or improper compensation).	Downstream	All time horizons
G1 Corporate culture	Positive, inclusive and transparent corporate culture Positive impact	A positive, inclusive and transparent corporate culture promotes a sense of belonging and increases employee engagement, which leads to employee satisfaction, elevates ANDRITZ's business performance, and leads to stronger employer branding	Upstream and own operations	Short term
G1 Protection of whistleblowers	Open communication and incident follow-up Positive impact	Open communication and incident follow-up create increased trust among investors, business partners, employees, communities and other stakeholders	Upstream and own operations, downstream	Short term
G1 Management of relationships with suppliers including payment practices	More resilient supply chains Positive impact	Building up and preserving trusted relationships with suppliers through long-term relationships and regional value creation leads to more resilient supply chains and a more reliable supply of ANDRITZ products	Upstream and own operations	Short term
	Inadequate or non-existent supplier management Negative impact	If supplier management is inadequate or non-existent, positive impacts on GHG emissions, for example, in the supply chain – as well as areas of social due diligence – are limited or cannot be implemented, and negative dependencies could be created	Upstream and own operations	Short term
G1 Corruption and bribery	Prevention of fraud by anti-corruption measures Positive impact	Prevention of fraud resulting in higher trust in relationships with stakeholders (e.g. employees and customers).	Upstream and own operations	Short term
	Economic and political damage Negative impact	Economic and political damage caused by corruption cases could affect ANDRITZ's business partners and other stakeholders	Upstream and own operations	Short term

Topic level	Risk/opportunity	Description	Value chain
E1 Climate change mitigation	Existing product portfolio Opportunity	ANDRITZ already generates around 45% of its total revenue from products and solutions that contribute to the production of renewable energy, environmental protection, the circular economy, and e-mobility.	Own operations
	Future product portfolio Opportunity	New products for the market (e.g. green hydrogen, carbon storage). More stringent sustainability regulations worldwide will drive demand for these products, which will provide ANDRITZ with opportunities to generate new revenue streams.	Own operations
E1 Energy	Critical energy infrastructure Risk	Risk of failure/supply shortfall/contamination of critical infrastructure (e.g. power, gas, water), leading to production delays or production downtime (major dependence on gas [50% of energy in production])	Own operations
E2 Micro-plastics	Technologies to replace plastics: new processes and technologies Opportunity	Technologies to produce materials to replace plastics (e.g. paper, board, Lyocell, and DMF) result in additional revenue streams. BAs: P&P, E&E.	Own operations
E5 Resource inflows, including resource use	Resource-efficient development Opportunity	A huge number of opportunities as resource efficiency drives the ability to get more from less: higher process yield, higher rate of circularity solutions (CircleToZero), carbon capture, utilization (biogenic CO ₂), and green hydrogen to produce renewable fuels from the biorefinery	Own operations
E5 Waste	Waste in pulp and paper Opportunity	If a technology solution can be developed to turn certain difficult solid-waste streams from pulp and paper mills into something with added value, this could be an opportunity to increase business.	Own operations
S1 Working conditions	Lack of qualified staff Risk	Lack of qualified personnel; if the working conditions at ANDRITZ are not up to par and the fluctuation rate increases, recruitment costs also rise.	Own operations
S2 Other work-related rights	Work-related requirements (child labor, forced labor, privacy, etc.) Risk	Exclusion from public tenders if the requirements in the supply chain are not met, leading to lower business volume	Own operations
G1 Corporate culture	Innovative culture Opportunity	Actively cultivating an innovative culture characterized by collaboration, openness, and continuous improvement, leading to greater productivity among employees	Own operations
	Corporate culture as a basis for trust Opportunity	A positive corporate culture creates a foundation of trust between employees and managers, which can result in the identification of potential misconduct internally, attraction of the best talent, positive impacts on business performance, stronger employer branding, etc.	Own operations
G1 Protection of whistleblowers	Public contracts Opportunity	A whistleblowing hotline is a prerequisite for many public tenders.	Own operations
G1 Management of relationships with suppliers including payment practices	Increased supplier transparency Opportunity	More intensive dialogue with suppliers regarding their status increases transparency, which lowers the risk of financial penalties.	Own operations
G1 Corruption and bribery	Brand protection Opportunity	By actively promoting and practicing anti-corruption measures, companies can position themselves as ethical leaders in their industries, enhancing brand reputation and loyalty among stakeholders.	Own operations

Current and anticipated effects of material IROs play an important role in shaping ANDRITZ's business model, value chain, strategy, and decision-making processes. These can:

- Inform strategy and resource allocation: the IROs guide the company's strategic focus and allocation of resources, particularly in innovation and investment, ensuring that efforts are directed toward the areas of greatest impact.
- Steer long- and mid-term planning: by evaluating these factors, ANDRITZ determines how to shape its business and service portfolio to remain competitive and anticipate future industry trends.
- Support decision-making: the IROs provide a framework for making informed decisions on resource distribution across different business areas, ensuring alignment with long-term goals.

ANDRITZ's strategy and business model are closely connected to certain impacts through its focus on decarbonization, circular economy principles, and zero-waste objectives. While these initiatives are designed to drive positive environmental outcomes, the company acknowledges that the transition to a cleaner economy may also present challenges, such as operational adjustments and resource demands, which can lead to negative impacts. They are, however, carefully monitored.

The company's strategy prioritizes sustainable environmental practices, including the development of technologies that support decarbonization and reduce waste, ensuring alignment with the company's long-term goals.

Social impacts are also connected to ANDRITZ's strategy. Through the #1ANDRITZway, the company enables its employees to expand their horizons by fostering a fair and respectful workplace with equal opportunities for everyone. ANDRITZ's culture emphasizes openness, continuous improvement, and the empowerment of employees to take decisions and lead initiatives.

ANDRITZ is involved with material impacts through its activities including, for example, directly managing manufacturing processes that result in GHG emissions. Additionally, it is indirectly involved through its business relationships with the suppliers and customers listed below.

Upstream value chain: the procurement of raw materials, such as steel and copper, contributes to emissions, water consumption, and resource depletion. At the same time, ANDRITZ supports sustainable sourcing by engaging with suppliers that adopt responsible extraction practices and principles of circular economy.

Downstream value chain: ANDRITZ provides technology solutions that support sustainability objectives, such as hydropower, clean-air technologies, and water treatment. However, the use phase of some products, particularly energy-intensive industrial equipment, results in significant emissions and environmental impacts over their long lifespan.

Since ANDRITZ's DMA was conducted for the first time in 2024, the company has not yet quantified the financial effects of material risks and opportunities on its financial position, financial performance, and cash flows. It is therefore not possible to report on the risk of material adjustment within the next annual reporting period to carrying amounts of assets and liabilities reported in related financial statements.

Qualitative analysis of resilience

ANDRITZ applies the principles of resilience analysis when assessing the ability to respond to shifts in market demand, including the ability to develop new, innovative technologies. The production continuity of ANDRITZ's established product and technology portfolio is secured through manufacturing sites that back each other up. Resilience against raw-material and service disruptions is assessed as an essential part of supply chain management. A detailed resilience analysis has not yet been conducted but is planned for 2025.

This report is ANDRITZ's first according to CSRD and 2024 is the company's first CSRD reporting period. The company has therefore conducted a DMA for the first time. However, a materiality assessment according to GRI was previously carried out to fulfill the requirements of the Non-Financial Reporting Directive (NFRD). The assessment focused only on impacts and did not take the concept of double materiality into account. All topics from the previous materiality assessment are also reflected in the new double materiality assessment, which was used as supporting input.

Impact, risk and opportunity management

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

During 2024, ANDRITZ completed its first double materiality assessment (DMA) in accordance with the European Sustainability Reporting Standards (ESRS).

Methodology and process

The process for the double materiality assessment was divided into five steps (see figure below: Materiality assessment method). A top-down approach was used in the assessment.

ANDRITZ's senior management was involved in identifying material issues based on strategic priorities and external expectations. Engagement with investors, customers, suppliers, and other relevant stakeholders – gathering their insights and expectations – was used as input (drawing upon both existing material and new engagement). In the standard-specific workshops, ANDRITZ invited subject-matter experts from its business areas to add more detailed input, thus ensuring that the company's top-down approach is aligned with the reality of the business areas.

MATERIALITY ASSESSMENT METHOD



Impacts on people and the environment

ANDRITZ's due-diligence process for human rights and environmental protection meets the requirements of the German Supply Chain Act and is based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This due-diligence process was used to underpin the assessment of the material IROs.

Due to the scope of the German Supply Chain Act, the part of ANDRITZ's current due-diligence process related to the supply chain includes environmental sustainability topics but is more focused on social sustainability and human rights. Going forward, as the company prepares for the upcoming Corporate Sustainability Due Diligence Directive (CS3D), it will adapt its sustainability due-diligence process, especially in relation to environmental sustainability based on the CS3D guidance.

At the beginning of the IRO identification, all environmental, social, and governance topics as well as the sub-topics and sub-sub-topics of ESRS 1 AR16 were used as a starting point for the materiality assessment. After checking the list of sustainability matters, two topics were excluded as irrelevant: topic S4 – Consumers and end-users and sub-topic G1 – Animal welfare. The result was considered to be the long list of potentially material topics.

A comparison with common standards and frameworks such as the ENCORE database was performed to establish a benchmark for the materiality assessment and to ensure that the assessment was in line with current best practices, as well as the relevant practices of certain peer companies. The focus was on identifying impacts on the environment, people, and society, carefully assessing the materiality of these impacts.

Workshops were held in the first half of 2024 to identify the relevant IROs, where sector-specific sustainability topics were assessed. The assessment was based on the sectors and the geographical areas included in the context of ANDRITZ's operations. Legal entities were only included when assessing the sectors relevant to ANDRITZ's legal entities in a certain geographical area. Considerations related to geopolitical risk assessment performed in ANDRITZ's risk-management process were used when assessing certain areas with a potentially heightened risk of adverse impacts. Also, specific activities such as downstream value-chain raw-material use when operating the machinery supplied by ANDRITZ were considered as potentially giving rise to a heightened risk of adverse impacts. The assessment did not focus on the level of single legal entities.

The DMA process considered the entire value chain including ANDRITZ's own operations and its business relationships. Both upstream (suppliers) and downstream (customers and potential partners) relationships were assessed to understand the flow of materials, products, and services to the customers and therefore the IROs.

Stakeholder engagement was an integral part of the process. Stakeholders' insights and expectations were gathered in order to ensure that a broad range of perspectives and expectations were considered in the assessment, thus enhancing its legitimacy. Stakeholders were categorized according to their influence on and interest in ANDRITZ's sustainability performance, which increased understanding of the key affected stakeholders as well as the key aspects of the company's own business activities and the upstream and downstream value chain.

The DMA incorporated existing stakeholder-engagement material from surveys and business processes. These included, for example, employee engagement surveys and documentation of customer and investor engagement. To further deepen the previous stakeholder engagement, five focus interviews were conducted with certain key stakeholders with the aim of identifying, from the key-stakeholder point of view, three to five sustainability issues to prioritize and discuss further. The results of the stakeholder consultation were used as input in the IRO assessment.

For the materiality of the impacts (inside-out), each impact was assessed according to its severity and likelihood of occurrence. The degree of severity is made up of three components: scale, scope, and irremediability. A scale of zero to five was used for all categories.

For actual negative impacts, the mean value was calculated from the assessments of scale, scope, and irremediability (severity). In the case of actual positive impacts, the mean value was calculated from the scale and scope. For potentially negative impacts, the mean value of the scale, scope, and irremediability was additionally multiplied by the likelihood. In the case of potentially positive impacts, the average of the scale and scope was calculated and multiplied by the likelihood.

In the case of negative impacts on human rights, it was noted that the severity of the impacts takes precedence over their likelihood. The maximum value of a sub-range of the severity level results in the maximum severity level. The impacts were considered separately for positive and negative impacts (no netting of impacts) as well as actual and potential impacts. Care was taken to ensure that no impacts were presented as positive if they merely reduce a negative impact and do not actually represent a positive impact.

Risks and opportunities with financial effects

Equally important was the identification of risks and opportunities, particularly in terms of their financial materiality, in order to obtain a comprehensive picture of the potential impact on the organization.

During the IRO-workshop discussions, it was repeatedly noted that impacts also lead to risks and opportunities (e.g., positive impacts on the environment through sustainable products also lead to financial opportunities). Dependencies on natural, human, and social resources as sources of financial risks or opportunities were also discussed and identified.

For financial materiality (outside-in), each risk or opportunity was assessed according to its potential magnitude and likelihood. A scale of zero to five was used for all categories. This scale is indirectly linked to the ANDRITZ internal control and risk management system. The assessment of the opportunity or risk consisted of the potential magnitude of the risk or opportunity for financial impact in the short, medium, and long term, and the likelihood of the risk or opportunity occurring.

Sustainability-related risks were prioritized relative to other types of risks based on their potential impact on ANDRITZ's strategic objectives and operational efficiency. Findings from the sustainability risk assessments are integrated into decision-making and strategy development. ANDRITZ continues to develop the integration of sustainability-related risks into the corporate risk framework by, for example, identifying best practices in prioritizing sustainability-related risks.

Decision-making and control

To ensure the efficiency and effectiveness of the IRO workshops, the core sustainability team was joined by senior management – to identify material issues based on strategic priorities and external expectations related to ANDRITZ's business areas – and subject-matter experts related to the sustainability topics being discussed. The topics related to the company's own workforce were analyzed in greater depth by the Human Resources department.

In the workshop discussions, different scenarios and potential futures were assessed while considering their potential impacts on a single business-area level, multiple business areas, or all business areas. A separate data sheet was created for each relevant topic, in which the IROs discussed and raised in the workshops were recorded. The data sheets were used as input for a DMA impact and financial assessment tool, which was then refined.

The degree of severity results from the mean value of the scale, scope, and irremediability of the respective impact. In addition, the likelihood was assessed for potential impacts. In the case of actual impacts, the likelihood was always assumed to be 1 (meaning 100%). The severity and likelihood of the impact were always assessed before all mitigation measures (gross assessment).

For the assessment of risks and opportunities, the scales from the existing risk management system were used and risks already mapped were adopted. For risks and opportunities, the magnitude was multiplied by the likelihood of the financial effects. In the assessment, ANDRITZ considered the dependencies of these risks and opportunities from the impact.

In the assessment discussion, the financial impact was divided into three categories to assess the total impact. The categories used to form the total financial impact estimate are costs (e.g., liquidity, cash flow), income (financial performance, e.g., EBITDA), and cost of capital/access to capital.

In the IRO workshops, ANDRITZ assessed past events as well as various scenarios and potential futures, considering their potential impacts on a single business-area level, multiple business areas, or all business areas (the business area coverage). Especially when the business area coverage is larger, resulting in a higher weighting for the financial impact on ANDRITZ, a likelihood of less than 50% can also lead to material risks or opportunities.

In assessing the risks, the aim was to produce a realistic view of the potential risks by considering the potential residual risks after management and mitigation efforts. In the IRO workshop discussions, ANDRITZ considered scenarios to illustrate different outcomes including those where mitigation measures might be less effective or even fail. Outcomes identified to have potential materiality were documented for further assessment. In this CSRD report, ANDRITZ transparently discloses the chosen approach, to produce a comprehensive and realistic insight into its double-materiality process.

Integration with risk management

ANDRITZ's overall risk-management process is complemented by dedicated sustainability considerations. The process for identifying, assessing, and managing impacts and risks is not yet fully integrated into the corporate-risk framework, but the company is working toward the completion of a comprehensive sustainability risk assessment at the corporate level, to ensure that the prioritization of sustainability risks is aligned with that of other types of risks.

Integration with management processes

The opportunity-management framework at ANDRITZ is integrated with its strategic planning processes, ensuring that potential opportunities are systematically identified, assessed, and managed. In addition to the opportunity-management-related activities in its business areas, ANDRITZ has a dedicated Group Business Development organization focusing on Group-wide venturing and innovation initiatives. The company uses relevant assessment tools to identify opportunities across various domains, such as technological advancements, market expansion, and sustainability initiatives. Opportunities identified through the company's assessment process are integrated into its strategic planning and operational processes.

ANDRITZ's opportunity-management framework supports the company's innovation and digital agenda. Opportunities identified include, for example, technological innovations in the sphere of digitalization and AI combined with environmental sustainability benefits.

Input parameters

ANDRITZ used background material in the IRO identification, including but not limited to the following:

- Publications by the World Economic Forum (WEF) and the World Business Council for Sustainable Development (WBCSD)
- Material related to the impact of sustainability trends in ANDRITZ's field of industry, such as white papers by acknowledged sustainability consultants and material from relevant trade organizations (e.g., the VDMA and Technology Industries of Finland)
- Sector-specific sustainability benchmarks identified by acknowledged ESG ratings and other organizations such as EcoVadis and SBTi
- Analysis of peer companies
- Analysis of best practices in sustainability governance and performance outside of ANDRITZ's field of industry

Comparison and revisions

Since ANDRITZ conducted its first DMA in 2024, the process to identify, assess, and manage IROs has changed compared to prior reporting periods. ANDRITZ will establish a process to review and, if necessary, update the DMA on a yearly basis.

[IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement](#)

The determination of material information to be disclosed regarding material IROs was conducted as part of ANDRITZ's DMA project, detailed under ESRS 2 IRO 1. After the internal IRO identification process conducted in cooperation with subject-matter experts, a stakeholder assessment was carried out in accordance with ESRS 2 SBM-2 to identify concerns and priorities related to the results. The outcomes of the materiality analysis were examined with the CSRD steering team and incorporated into the considerations in accordance with ESRS 2 IRO 1. After the final scoring of the IROs, the double-materiality thresholds were set to determine the materiality of individual IROs. Next, ANDRITZ looked up the corresponding material sustainability matters, and then found the best-matching disclosure requirements. This revealed the relevant data points, and phase-in provisions were also taken into account. Metrics are reported if the metric in question is deemed necessary in order to understand the objective of the disclosure requirement. (IRO-2-59)

The following index shows the disclosure requirements that were followed in preparing the non-financial statement based on the results of the materiality assessment (see ESRS 1 section 3), including the page numbers that contain the corresponding disclosures in the sustainability statement.

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 Appendix B)

Disclosure Requirement and related datapoint	SFDR (¹) reference	Pillar 3 (²) reference	Benchmark Regulation (³) reference	EU Climate Law (⁴) reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (⁵), Annex II		5
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		5
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				10
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (⁶) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (⁷), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	58
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		59
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		74

Disclosure Requirement and related datapoint	SFDR (*) reference	Pillar 3 (²) reference	Benchmark Regulation (³) reference	EU Climate Law (⁴) reference	Page
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				80
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				78
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				79
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		80
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		83
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	84
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).					
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in

Disclosure Requirement and related datapoint	SFDR (*) reference	Pillar 3 (†) reference	Benchmark Regulation (‡) reference	EU Climate Law (¶) reference	Page
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				91
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				98
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				98
ESRS 2- SBM-3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				99
ESRS 2- SBM-3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				99
ESRS 2- SBM-3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				99
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				103
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				115
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				116
ESRS 2 SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				119
ESRS 2 SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				119
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				119

Disclosure Requirement and related datapoint	SFDR (*) reference	Pillar 3 (†) reference	Benchmark Regulation (‡) reference	EU Climate Law (¶) reference	Page
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		121
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				125
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				125
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				126
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		137
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				137
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		138
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				138
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				138
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		138
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				139
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				142
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				141-145
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		143-144

Disclosure Requirement and related datapoint	SFDR (*) reference	Pillar 3 (†) reference	Benchmark Regulation (‡) reference	EU Climate Law (‡) reference	Page
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		143-144
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				150
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				152-154
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		152-154
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				155
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				158
ESRS G1-4 Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		169
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				166

- (¹) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
- (²) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
- (³) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
- (⁴) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).
- (⁵) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
- (⁶) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1.).
- (⁷) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

2. Environmental information

Information pursuant to Article 8 of the EU Taxonomy Regulation (2020/852)

The EU Taxonomy Regulation 2020/852 of June 18, 2020, is part of the EU Sustainable Finance Action Plan and aims to define sustainable economic activities. Thus, it is a significant regulatory step towards promoting transparency in the sustainability sector. It is intended to direct investment flows towards a sustainability transformation in line with the European Green Deal.

Pursuant to Article 8 of the Regulation, ANDRITZ has been obliged to report on the form and extent of the economic activities that qualify as environmentally sustainable according to the EU Taxonomy classification system since 2021.

In June 2023, Delegated Regulation 2021/2139 was expanded to define new economic activities for the first two climate objectives of climate change mitigation and climate change adaptation. Furthermore, Delegated Regulation 2023/2486 was published containing the economic activities for the four additional environmental objectives: sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. ANDRITZ reports the taxonomy eligibility for all relevant new economic activities. For the relevant economic activities from Delegated Regulation 2021/2139, ANDRITZ reports (as in the previous reporting year) the proportions of both taxonomy-eligible and taxonomy-aligned economic activities.

While a match between the activity descriptions and the economic activities of the company is sufficient for the identification of taxonomy eligibility, taxonomy alignment requires the fulfillment of the technical screening criteria relevant for the economic activity. These are to ensure that the taxonomy-eligible economic activity makes a substantial contribution to one of the six environmental objectives, does no significant harm to the remaining five environmental objectives, and meets minimum social safeguards. Taxonomy alignment requires the cumulative fulfillment of all three requirements.

Taxonomy eligibility

As in 2023, ANDRITZ classifies individual product Groups (described below under 3.a) as taxonomy-eligible according to the definition of economic activities 3.1. "Manufacture of renewable energy technologies" and 3.6. "Manufacture of other low carbon technologies". Economic activity 3.2. "Manufacture of equipment for the production and use of hydrogen" was classified as eligible for the first time in 2024. With the publication of the new delegated regulation, it is now also possible to classify product Groups as taxonomy-eligible according to the definition of the economic activities 3.20. "Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation" and 5.1. "Repair, refurbishment and remanufacturing".

Taxonomy alignment

After applying and reviewing the technical screening criteria, ANDRITZ continues to classify the products assigned to economic activity 3.1. as taxonomy aligned. The products falling under economic activity 3.20. have also now been added. For details, see 3.b). The economic activity 3.2. represents a new business segment, which is why the proof of taxonomy alignment will not be provided until 2025.

For the products assigned to economic activity 3.6., it is not possible for ANDRITZ to demonstrate taxonomy alignment at this stage because the technical screening criteria have not yet been clearly defined by the EU Commission (in particular, the criteria for a material contribution to climate change mitigation). In order to make a significant contribution to climate change mitigation, the technologies must be shown to result in significant life-cycle greenhouse gas emissions savings, according to the currently available definition. However, no clear definition exists yet for the term "significant". In addition, to satisfy taxonomy alignment, the technology must be better than the best performing alternative technology available on the market in terms of greenhouse gas emissions. Here, too, it is currently not possible to prove that ANDRITZ's technologies meet these criteria because there is yet no international database on which to base these checks.

The taxonomy-eligible and taxonomy-aligned economic activities applicable to the ANDRITZ GROUP are shown below together with the financial key performance indicators (turnover, capital expenditure, and operating expenditure) and the corresponding qualitative information to be reported pursuant to Article 8 of the EU Taxonomy Regulation.

Challenges of the EU Taxonomy

All information from ANDRITZ is based on the status of the definitions and interpretation of the EU Taxonomy at the time this report is published.

Before providing more details on the taxonomy-eligible and taxonomy-aligned economic activities, ANDRITZ wishes to point out that the EU Taxonomy cannot be equated with ANDRITZ's own definition of sustainable products and solutions that was published before the EU Taxonomy. ANDRITZ's own definition of sustainable products and solutions includes equipment, technologies, and systems that help customers achieve their sustainability goals. They help protect the environment, contribute to decarbonization, reduce the consumption of valuable resources, such as water, and promote a circular economy.

In contrast, the EU Taxonomy concentrates in its definitions of the first two climate objectives primarily on industrial economic activities that are energy-intensive and emit large quantities of CO₂, without taking the respective supply chains into full consideration. For these activities, the EU Taxonomy contains very precise descriptions and technical screening criteria in order to determine the conditions under which an economic activity can be classified as taxonomy-eligible or taxonomy-aligned. As a supplier of technologies and systems that enable and push forward the green transformation, ANDRITZ believes it has not been taken into consideration sufficiently in the first two climate objectives of the EU Taxonomy. The ANDRITZ product portfolio contains a large number of technologies that make a significant contribution towards climate neutrality in many industries.

Part of ANDRITZ's service business falls under the new delegated regulation with the four additional environmental goals, in particular under the environmental objective concerning the circular economy. The assumption that additional products from the business areas of Environment & Energy, Pulp & Paper, and Metals which did not fall under the first two environmental objectives are covered by the environmental objectives "Sustainable use and protection of water and marine resources", "Transition to a circular economy", and "Pollution prevention and control" has not been confirmed. The economic activities in question refer explicitly to the construction, modernization, and operation of complete plants. In these areas, ANDRITZ generally supplies components and machines as parts of plants, meaning that these projects were classified as not taxonomy-eligible.

a) Identification of taxonomy-eligible turnover

In identifying the taxonomy-eligible product Groups for the environmental objectives of climate change mitigation and transition to a circular economy, ANDRITZ has adhered strictly to the European Commission's wording in the description of sustainable economic activities – also, in particular, to the definition of economic activity 3.6., "Manufacture of other low carbon technologies", which says that only those low carbon technologies that lead to a substantial reduction in greenhouse gas emissions in downstream industries may be classified as taxonomy-eligible.

Finally, on the basis of the published delegated regulations and the FAQs of the EU Commission, the following product Groups were classified by ANDRITZ as taxonomy-eligible in pursuit of the environmental goal of **climate change mitigation**:

Economic activity 3.1. “Manufacture of renewable energy technologies”:

- **Electromechanical equipment for hydropower stations** (Hydropower business area)
- **Biomass and black liquor boilers, evaporators, technologies for gasification and combustion of bark, wood dust, and wood waste** (Pulp & Paper business area)
- **Plants for the production of biomethanol** (Pulp & Paper business area)

Economic activity 3.2. “Manufacture of equipment for the production and use of hydrogen”:

- **Supply of plants for the production of green hydrogen** (Environment & Energy business area)

Economic activity 3.6. “Manufacture of other low carbon technologies”:

- **Presses and press lines for the production of electric vehicle components**: car body and structural elements, metal housings for batteries, electrical steel for motors (Metals business area)
- **Plants and systems for lightweight vehicle construction**: laser welding systems to produce tailor welded blanks, continuous galvanizing lines and cold-rolling mills for the production of high-strength steel grades (AHSS/UHSS), processing and heat-treatment lines for the production of aluminum sheet for lightweight bodywork (Metals business area)
- **Plants for CO₂ capture** for downstream transport and storage/further processing of CO₂ according to economic activities 5.11. “Transport of CO₂” and 5.12. “Underground permanent geological storage of CO₂” (Pulp & Paper business area)

Economic activity 3.20. “Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change”:

- **Synchronous condensers** (Hydropower business area)

For the environmental objective **transition to a circular economy**, the following ANDRITZ product Groups have been classified as taxonomy-eligible:

Economic activity 5.1. “Repair, refurbishment, and remanufacturing”:

- Repairs and refurbishment services for the **process areas of pulp and paper plants** (Pulp & Paper business area)
- Repairs and refurbishment services in connection with **rolls for paper machines** (Pulp & Paper business area)
- Repairs and refurbishment services for **mechanical, hydraulic, and servo presses** as well as for **punching and forming plants** (Metals business area)
- Repairs and refurbishment services for **machines in the food industry** (Environment & Energy business area)

Explanation of the taxonomy relevance of the business areas

Hydropower

ANDRITZ Hydropower is one of the globally leading suppliers of electromechanical equipment and services for hydropower plants. With over 180 years of experience and an installed fleet of more than 470 GW output, the business area provides complete solutions for hydropower plants of all sizes as well as services for plant diagnosis, refurbishment, modernization, and upgrade of existing hydropower plants.

The business area offers a complete product portfolio with turbines, generators, and additional equipment of all types and sizes – “from water to wire” – for large and small hydro applications, pumped storage power stations, and tidal energy turbines for marine energy projects. As hydropower and pumped storage power stations are also designed for hydraulic and environmental conditions specific to the location, the associated electromechanical equipment is also planned and designed accordingly. Virtually every turbine, every generator, and the general plant layout are in general “project-specific individual solutions”.

ANDRITZ supplies products and systems that form an integral part of a hydropower plant. Therefore, the contractual scope of supply usually includes the planning, engineering, delivery, installation, and commissioning of the equipment, and these are therefore Grouped together as an integrated performance obligation under IFRS 15 and collectively under economic activity 3.1. in the EU Taxonomy.

The service sector offers plant diagnosis, rehab, modernization, and upgrades to existing hydropower plants. The range extends from complex upgrades to small spare part deliveries. All ANDRITZ solutions meet the specific customer requirements, are environmentally friendly, and support operations management. The scope of supply normally consists of repairs, reconditioning, or complete replacement of components and plant parts.

The product portfolio in the service sector also contains general services such as technical support, training, spare parts management, and service contracts to comply with all technical, economic, and legal requirements. Special services can be offered for life cycle and risk analysis and for operation and maintenance. At the moment, this product offering in the service area cannot be assigned to any economic activity of the EU Taxonomy due to the definition of the six environmental objectives.

Newly added here are synchronous condensers, which are indispensable for stabilization of the power grid, especially in connection with the rising share of variable renewable energy sources. They can supply significant quantities of reactive power and short-circuit power to maintain grid stability by compensating for fluctuations. This makes it possible to further improve the integration of solar and wind energy into the energy infrastructure. ANDRITZ's activities in this area are Grouped together under economic activity 3.20. in the EU Taxonomy.

Pulp & Paper

The Pulp & Paper business area provides sustainable technology, automation, and service solutions to produce all types of pulp, paper, board, and tissue. The technologies and services focus on increased production efficiency and lower overall operating costs as well as innovative decarbonization strategies and autonomous plant operation. This business area also includes boilers for power generation, flue gas cleaning systems, various nonwoven technologies, and panelboard (MDF) production systems.

With waste-to-value recycling, shredding, and energy solutions, waste and by-product streams from production are converted into valuable secondary raw materials as well as into sustainable resources for energy generation. State-of-the-art IIoT technologies as part of Metris digitalization solutions complete the comprehensive product offering.

The Pulp & Paper business area contains a large number of products and technologies that can contribute towards the environmental objectives of the EU's Green Deal. However, not all of these correspond to the defined economic activities and descriptions of the six environmental objectives.

The following section explains which products from the Pulp & Paper business area can be classified as economic activities within the meaning of the environmental objective **climate change mitigation**:

- **Modern biomass boilers** are subdivided into bubbling fluidized bed (BFB) and circulating fluidized bed (CFB) technologies. Both generate steam and electricity from biomass and biogenic residual materials.
- **Black liquor boilers** are used in pulp production to generate energy by burning the inorganic components in the black liquor (mainly lignin). The inorganic components in the black liquor are fully re-utilized by means of a closed-loop system for the production of the chemicals needed to pulp the wood.
- **Evaporators** are a preliminary stage that precede the black liquor boilers. Their primary goal is to produce a stable flow of black liquor containing a high proportion of solids for efficient combustion in the black liquor boiler. In a multi-stage process, the solids content in the black liquor is increased from around 15% to approximately 80% by the evaporators.

Black liquor is burned in order to generate electricity and process heat in the form of steam. Modern black liquor boilers generate around twice as much electricity as the entire pulp mill consumes. The surplus "green" electricity is fed into the national grid.

The black liquor is classified by reputable organizations like the IEA (International Energy Agency), the IPCC (Intergovernmental Panel on Climate Change), the FAO (Food and Agriculture Organization) of the United Nations, and the EU – according to the EU Renewable Energy Directive (RED II) – as a renewable biomass-based carbon-neutral fuel that contributes towards reducing greenhouse gas emissions.

- **Gasification plants** use the wood waste biomass (bark, wood dust, etc.) from pulp production to produce gas to replace 100% of the fossil fuels used to fire the lime kiln. Hence, this technology contributes towards substantially reducing greenhouse gas emissions.
- **Plants for the production of biomethanol:** ANDRITZ has developed a new process that produces high-purity biomethanol from the non-volatile gases arising during pulp production. This biomethanol can either be reused in the mill or put to commercial use, for example as biofuel in the transport sector (biodiesel for shipping). This achieves substantial savings in greenhouse gas emissions.

As in the Hydropower sector, the sale of these products and services also entails integrated performance obligations within the meaning of IFRS 15 and falls under economic activities 3.1. and 3.6. in the EU Taxonomy.

The following section explains which products from the Pulp & Paper business area can be classified as economic activities within the meaning of the environmental objective **circular economy**:

- Repairs and refurbishment services for individual process areas in pulp and paper plants. These include services for pulpers, refiners, dewatering systems, tissue machines, and paper/board machines, services for technologies in the area of wood and biomass processing as well as services for cooking, washing, bleaching, wet processing, drying, cutting, and baling systems.
- Repairs and upgrades in connection with rolls for the clothing of paper machines.

ANDRITZ's service activities in these areas are Grouped together in the EU Taxonomy under economic activity 5.1.

Metals

The Metals business area is – via the Schuler Group – a technological and market leader in metal forming. Schuler supplies presses, automation solutions, dies, process know-how, and service for the entire metal-working industry and for lightweight vehicle construction. In the service area, this business area offers repair and refurbishing services for mechanical, hydraulic, and servo presses as well as for punching and forming plants, among other services. In the e-mobility sector, Schuler supplies plants for economical serial production of components for e-vehicles – car body and structural elements, metal housings for batteries, and electrical steel for motors. In addition, in the lightweight vehicle construction sector, ANDRITZ offers laser welding systems to produce tailor welded blanks, continuous galvanizing lines and cold-rolling mills for the production of high-strength steel grades (AHSS/UHSS) as well as processing and heat-treatment lines for the production of aluminum sheet for lightweight bodywork. The products from ANDRITZ and Schuler make a substantial contribution towards reducing greenhouse gas emissions in downstream industries.

The sale of these products and services is an integrated performance obligation within the meaning of IFRS 15, and they are therefore also Grouped together in the EU Taxonomy under economic activity 3.6. The service activities are Grouped under economic activity 5.1.

Environment & Energy

ANDRITZ Environment & Energy provides mechanical and thermal technologies as well as services and the related automation solutions for solid/liquid separation, serving the chemical, environmental, food, and the mining and minerals industries. The customized, innovative solutions focus on minimizing the use of resources and achieving the highest process efficiency, thus making a substantial contribution towards sustainable environmental protection.

In addition, the business area offers technologies and services for the production of animal feed and biomass pellets. Pumps for irrigation, water supply, and flood control are also part of this business area's portfolio. In the service area, this business area offers repair services for machines in the food industry, such as the ANDRITZ decanter centrifuge F, the ANDRITZ horizontal peeler centrifuge, the ANDRITZ Gouda contact drum dryer, and the ANDRITZ Gouda paddle dryer.

ANDRITZ's service activities in these areas are Grouped together in the EU taxonomy under economic activity 5.1.

b) Identification of taxonomy-aligned turnover

In identifying the taxonomy-aligned product Groups for the environmental objective of climate change mitigation, ANDRITZ strictly followed the wording of the technical screening criteria of the economic activities according to Delegated Regulation 2021/2139.

Finally, on the basis of the published Delegated Regulations and the FAQs of the EU Commission, the following ANDRITZ product Groups were classified as taxonomy-aligned when pursuing the environmental goal of **climate change mitigation**:

Economic activity 3.1. "Manufacture of renewable energy technologies":

- **Electromechanical equipment for hydropower stations** (Hydropower business area)
- **Biomass and black liquor boilers, evaporators, technologies for gasification and combustion of bark, wood dust, and wood waste** (Pulp & Paper business area)
- **Plants for the production of biomethanol** (Pulp & Paper business area)

Economic activity 3.20. “Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change”:

- **Synchronous condensers** (Hydropower business area)

Review of the technical screening criteria for the products in economic activities 3.1. and 3.20.

For economic activity 3.1., a substantial contribution to climate change mitigation is given if the economic activity produces renewable energy technologies. This is the case for all products classified by ANDRITZ in economic activity 3.1.

For economic activity 3.20., a significant contribution to climate change mitigation exists because the synchronous condensers from ANDRITZ fall under e) demand response and load shifting equipment, systems and services that increase the flexibility of the electricity system and support grid stability. They therefore contribute to the expansion of renewable energies.

The following section explains in more detail how ANDRITZ has demonstrated that the economic activities do no significant harm to the remaining five environmental objectives. In addition to the products, the sites that produce the taxonomy-eligible products were analyzed in greater detail.

Environmental Goal	Avoidance of significant impairment
Climate change adaptation	<p>Climate risk and vulnerability assessments were carried out at all ANDRITZ manufacturing sites that produce taxonomy-eligible products assigned to economic activities 3.1. and 3.20. Chronic and acute climate risks were assessed today, 10 years from now, and 30 years from now. The risk of climatic hazards for the analyzed manufacturing sites is currently assessed as low to medium. Therefore, it was also not necessary to define adaptation measures.</p>
Sustainable use and protection of water and marine resources	<p>All relevant sites operate an environmental management system in accordance with ISO 14001. In this, the water resource management plays a central role. In addition, a valid permit has been issued for all sites, and any requirements and stipulations imposed by the authorities regarding water have been implemented.</p>
Transition to a circular economy	<p>The products assigned to economic activities 3.1. and 3.20. are largely made of steel, a material that can be recycled again and again. The products are also designed to last for several decades. Repairs, refurbishments, or modernizations can be carried out without any problems.</p> <p>All relevant sites have a waste management concept and follow the waste hierarchy (avoidance, reuse, recycling, recovery, disposal).</p> <p>ANDRITZ reports all substances of very high concern (SVHCs) to the European Chemicals Agency (ECHA) and to customers via the SCIP database.</p>
Pollution prevention and control	<p>Parts lists are available for all self designed products. The metallic materials used are stored in the ANDRITZ Material Code (AMC) system, which provides information on the composition of the materials. From this it can be concluded, for example, that self designed components do not contain mercury.</p> <p>ANDRITZ reports all substances of very high concern (SVHCs) to the European Chemicals Agency (ECHA) via the SCIP database, and to customers if ANDRITZ receives this information from suppliers. This is currently the case for lead in metallic materials. ANDRITZ does not use any substances subject to authorization according to Annex XIV. The requirements for restricted substances (Annex XVII) currently affect ANDRITZ in part.</p> <p>Audits were conducted for compliance with the content requirements for substances of very high concern.</p> <p>Suppliers are also expected to report SVHCs to ANDRITZ. This is required in the order forms.</p>
Protection and restoration of biodiversity and ecosystems	<p>All relevant sites operate an environmental management system in accordance with ISO 14001. In addition, a valid permit has been issued for all of them and any conditions imposed by the authorities with regard to biodiversity have been implemented.</p> <p>No Environmental Impact Assessment (EIA) has been requested by the Authority for any of the relevant sites in the past. However, in the course of reviewing the DNSH criterion, an EIA screening was again conducted. This assessment also concluded that an EIA was not necessary.</p> <p>Furthermore, no site is located in biodiversity sensitive areas. Sites in the vicinity of biodiversity sensitive areas have no negative impact on them.</p>

Compliance with minimum safeguard requirements

The so-called minimum safeguards pursuant to Article 18 of the EU Taxonomy Regulation (EU) 2020/852 are intended to ensure that an economic activity is only taxonomy-aligned if it also meets international human rights standards and regulations on bribery and corruption, taxation, and fair competition. The minimum safeguard requirements are specified at the ANDRITZ GROUP level.

Topics	Minimum safeguards
Human rights	<p>ANDRITZ gives top priority to the protection of human rights in its business activities. Compliance with the requirements of the UN Global Compact and the OECD Guidelines for Multinational Enterprises is therefore laid down in the ANDRITZ Code of Conduct and Ethics as well as in the Code of Conduct and Ethics for Suppliers.</p> <p>All ANDRITZ suppliers must complete a mandatory compliance and sustainability questionnaire during the onboarding process and receive a rating. If this is too low, measures are taken together with the supplier or no business relationship is established.</p> <p>In addition, compliance and sustainability audits including follow-ups are carried out on site at suppliers in China and India. Human rights violations automatically lead to non-compliance.</p> <p>Within ANDRITZ, compliance with the Code of Conduct and Ethics is verified by internal audits.</p> <p>Human rights violations can also be reported anonymously by both employees and all other stakeholders via the online-based whistleblowing system "Speak UP!".</p> <p>There are no final convictions in this area.</p>
Bribery and corruption	<p>ANDRITZ has an Anti-Corruption and Anti-Bribery Policy. Employees must regularly complete online training on these topics.</p> <p>There are no final convictions in this area.</p>
Taxation	<p>According to the ANDRITZ tax statement, all ANDRITZ companies are subject to the local tax laws of the respective countries and must pay income and other taxes. As part of the ANDRITZ Code of Conduct, all business transactions must fully and clearly comply with legal and other regulations. Tax risks are identified, analyzed, and taken into account appropriately. ANDRITZ's handling of tax risk is integrated into the Group-wide monitoring and control system (ICS), whose main task is to identify emerging risks at an early stage and – if possible – to take countermeasures. This is an important element of active corporate management. The ANDRITZ Executive Board is responsible for implementing and monitoring the ICS. Binding regulations, policies and guidelines have been implemented throughout the Group for this purpose.</p> <p>There are no final convictions in this area.</p>
Fair competition	<p>ANDRITZ has a Global Competition and Antitrust Compliance Policy. Employees who have external contact with customers, suppliers or competitors must regularly complete online training on this topic.</p> <p>There are no final convictions in this area.</p>

c) Key performance indicators (KPIs) (disclosure pursuant to Annex I – 1.2.2.1)

Turnover

Turnover in the denominator includes the turnover reported in accordance with IAS 1.82(a) and corresponds to the turnover according to the consolidated income statement (see ANDRITZ Financial Report chapter Notes to the Consolidated Financial Statements).

Taxonomy-aligned turnover in the numerator consists of turnover generated by the provision of services and the supply of goods within the definitional area of activity 3.1. "Manufacturing of renewable energy technologies" and 3.20. "Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change". The typical contractual scope of supply under activity 3.1. includes the design, engineering, delivery, installation, and commissioning of the equipment and is therefore aggregated under IFRS 15 as an integrated performance obligation and in the EU Taxonomy as a whole under activity 3.1. The performance obligations identified in accordance with the provisions of IFRS 15.22 et seq. were reviewed for consistency with the EU Taxonomy. A separation of integrated performance obligations within the meaning of IFRS 15.29 has not been made for EU Taxonomy purposes.

All turnover in the taxonomy-eligible product Groups described above has been considered in the taxonomy-eligible turnover.

	Proportion of turnover/Total turnover	
	Aligned per objective	Eligible per objective
Climate Change Mitigation (CCM)	21.3%	26.7%
Climate Change Adaptation (CCA)		
Water and Marine Resources (WTR)		
Circular Economy (CE)		6.8%
Pollution Prevention and Control (PPC)		
Biodiversity and ecosystems (BIO)		

Capital expenditure (CapEx)

Capital expenditure as defined in the EU Taxonomy comprises additions to intangible assets other than goodwill and also additions to property, plant, and equipment, including rights of use from lease arrangements and plant additions from acquisitions. Purchased assets from acquisitions are also included. Advance payments for assets under construction in the amount of MEUR 1.7 (2023: MEUR 19.3) were deducted. Details are provided in the ANDRITZ Financial Report chapter Notes to the Consolidated Financial Statements in section D) Non-current assets and liabilities, under sub-section 18. Property, plant and equipment, sub-section 19. Rights of use from lease arrangements and lease obligations, and sub-section 21. Intangible assets other than goodwill.

All investments in the taxonomy-eligible product Groups described above have been considered in the taxonomy-eligible capital expenditure. Furthermore, the following individual, sustainable capital expenditures that enable ANDRITZ to reduce its own greenhouse gas emissions and lower its consumption of water and energy were included in accordance with the EU Taxonomy:

- Water treatment and waste management (5.2. Renewal of water collection, treatment, and supply systems)
- Electrically powered vehicles (6.5. Transport by motorbikes, passenger cars, and light commercial vehicles)
- Sustainable renovation and maintenance of buildings (7.2. Renovation of existing buildings)

- Charging stations for electric vehicles (7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- Installation of photovoltaic systems (7.6. Installation, maintenance, and repair of renewable energy technologies)

All investments in the taxonomy-aligned product Groups described above have been considered in the taxonomy-aligned capital expenditure. Furthermore, no other individual sustainable capital expenditures were included in accordance with the EU Taxonomy.

To avoid double counting in the CapEx KPIs (and OpEx KPIs), these capital or operating expenditures related to purchased output and individual measures that were already considered under “Category a” (i.e., capital or operating expenditures related to assets or processes associated with revenue-generating economic activities, this relates in particular to our production buildings) were only recorded once.

	Proportion of CapEx/Total CapEx	
	Aligned per objective	Eligible per objective
Climate Change Mitigation (CCM)	10.3%	17.3%
Climate Change Adaptation (CCA)		
Water and Marine Resources (WTR)		
Circular Economy (CE)		6.8%
Pollution Prevention and Control (PPC)		
Biodiversity and ecosystems (BIO)		

Operating expenditure (OpEx)

Operating expenditures according to the Delegated Regulation 2021/2178 include direct as well as non-capitalized costs that ensure maintaining the functionality of the fixed assets¹. Accordingly, the following operating expenditures are to be included in the denominator for the OpEx KPI²:

- Maintenance materials and supplies
- Personnel costs incurred for the repair of machinery
- Personnel costs incurred due to the cleaning of machines
- IT costs incurred as a result of maintenance
- Expenses for short-term leases

The numerator reflects those operating expenditures associated with the processes or assets of taxonomy-aligned economic activities. This includes training and other adjustment requirements within the workforce as well as research and development costs. Also, for investments that are still in the planning stage and aim to expand taxonomy-aligned economic activities, the OpEx calculation must take into account the operating expenditures just mentioned³.

¹ Delegated Regulation 2021/2178, p. 10, available at: <https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:32021R2178&from=EN>

² FAQ on Delegated Regulation 2021/2178, available at: https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-article-8-report-eligible-activities-assets-faq-part-2_en.pdf

³ Delegated Regulation 2021/2178, p. 10, available at: <https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:32021R2178&from=EN>

With respect to the business model of the ANDRITZ GROUP, operating expenditure essentially in the form of research and development and also maintenance falls into this category. All operating expenditures in the taxonomy-eligible product Groups and investments described above have been considered in the taxonomy-eligible operating expenditure. The total amount of non-capitalized research and development expenses included in the income statement is reported in the ANDRITZ Financial Report chapter Notes to the Consolidated Financial Statements in section D) 21. Intangible assets other than goodwill reported under a) Research and development costs. Descriptions of ANDRITZ's research and development activities can also be found in the above-mentioned section.

ANDRITZ GROUP IFRS Accounting Policy defines that expenses from the research phase are not suitable for capitalization but are recorded directly as expenditure. Expenses in the development phase must be capitalized if strict criteria are met.

	Proportion of OpEx/Total OpEx	
	Aligned per objective	Eligible per objective
Climate Change Mitigation (CCM)	15.7%	21.6%
Climate Change Adaptation (CCA)		
Water and Marine Resources (WTR)		
Circular Economy (CE)		9.1%
Pollution Prevention and Control (PPC)		
Biodiversity and ecosystems (BIO)		

Declaration form for the KPIs of non-financial companies

Proportion of turnover from goods and services related to Taxonomy-aligned economic activities – disclosure for the year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria („Does Not Significantly Harm“)						Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, Year 2023		Category enabling activity	Category transitional activity
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	CE (14)	PPC (15)	BIO (16)	Minimum Safe-guards (17)	(18)	(19)	(20)
Text	MEUR	%	%	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A-1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 3.1.	1 714.1	20.6%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	23.3%	E	
Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change	CCM 3.20.	57.7	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1 771.9	21.3%	21.3%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	23.7%		
Of which Enabling		1 771.9	21.3%	21.3%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	23.7%	E	
Of which Transitional		0.0	0.0%	0.0%			Yes				Yes	Yes	Yes	Yes	Yes	Yes	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL ^{2);} N/EL	EL ^{2);} N/EL	EL ^{2);} N/EL	EL ^{2);} N/EL	EL ^{2);} N/EL	EL ^{2);} N/EL										
Manufacture of equipment for the production and use of hydrogen	CCM 3.2.	32.1	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Manufacture of other low carbon technologies	CCM 3.6.	415.8	5.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.2%		
Repair, refurbishment, and remanufacturing	CE 5.1.	563.0	6.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								5.9%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1 011.0	12.2%	5.4%	0.0%	0.0%	0.0%	6.8%	0.0%								10.1%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		2 782.8	33.5%	26.7%	0.0%	0.0%	0.0%	6.8%	0.0%								33.9%		
B. TAXONOMY-NON-ELIGIBLE-ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		5 530.9	66.5%																
TOTAL (A + B)		8 313.7	100%																

1) Y - Yes, Taxonomy-eligible and with the relevant environmental goal Taxonomy-aligned activity
 N - No, Taxonomy-eligible but with the relevant environmental goal not Taxonomy-aligned activity
 N/EL - (Not eligible) Activity not Taxonomy-eligible for the respective environmental goal
 2) EL - (Eligible) Activity Taxonomy-eligible for the respective environmental goal

Proportion of CapEx from goods and services related to Taxonomy-aligned economic activities – disclosure for the year 2024

Financial year 2024	2024		Substantial Contribution Criteria							DNSH criteria („Does Not Significantly Harm“)						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx. Year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)								
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	CE (14)	PPC (15)	BIO (16)					Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%
Text	MEUR	%	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																											
A-1. Environmentally sustainable activities (Taxonomy-aligned)																											
Manufacture of renewable energy technologies	CCM 3.1.	25.6	9.6%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	12.7%	E			
Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change	CCM 3.20.	2.1	0.8%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%	E			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		27.7	10.3%	10.3%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	13.0%	E			
Of which Enabling		27.7	10.3%	10.3%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	13.0%	E			
Of which Transitional		0.0	0.0%	0.0%	X	X	X	X	X	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%	E	T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																											
				EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	E		
Manufacture of equipment for the production and use of hydrogen	CCM 3.2.	4.4	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	0.0%	E			
Manufacture of other low carbon technologies	CCM 3.6.	6.4	2.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	2.6%	E			
Repair, refurbishment, and remanufacturing	CE 5.1.	18.3	6.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	7.1%	E			
Renewal of water collection, treatment, and supply systems	CCM 5.2.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	0.0%	E			
Transport by motorbikes, passenger cars, and light commercial vehicles	CCM 6.5.	0.8	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	0.4%	E			
Renovation of existing buildings	CCM 7.2.	0.8	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	0.6%	E			
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	0.1%	E			
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6.	6.3	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	X	X	X	X	X	X	1.6%	E			

CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	37.0	13.8%	7.0%	0.0%	0.0%	0.0%	0.0%	6.8%	0.0%	X	X	X	X	X	X	X	12.4%	X	X
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)	64.7	24.1%	17.3%	0.0%	0.0%	0.0%	6.8%	0.0%		X	X	X	X	X	X	X	25.3%	X	X
B. TAXONOMY-NON-ELIGIBLE-ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)	203.5	75.9%																	
TOTAL (A + B)	268.2	100%																	

1) Y - Yes, Taxonomy-eligible and with the relevant environmental goal Taxonomy-aligned activity
 N - No, Taxonomy-eligible but with the relevant environmental goal not Taxonomy-aligned activity
 N/EL - (Not eligible) Activity not Taxonomy-eligible for the respective environmental goal
 2) EL - (Eligible) Activity Taxonomy-eligible for the respective environmental goal

Proportion of OpEx from goods and services related to Taxonomy-aligned economic activities – disclosure for the year 2024

Financial year 2024	2024		Substantial Contribution Criteria							DNSH criteria („Does Not Significantly Harm“)							Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, Year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)	CCM (11)	CCA (12)	WTR (13)	CE (14)	PPC (15)	BIO (16)	Minimum Safe-guards (17)				
Text	MEUR	%	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Y; N; N/EL ¹⁾	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A-1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of renewable energy technologies	CCM 3.1.	37.1	14.9%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	18.7%	E		
Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change	CCM 3.20.	1.9	0.8%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%	E		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		39.0	15.7%	15.7%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	18.9%	E	T	
Of which Enabling		39.0	15.7%	15.7%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	18.9%	E		
Of which Transitional		0.0	0.0%	0.0%	X	X	X	X	X	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0%	E	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	EL ²⁾ ; N/EL	X	X	X	X	X	X	X	X	X	X	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2.	5.5	2.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	0.0%	E	T	
Manufacture of other low carbon technologies	CCM 3.6.	9.2	3.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	X	X	X	X	X	X	X	4.2%	E	T	
Repair, refurbishment, and remanufacturing	CE 5.1.	22.7	9.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	X	X	X	X	X	X	X	8.7%	E	T	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		37.5	15.0%	5.9%	0.0%	0.0%	0.0%	9.1%	0.0%	X	X	X	X	X	X	X	13.0%	E	T	
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		76.5	30.7%	21.6%	0.0%	0.0%	0.0%	9.1%	0.0%	X	X	X	X	X	X	X	31.8%	E	T	
B. TAXONOMY-NON-ELIGIBLE-ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		172.7	69.3%																	
TOTAL (A + B)		249.2	100%																	

1) Y - Yes, Taxonomy-eligible and with the relevant environmental goal Taxonomy-aligned activity
 N - No, Taxonomy-eligible but with the relevant environmental goal not Taxonomy-aligned activity
 N/EL - (Not eligible) Activity not Taxonomy-eligible for the respective environmental goal
 2) EL - (Eligible) Activity Taxonomy-eligible for the respective environmental goal

Standard disclosure templates for disclosure under Article 8 (6) and (7)**Template 1 – Nuclear and fossil gas related activities**

ANDRITZ does not carry out any activities in the field of nuclear energy and fossil gas according to the definitions of the Delegated Regulation 2022/1214. No further information is therefore provided.

Template 1 – Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ESRS E1 Climate change

Strategy

E1-1 Transition plan for climate change mitigation

At the beginning of 2023, ANDRITZ committed to the Science Based Targets initiative (SBTi) as part of its determination to contribute to the 1.5°C goal established in the Paris Agreement. During 2024, ANDRITZ developed comprehensive GHG emission reduction targets for Scope 1, 2 and 3. The emission reduction targets were submitted to the SBTi at the end of the year. The company's transition plan will be adopted once the SBTi has validated the emissions reduction target (and no later than June 30, 2025).

Despite not yet having adopted a climate transition plan based on the new emissions reduction targets developed in 2024, ANDRITZ has already focused its efforts on several decarbonization levers. The main levers in ANDRITZ's own operations include the switch to renewable energy (particularly electricity), which also involves the installation of photovoltaic (PV) plants. Improving energy efficiency is also a core ambition. To this end, the company's locations are increasingly implementing energy-monitoring tools, and an energy assessment was developed to identify hotspots for improvement.

ANDRITZ sees the greatest decarbonization lever in its technologies. The company has identified several possibilities for replacing fossil fuels such as coal, natural gas and oil, and increasing resource efficiency and side stream utilization in its downstream value chain through the company's Pulp & Paper business area. ANDRITZ's Metals business area focuses on the electrification of furnaces, which significantly decreases GHG emissions, as well as on the use of green hydrogen. Other decarbonization levers in ANDRITZ's offering include renewable hydropower generation, biomass boilers, energy-efficiency equipment and process upgrades, renewable heat generation through biomass gasification, and other enabling technologies such as carbon capture.

A detailed transition plan describing all the company's decarbonization levers will be adopted during 2025, as noted above. Please refer to E1-3 for more information on ANDRITZ's efforts to mitigate climate change.

Although ANDRITZ is yet to define its transition plan, investments supporting the decarbonization of the company's locations are as follows. The Taxonomy-aligned CapEx amounted to 10.3% and the Taxonomy-eligible CapEx was 24.1% in 2024. A part of the CapEx also relates to individual, sustainable CapEx that enables ANDRITZ to reduce its own greenhouse gas emissions and lower its consumption of water and energy. These include CapEx for water treatment and waste management, electrically powered vehicles, sustainable renovation and maintenance of buildings, charging stations for electric vehicles and installation of photovoltaic systems. This information also relates to the key performance indicators required under Commission Delegated Regulation (EU) 2021/2178. A CapEx plan was not adopted by ANDRITZ in the reporting year.

Carbon lock-in may occur in ANDRITZ's value chain if high-emission infrastructure or assets continue to be used, despite the possibility of their substitution with low-emission alternatives, thereby delaying or preventing the transition to near-zero or zero-emission alternatives.

During the company's Scope 3 emissions calculation in 2024 (having assessed the Scope 3 inventories for the years 2022, 2023 and 2024 with the support of an external consultancy), ANDRITZ conducted a qualitative assessment of potential locked-in GHG emissions from its products. This assessment was based on ANDRITZ sales data and country-specific emissions factors, illustrating the impact of the customer's country of operations on the emissions performance of ANDRITZ products. If the customer's site is located in a country with an unfavorable energy mix, operating an ANDRITZ product may lead to higher Scope 3 emissions compared to running the same product in another country with more renewable and/or low-carbon energy available. This may prevent emissions reduction targets being achieved if customers do not commit to using more renewable and/or low-carbon energy than is included in the country-specific emissions factor that reflects the average grid mix of the country. ANDRITZ addresses this challenge by driving climate-related customer engagement and promoting the combination of renewable energy use and energy-efficiency measures.

The substantial contribution criteria for economic activity 3.6. limits ANDRITZ in terms of aligning its economic activities (i.e. revenues, CapEx, OpEx) with the criteria established in the EU's Commission Delegated Regulation 2021/2139. Therefore, there are no plans as yet for aligning these economic activities. Economic activities that fall under 3.1. and 3.20. are already aligned. ANDRITZ reports according to the EU Taxonomy, and the report can be found at the beginning of the section entitled *Environmental information*.

ANDRITZ is not excluded from the EU Paris-Aligned Benchmarks (PABs).

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

ANDRITZ has identified one material transition risk related to E1 - Energy. The risk is related to critical energy infrastructure: "Risk of failure/supply shortfall/contamination of critical infrastructure (e.g. power, gas, water) leading to production delays or production downtime (major dependence on gas (50% of energy in production))".

ANDRITZ applies the principles of resilience analysis in relation to climate change when assessing the ability to respond to shifts in the market demand, including the ability to develop new innovative technologies. The production continuity of the established product and technology portfolio is secured by ensuring manufacturing sites back each other up. The resilience against raw material and service disruptions is assessed as an essential part of supply chain management. Although a detailed resilience analysis has not been conducted yet, one is planned in the upcoming two years. The scope of the resilience analysis is likely to include operational resilience, including the production processes, supply chain resilience, and market resilience (i.e., the ability to meet changing customer demands), as well as financial resilience. The exact scope will be determined when the analysis process begins.

Impact, risk and opportunity management

ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Identification of climate-related risks and hazards

Climate-related impacts, risks and opportunities were considered in the DMA process. Before and after the DMA process, ANDRITZ conducted several assessments to identify and assess climate-related physical and transition risks. These are described below.

EU Taxonomy assessment – climate risk and vulnerability assessment

At the beginning of 2024, ANDRITZ conducted a climate-risk assessment at all manufacturing locations that produce EU Taxonomy-eligible products. The identified and assessed climate hazards are based on the Climate Delegated Act of the EU Taxonomy Regulation (C (2021) 2800) and are complemented with research and additional knowledge and experience.

In the assessment, ANDRITZ determined whether a climate hazard could occur at a certain manufacturing location. The probability of occurrence of the chronic and acute climate risks focusing on physical risks at the location was assessed over short-, medium- and long-term time horizons representing today (2023), 10 years into the future (2033), and 30 years into the future (2053). The sites concerned were Araraquara, Foshan, Graz, Jevnaker, Kriens, Mandideep, Morelia, Peterborough, Ravensburg, Savonlinna, Spokane, Tiszakécske, Varkaus, Village Prithla and Weiz.

The extent to which assets and business activities may be exposed and are sensitive to any identified climate-related hazards was also assessed. In addition to evaluating the probability of occurrence of a specific climate hazard at a location, ANDRITZ analyzed which specific parts of that location are most likely to be affected by the climate hazard. The various effects and damage were identified, and the potential extent to which its assets and business activities may be exposed and are sensitive to the identified climate-related hazards. The assessment took into consideration the likelihood, magnitude and geo-spatial coordinates of the hazards, but did not specifically assess the duration of a single hazard.

The assessment was performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios (including Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5.). These were consistent with the expected lifetime of the activity, including, at least, 10- to 30-year climate projection scenarios for major investments.

The assessment evaluated climate change risks across three time horizons – the present time, in 10 years, and in 30 years – considering chronic and acute hazards related to temperature, wind, water, and solid-mass impacts, with risk levels categorized as low, medium, high, or very high. The above-mentioned scenarios served as the basis for the site-specific assessment of the probability of climate risks occurring.

In most locations, climate risks remain low, even over a 30-year horizon. However, Savonlinna, Peterborough, Morelia, Tiszakécske, and Prithla already face medium to high water-related risks, which are expected to persist or intensify over time. In other regions, risks rise to a medium level within 30 years, particularly in temperature (heat stress and heat waves), wind (extreme events), and water-related hazards (heavy precipitation, floods, and changing precipitation patterns). A few locations, such as Peterborough and Savonlinna, show high to very high risks in specific areas (e.g. temperature changes and floods). The findings of the assessment have been integrated into ANDRITZ Group risk assessment to inform about location-specific risks.

As the climate risk and vulnerability assessments were only conducted for the locations manufacturing EU Taxonomy-eligible products, and not for all ANDRITZ locations, the results were used to provide a high-level view on climate-related scenario analysis in the context of identifying and assessing physical risks in the DMA. The results guided the IRO workshops in applying scenarios to the materiality-assessment discussion and the related scoring.

Transition risks

Throughout 2024, the EU Taxonomy-related assessment was complemented by the identification and assessment of risks related to the transition to a low-carbon economy, such as regulatory changes, market shifts, or technological advancements. The identification of transition risks is part of the ANDRITZ Group risk assessment (Enterprise risk management). The company's approach includes the identification of climate-related transition events such as:

- Potential regulatory changes aimed at reducing GHG emissions, e.g. stricter emissions requirements
- Market shifts towards low-carbon products and services, driven by corporate sustainability commitments
- Technological advancements, for example related to GHG emissions performance, renewable energy, and carbon capture

The ANDRITZ Group risk assessment includes ANDRITZ's own operations and its upstream and downstream value chains. The Group's risk management process is aligned with the COSO Enterprise Risk Management (ERM) and ISO 31000 frameworks. ANDRITZ assesses supplier-related transition risks in the upstream value chain and identifies potential shortages and cost increases for raw materials. Downstream, the company assesses how its customers are exposed to climate-related transition risks, how it could unlock opportunities while supporting customers in the green transition, and how transition risks may affect its product portfolio. For example, changing customer behavior was identified as a significant risk, as ANDRITZ's customers are exposed to climate-related transition risks, which in turn impacts decision-making.

The period under consideration for the annual ANDRITZ Group risk assessment is the financial year, and therefore the transition events have been identified over the short-term time horizon. All legal entities with revenue greater than 50 MEUR checked their assets and business activities and conducted the scoring.

In the ANDRITZ Group risk assessment, the relevant transition events were assessed according to their likelihood and impact on ANDRITZ. When assessing exposure to various transition risks, those identified as relevant are included in the company's risk inventory. However, the identification of climate-related transition events does not currently consider a range of climate scenarios, or a scenario in line with limiting global warming to 1.5°C. The period under consideration for the ANDRITZ Group risk assessment is the financial year, and thus it took into account the actual impact on the company's financial statements, the company's reputation, and the likelihood of a risk becoming reality.

Currently, the identification of transition events and the physical climate-risk assessment (including climate scenarios) are conducted separately. Therefore, in the current context of transition events, climate scenarios are not considered. Transition risks were not in the immediate scope of the company's EU Taxonomy-eligible product-related assessments or the climate risk assessment of all the locations included in ANDRITZ environmental reporting. The identification and assessment of transition risk exposure guided by the earlier EU Taxonomy-related assessment were conducted in the IRO workshops during the DMA discussion and related scoring.

It should be noted that the geographical location of an ANDRITZ product in its use phase (as defined in the GHG Protocol's Scope 3 category 11) may require significant efforts from the customer to be compatible with the transition to a climate-neutral economy. During the product's use phase, the customer decides on the energy source to be used. ANDRITZ manages this potential challenge by driving climate-related customer engagement and promoting the combination of renewable energy use and energy-efficiency measures.

Double materiality assessment

The physical and transition risk assessments described above informed the identification of climate-related risks in the DMA and were considered during its assessment phase.

In ANDRITZ's double materiality assessment (DMA), topics relating to climate change were discussed both with the senior management and environmental subject-matter experts. Regarding impact materiality, the broader environmental and social impact of ANDRITZ was assessed, for example, how the company's solutions and products contribute to climate change mitigation. Potential negative impacts were also assessed. Mitigation and adaptation strategies for the identified risks were discussed, taking into account any related potential opportunities.

ANDRITZ's own operations and value chain were screened in order to identify drivers for climate-related impacts, such as change of land use. ANDRITZ's GHG inventory (covering Scopes 1 to 3) was used when assessing the actual and potential impact on climate change. The resulting structure and emissions allocation, particularly the Scope 3 categories, were used as input for helping to focus on the most material activities and parts of the value chain in the DMA.

Both transition risks and physical risks were considered when assessing how climate-related risks could affect the company's financial performance. During ANDRITZ's DMA process, a total of five transition risks were identified, as follows. The first was assessed to be material:

- **Risk from critical energy infrastructure:** risk of failure, supply shortfall or contamination of critical infrastructure (e.g. power, gas, water) leading to production delays or production downtime. This is due in large part to a major dependence on gas (50% of energy used in production)
- **Risk of obsolete sector:** risk of an entire sector served by the company being classified by its stakeholders as environmentally unsound and damaging to the climate (e.g., hydropower being replaced by other, more adaptable forms of renewable energy)
- **Taxation of CO₂:** higher taxation on fossil fuels or CO₂ emissions (e.g., via the Carbon Border Adjustment Mechanism, CBAM) could result in additional costs
- **Regulation of existing products and services:** the risk of new regulations on existing products and services leading to a reduction in revenue, and the potential consequence of increased emissions-reporting and fines
- **Environmental impact asset devaluation risk:** the risk of replacing, impairing or shortening the useful life of existing assets corresponding to climate change commitments or other eco-friendly measures

Physical climate-related risks were also identified in the DMA, but none were assessed as material. The assessment included the following risks:

- **Extreme weather events:** risk of climate impacts on the company's own locations (e.g. flooding, storms), resulting in loss of revenue
- **Water scarcity and/or excess water for hydropower generation and electricity supply:** hydropower production in some areas may be negatively affected by extreme weather events (droughts or extreme precipitation and floods), which could create an energy-supply problem in the future

Since physical risks were identified in the EU Taxonomy-related assessment and further assessed in the DMA as financial risks related to ANDRITZ's own operations, ANDRITZ has not conducted a separate physical risk assessment concerning risks in the value chain. However, the climate-related physical risks along the upstream and downstream value chain were discussed on a general level in the phases of context analysis and impact, risk, and opportunity identification during the DMA process. For example, a physical weather event of flood or drought in the downstream value chain might serve as an opportunity for ANDRITZ, since pumps are a possible solution to counteract floods or droughts for example.

Note that in the DMA, the time horizons used in the quantification of impacts, risks and opportunities (IROs) were applied as defined in ESRS 1 6.4. This approach of using short-term (up to one year), medium-term (up to five years) and long-term (more than five years) horizons allowed ANDRITZ to better assess the financial materiality of climate change compared to the longer time horizons of the EU Taxonomy-related climate risk and vulnerability assessment. These time horizons are aligned with the expected lifetime of ANDRITZ's assets, with the short- and medium-term horizons reflecting operational upgrades and maintenance cycles, and the long-term horizon addressing major investments and technology development. They are also integrated within the strategic planning, ensuring alignment with financial stability and long-term business goals.

ANDRITZ's financial statements account for the fact that climate-related factors such as regulatory changes, technological advancements and market-demand shifts towards low-carbon products (all of which are included in the scenarios) support the company's business model, and provide further growth opportunities for its sustainable product portfolio.

Updated, more comprehensive climate risk assessment

In November 2024, ANDRITZ initiated an external third-party assessment on the physical climate risks of all locations included in the scope of ANDRITZ's environmental reporting. The assessment was finalized in January 2025, and therefore it was not included in the 2024 DMA. The result of this wider assessment will be considered in the DMA update.

The assessment summarizes ANDRITZ's facilities as being in areas facing a moderate physical risk through the 2030s with the largest exposure to water stress, extreme heat, and drought. For the summary, the scenarios used are SSP2-4.5 and SSP5-8.5. Risk exposures are broadly consistent across both scenarios in the 2030s, although there are some degrees of variation in particular climate hazards. Scenarios SSP1-2.6 and SSP3-7.0 are also used in the assessment, while SSP2-4.5 and SSP5-8.5 were selected for the summary. The most exposed assets regarding physical climate risks were identified using two criteria to compile two different top 20 asset lists: one criterion being the geographical location only, and the other criterion being the size of the facility based on the number of employees. Water stress is noted as being a consistent key contributor to the risk exposure of the top assets at risk. Other climate hazards like wildfire, drought and extreme heat also compound the exposure. ANDRITZ will share more information on this comprehensive climate risk assessment during 2025. The locations included in the assessment are presented in attachment 1 of this report. The attachment combines the geographical coordinates of ANDRITZ locations with the various information required under the standards in the new European Sustainability Reporting Standards.

E1-2 Policies related to climate change mitigation and adaptation

The policies ANDRITZ has adopted to manage its material IROs related to climate change and energy are as follows.

We Care sustainability program and Environmental Data Guideline

Key contents: As stated in the We Care sustainability program, ANDRITZ is committed to reducing GHG emissions (Scopes 1 and 2) in all areas of its operations. ANDRITZ's Environmental Data Guideline defines the environmental data reporting, including energy and GHG emissions, using a dedicated monitoring and reporting tool.

General objectives: ANDRITZ's sustainability program We Care aims to promote environmental, social, and economic responsibility. It shows the focus areas and includes the 10 ESG goals for the whole Group.

The policies relate to the following material IROs:

- The positive impact of switching from fuel and gas to electric or alternative heating, as this can help reduce CO₂ emissions and overall energy consumption in processes.
- The negative impact of using non-renewable energy resources. The policy guides toward energy sources with low carbon impact.

Monitoring process: The Group-wide strategy implementation process is used for implementing and monitoring these policies. Performance related to the sustainability program, including GHG emissions, is reported on a quarterly basis, and presented to the ANDRITZ Executive Board and Supervisory Board.

Scope: The policies cover the ANDRITZ Group, which has an integrated management system that supports business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects, and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy. They report on the performance to the Supervisory board.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ aligns with internationally recognized best practices, including those set forth by the UN Global Compact Initiative, the principles-based approach to doing business described in the Ten Principles of the UN Global Compact, and the overall UN Sustainable Development Goals.

Stakeholder involvement: ANDRITZ's sustainability program and the Environmental Data Guideline based on the data in the environmental pillar of the sustainability program were developed in consultation with internal experts supported by third-party sustainability consultants. Benchmarking of industry best practices was used as input for the process.

Availability: The sustainability program is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website. Furthermore, ANDRITZ reports on sustainability-related progress in the annual reporting and on several third-party ESG ratings.

Business Process Manual

Key contents: ANDRITZ's Business Process Manual (a Group policy) describes the process for product and innovation management, and how the company aligns its product portfolio development. As a result, ANDRITZ focuses on products with positive impacts such as those mentioned below.

General objectives: The policy defines the integrated management system structure for the ANDRITZ Group. It defines the business processes and responsibilities for process management, and offers guidelines for measuring process performance.

This policy relates to the following material IROs:

- The positive impact of ANDRITZ's pumps for drinking water supplies, desalination, flood control, drainage and irrigation, which are adaptation solutions for various consequences of climate change such as floods or droughts.
- The positive impact of the use of recycled metal in production. This reduces CO₂ emissions, as the extraction of primary metals is more CO₂ intensive, leading to an overall reduction in GHG emissions.
- The positive impact of switching from fuel and gas to electric or alternative heating, as this can help reduce CO₂ emissions and overall energy consumption in processes.
- The positive impact of hydropower generation. This generates no/very low CO₂ emissions during operation, and can help accelerate the transition to green energy.
- The positive impact of the company's various solutions that contribute to GHG emission reduction. This offering includes technologies for renewable energy such as hydropower, biomass boilers, carbon capture, green hydrogen, pumped storage, renewable fuels, power-to-x, and e-mobility.

- The negative impact of the use phase of the products and plants sold by the company. This leads to high emissions, as most of the products are energy-intensive and have a long lifespan of several decades. The affected business areas are Pulp & Paper, Metals, and Environment & Energy.
- The risk of critical energy infrastructure. Restricted energy supply or infrastructure failure can lead to production downtime.

Monitoring process: The responsibility for monitoring lies with the respective Group process owners, business area process owners, divisional process owners, and local process owners, and depends on the respective process.

Scope: The policy covers the ANDRITZ Group, which has an integrated management system that supports business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects, and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ commits to respecting the ISO 9001, ISO 14001, and ISO 45001 standards. More specifically, the environmental management plans of ISO 14001 include assessing and reducing energy use, setting objectives for in-house energy use and efficiency, and monitoring the related performance. Identifying and addressing risks, such as energy supply restrictions and interruptions, and contingency planning is required to ensure compliance with the environmental objectives.

Stakeholder involvement: In developing and implementing the policy, particular emphasis was placed on ensuring the involvement of all process owners and their interests.

Availability: The policy is made available to all employees via the intranet.

Group Product Quality Policy

Key contents: ANDRITZ's Group Product Quality Policy addresses product and service design as well as meeting customer and legal requirements related to the environment.

General objectives: The policy defines general rules for the quality of ANDRITZ products including environmental requirements that apply to all businesses and supplies.

This policy relates to the following material IROs:

- The positive impact of ANDRITZ's pumps for drinking water supplies, desalination, flood control, drainage and irrigation, as described above.
- The positive impact of the use of recycled metal in production. This reduces CO₂ emissions, as the extraction of primary metals is more CO₂ intensive, leading to an overall reduction in GHG emissions.
- The positive impact of hydropower generation. This generates no/very low CO₂ emissions during operation, and can help accelerate the transition to green energy.
- The positive impact of the company's various solutions that contribute to GHG emission reduction. This offering includes technologies for renewable energy such as hydropower, biomass boilers, carbon capture, green hydrogen, pumped storage, renewable fuels, power-to-x, and e-mobility.

- The negative impact of the use phase of the products and plants sold by the company, as described above.

Monitoring process: ANDRITZ management at all levels has to provide the necessary resources to monitor the requirements for product quality.

Scope: The policy covers the ANDRITZ Group.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ commits to respecting the ISO 9001, ISO 14001 and ISO 45001 standards. More specifically, the environmental management plans of ISO 14001 include assessing and reducing energy use, setting objectives for in-house energy use and efficiency, and monitoring the related performance. Identifying and addressing risks, such as energy supply restrictions and interruptions, and contingency planning is required to ensure compliance with the environmental objectives.

Stakeholder involvement: When this policy was developed, customer expectations were the main focus. In developing and implementing the policy, further emphasis was placed on ensuring the involvement of all process owners and their interests.

Availability: The policy is made available to all employees via the intranet.

Code of Conduct and Ethics

Key contents: In ANDRITZ's Code of Conduct, the company takes responsibility for managing, measuring and minimizing the environmental and social impact of its facilities, products and projects. Specific focus areas include reduction of air emissions (particularly GHG emissions driven by energy type, use and efficiency), waste reduction, recovery and management, as well as water use and disposal.

General objectives: The Code of Conduct is intended to serve as a guideline and decision-making aid to help employees act appropriately.

This policy relates to the following material IROs:

- The positive impact of the use of recycled metal in production, which reduces CO₂ emissions compared to the extraction of primary metals, leading to an overall reduction in GHG emissions.
- The positive impact of switching from fuel and gas to electric or alternative heating, as this can help reduce CO₂ emissions and overall energy consumption in processes.
- The negative impact of using non-renewable energy resources. The policy guides toward energy sources with low carbon impact.

Monitoring process: The Group-wide compliance management system (CMS), which is certified according to ISO 37301, is used for monitoring. The monitoring process is further supported by compliance performance indicators (CPIs) for the various compliance fields. These are presented to the compliance directors in a compliance cockpit on a quarterly basis.

Scope: The Code of Conduct covers all management levels, employees and other stakeholders acting on behalf of ANDRITZ, ensuring they share the same values and principles. Special topics (e.g. Corruption and Bribery) are subject to further policies.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ endeavors to comply with internationally recognized best practices including those set forth by the ILO, Modern Slavery Acts, OECD Guidelines for Multinational Enterprises, and the UN Global Compact Initiative.

Stakeholder involvement: The Code of Conduct was developed by the Compliance department together with the respective experts.

Availability: The policy is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website. Furthermore, the Code of Conduct is provided to all employees during the onboarding process.

Product Carbon Footprint Calculation Policy

Key contents: In ANDRITZ's Product Carbon Footprint Calculation Policy, the company defines the procedures, responsibilities and required tasks to calculate and communicate the product carbon footprint (PCF) of its products, parts and services in accordance with the ISO 14067 standard. The Life Cycle Assessment (LCA) described in this policy considers the entire life cycle of a product, including the acquisition of raw materials, design, production, transportation/delivery, use, and end-of-life treatment.

General objectives: The policy defines the procedure, responsibilities and required tasks to calculate and communicate the product carbon footprint (PCF) of ANDRITZ products, parts and services in accordance with ISO 14067.

This policy relates to the following material IROs:

- The negative impact of the use of steel and copper in production. Steel and copper are used in electromechanical equipment, and represent the company's largest contribution to raw-material-related emissions.
- The negative impact of the use phase of the products and plants sold by the company, as described above.

Monitoring process: The policy is monitored via the Product Carbon Footprint Expert Team.

Scope: This policy applies to the entire ANDRITZ Group and the entire life cycle of its products, including the whole value chain.

Accountability: The ANDRITZ CEO is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ commits to respecting the ISO 14067.

Stakeholder involvement: When developing the policy, the opinions and needs of the employees involved in the calculations in the business areas were identified and accounted for. External stakeholder needs were assessed based on information gathered during customer collaboration and when delivering projects. A Product Carbon

Footprint Expert Team consisting of experts across business areas and Group functions was initiated in the reporting year.

Availability: The policy is made available to all employees in the Product Carbon Footprint Expert Team.

Quality, Health, Safety, and Environment Policy Statement and Health, Safety and Environmental Management Policy

Key contents: ANDRITZ's Quality, Health, Safety, and Environment Policy Statement declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding health, safety, environmental protection, product and process quality that are considered key factors for its success.

ANDRITZ's **core principles** specified in this policy statement include the continual and structured development and improvement of the company's environmental management systems, operations, and processes. Environmental protection, including prevention of pollution and conservation of natural resources by providing environmentally friendly and resource-efficient products and services to customers, is another of ANDRITZ's core principles.

ANDRITZ's Health, Safety and Environmental Management Policy describes the company's commitment to protecting the environment and contributing to a healthy future for the generations to come. Thus, environmental protection, including prevention of pollution and conservation of natural resources, is one of ANDRITZ's leading principles and major goals, both in terms of products and services and the management of production facilities.

General objectives:

The ANDRITZ QHSE Policy Statement outlines the commitment to ensuring the well-being of its employees, protecting the environment, and maintaining high-quality services and products.

The Health, Safety and Environmental Management Policy defines the goals and requirements for health, safety and environmental (HSE) management in the ANDRITZ Group.

The policies relate to the following material IROs:

- The positive impact of switching from fuel and gas to electric or alternative heating, as described above.
- The positive impact of hydropower generation, as described above.
- The negative impact of using non-renewable energy resources. The policies guide toward energy sources with low carbon impact
- The risk of critical energy infrastructure. Restricted energy supply or infrastructure failure can lead to production downtime.
- The opportunity represented by the fact that ANDRITZ already generates around 45% of its total revenue from products and solutions that contribute to the production of renewable energy, environmental protection, the circular economy, and e-mobility.
- The opportunity represented by ANDRITZ's pioneering innovation. The intensification of sustainability regulation worldwide will create more demand for new and innovative products, such as green hydrogen and carbon storage. This will provide the company with new opportunities to generate new revenue streams.

Monitoring process: ANDRITZ companies use a process for monitoring and assessing their HSE activities and performance. The results of this monitoring and self-assessment process, as well as trend analysis results, are incorporated into the management review process, aspects and impacts assessment, objectives planning, and the development of corrective/preventive actions.

Scope: These policies apply to the entire ANDRITZ Group. Their implementation and application are mandatory for all ANDRITZ locations and construction sites.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policies.

Third-party standards or initiatives: Through the implementation of these policies, ANDRITZ commits to respecting the ISO 9001, ISO 14001 and ISO 45001 standards. More specifically, the environmental management plans of ISO 14001 include assessing and reducing energy use, setting objectives for in-house energy use and efficiency, and monitoring the related performance. Identifying and addressing risks, such as energy supply restrictions and interruptions, and contingency planning is required to ensure compliance with the environmental objectives.

Stakeholder involvement: The development of the policy drew on the expertise of local health, safety and environmental specialists.

Availability: The policies are made available to all employees via the intranet.

Supplier Code of Conduct

Key contents: ANDRITZ's Supplier Code of Conduct details the company's expectation for its suppliers to be committed to protecting the environment and managing their operations in a responsible manner with the aim of meeting the environmental requirements set out in the applicable laws, regulations, or permits.

General objectives: The Supplier Code of Conduct sets forth the minimum requirements for conducting business with ANDRITZ as a supplier. ANDRITZ will only do business with suppliers who undertake to comply with the Supplier Code.

This policy relates to the following material IROs:

- The positive impact of the use of recycled metal in production. This reduces CO₂ emissions, as the extraction of primary metals is more CO₂ intensive, leading to an overall reduction in GHG emissions.
- The risk of critical energy infrastructure. Restricted energy supply or infrastructure failure can lead to production downtime.

Monitoring process: All ANDRITZ's supplier contracts include its Supplier Code of Conduct (and the requirement to commit to it). The company's supplier engagement and monitoring program includes, for example, ANDRITZ Supplier Relationship Management (SRM), SRM onboarding, and Supplier Code of Conduct training on the company's website, as well as information on audit mechanisms for certain suppliers (in China and India).

Scope: The Supplier Code of Conduct applies to all suppliers of ANDRITZ worldwide.

Accountability: The Supplier Code of Conduct was developed by the Compliance Department together with the Procurement Department, and approved by the ANDRITZ Group Executive Board.

Third-party standards or initiatives: The standards of the ILO, the OECD Guidelines for Multinational Enterprises and the principles of the UN Global Compact Initiative are considered in the Supplier Code of Conduct.

Stakeholder involvement: The Supplier Code of Conduct was developed by the Supply Chain and Compliance departments together with the respective experts.

Availability: The policy is made available to all suppliers via the ANDRITZ website. It forms part of all purchase orders or contracts entered into between members of the ANDRITZ Group and its suppliers.

E1-3 Actions and resources in relation to climate change policies

ANDRITZ's ongoing actions and resources throughout the value chain are presented below, covering the actions located in the upstream value chain, within the company's own operations, and in the downstream value chain.

Upstream actions

The following actions cover the upstream value chain, with the affected stakeholder group being ANDRITZ's suppliers.

ANDRITZ identified the **use of recycled metal as a positive impact**. Using recycled metal in the company's production reduces CO₂ emissions, as the extraction of primary metals is more CO₂ intensive, leading to an overall reduction in GHG emissions. In terms of this impact, ANDRITZ's actions include monitoring the procurement of metals (recycling quota), and assessing its suppliers with the Supplier Relationship Management (SRM) tool (supplier compliance and sustainability questionnaire). The scope of this action covers all ANDRITZ locations throughout the global supplier management process.

This contributes to the goal of ensuring 85% of the supply volume is covered by orders placed with assessed suppliers by the end of 2025 (accumulated external purchasing volume (direct spend) is covered by suppliers with an annual purchasing volume of more than EUR 250,000 in one of the past two consecutive years).

The time horizons for completion of these actions are mid term and long term, and as of 2024, 90.6% of ANDRITZ's supply volume comes from assessed suppliers.

For these upstream actions, remedy-related disclosure requirements and information regarding the progress of actions or action plans disclosed in prior periods are not applicable. Resource types allocated to these actions include resources needed to operate and run the Supplier Relationship Management (SRM) system. The implementation is part of the ANDRITZ normal supply chain management process and does not require significant operational and/or capital expenditures.

Actions within the company's own operations

The following actions cover ANDRITZ's own operations.

ANDRITZ identified the **use of steel and copper as a negative impact**. Steel and copper are used in electromechanical equipment, and represent the largest contribution to the company's raw material related emissions. In respect of this impact, ANDRITZ implements design considerations related to reducing material use. The scope of the design considerations covers all ANDRITZ business areas and geographies. The fact that material use reduction also typically has a positive cost impact supports these design considerations.

The time horizons for completion of this action are short-term and mid-term. The impact on material use is monitored by supply chain management (sourced materials).

ANDRITZ identified **switching from fuel and gas to electric or alternative heating as a positive impact**. This can help reduce CO₂ emissions and overall energy consumption in processes. The company also identified that its **own production in certain countries may have a negative impact due to the potential use of non-renewable energy sources**, resulting in higher CO₂ emissions. In respect of these impacts, ANDRITZ's actions include switching to renewable and other low-carbon energy for electricity, heating, and processes, with the expected outcome of reducing GHG emissions. The scope of the energy-related considerations covers all ANDRITZ business areas and geographies.

The time horizons for completion of these actions are short-term and mid-term, and as of 2024, 36.4% of ANDRITZ's total energy comes from renewable sources.

For these actions within ANDRITZ's own operations, remedy-related disclosure requirements and information regarding the progress of actions or action plans disclosed in prior periods are not applicable. Resource types allocated to design considerations include know-how in product and technology development, and operational expenditure related to raw material selection. Resource types allocated to implementing the switch from fossil to renewables in heating and/or processes may include operational and/or capital expenditures. However, these are not identified as significant.

The actions presented above do not cover the identified potential risk from critical energy infrastructure. Actions related to this have been under development during the reporting year. Information on them will be available in 2025.

Downstream actions

The following actions cover the downstream value chain, unless specified otherwise. The affected stakeholder Group for these actions is ANDRITZ's customers.

ANDRITZ identified **a positive impact from its pumps for drinking water supplies, desalination, flood control, drainage and irrigation**, which are adaptation solutions for various consequences of climate change such as floods or droughts. In respect of this impact, ANDRITZ's actions include continuous development of pumps for these applications, promoting energy efficiency, and the use of renewable energy. This contributes to the goal of increasing the share of certain sustainable solutions and products to over 50% of Group revenue by 2025.

These actions cover the revenue from pumps for drinking water supplies, desalination, flood control, drainage and irrigation in the downstream value chain. The scope of the action is ANDRITZ Environment and Energy. The geographical scope is global, the solution (for example, flood control or irrigation) depends on the local conditions. The time horizons for completion are short-term and mid-term, and as of 2024, 44% of the company's total revenue has been generated from certain sustainable solutions and products (green revenue).

ANDRITZ identified use of its products for **hydropower generation as a positive impact**, since it has no/very low CO₂ emissions during operation and can help accelerate the transition to green energy, resulting in less CO₂ emissions. In respect of this impact, ANDRITZ's actions include continuous development efforts related to hydropower technology, empowering our customers to utilize hydropower. This contributes to the goal of increasing the share of certain sustainable solutions and products to over 50% of Group revenue by 2025. The revenue from ANDRITZ's hydropower business area is in the scope of these actions, with a global geographical scope. The time horizon for completion is short term, and as of 2024, 44% of the company's total revenue has been generated from certain sustainable solutions and products (green revenue).

ANDRITZ has identified **the use phase of the products and plants sold by the company as a potential negative impact**. As most of its products are energy-intensive and have a lifetime of several decades, their use can potentially lead to high emissions if they are run on fossil energy. The affected business areas are Pulp & Paper, Metals, and Environment & Energy. In respect of this impact, ANDRITZ's actions include the electrification of its product offering, increasing the energy efficiency of products, and customer engagement to promote renewable energy as the first choice. The expected outcome of these actions is the reduction of Scope 3 GHG emissions.

The geographical scope of this action is related to the availability and cost of low-carbon energy in the region where ANDRITZ's customers operate combined with customer willingness to invest in low-carbon energy. Time horizons for completion of these actions are mid-term and long-term. As of 2024, 44% of ANDRITZ's total revenue has been generated from certain sustainable solutions and products (green revenue). The company's new science-based emissions reduction targets that have been developed during 2024 include Scope 3, and future progress in emissions reduction will be disclosed in annual reporting.

ANDRITZ identified its **various solutions that contribute to GHG emissions reduction as a positive impact**. The company's offering includes technologies for renewable energy (hydropower, biomass boilers, carbon capture, green hydrogen, pumped storage, renewable fuels, power-to-x, and e-mobility). The company also identified the fact that it already generates around 45% of its total revenue from these products and solutions (green revenue) as an opportunity.

In respect of this impact and opportunity, ANDRITZ's actions include focusing the development efforts to low-carbon and zero-carbon technologies to increase the revenue of these technologies. This contributes to the goal of increasing the share of certain sustainable solutions and products to over 50% of Group revenue by 2025.

The scope of ANDRITZ's solutions that contribute to GHG emissions reduction includes all ANDRITZ business areas and geographies. The time horizons for completion of these actions are mid-term and long term, and as of 2024, 44% of ANDRITZ's total revenue has been generated from certain sustainable solutions and products (green revenue).

ANDRITZ has identified its **pioneering innovation as an opportunity**. The intensification of sustainability regulation worldwide will create more demand for new and innovative products, such as green hydrogen and carbon storage. This will provide the company with new opportunities to generate new revenue streams. In respect of this opportunity, ANDRITZ's actions include the development of new technologies and the increasing of R&D activities. These contribute to the goal of increasing the share of certain sustainable solutions and products to over 50% of Group revenue by 2025.

The scope of innovation-related actions includes all ANDRITZ business areas and geographies. The time horizon for completion of these actions is long-term. Sufficient R&D resources allocated to these actions are the contributing factor for implementing the actions. In 2024, ANDRITZ has allocated 139.6 MEUR (2023: 139.3 MEUR) to R&D activities. Of this, 9.2 MEUR is allocated to CapEx and 130.4 MEUR to OpEx. Related to future financial resources, ANDRITZ aims to continue investing in R&D activities with approximately a similar amount of resources.

For these downstream actions, remedy-related disclosure requirements and information regarding the progress of actions or action plans disclosed in prior periods other than the allocation of R&D resources are not applicable.

ANDRITZ's existing identification of **decarbonization levers** include energy efficiency, the use of renewable and other low-carbon energy, as well as behavioral change. However, this will be updated, as a detailed transition plan with all lever details will be adopted after the validation of ANDRITZ's SBTi targets is finalized.

During 2024, ANDRITZ's actions related to climate change mitigation and adaptation were as follows:

- Switching to renewable and other low-carbon energy, especially electricity (Lever: Renewable and Low-carbon Energy Adoption)
- Installation of PV plants at its own locations (Lever: Renewable and Low-carbon Energy Adoption)
- Improvement of energy efficiency through energy monitoring systems (Lever: Energy Efficiency)
- Conducting energy assessments across key operational sites to identify hotspots (Lever: Energy Efficiency)
- Improvement of energy efficiency in buildings, e.g. by upgrading insulation, windows and lighting (Lever: Energy Efficiency)
- Encouraging reduced consumption, energy conservation, and sustainable choices among individuals and organizations (Lever: Behavioral Change)

These actions presented as levers all contribute to the outcome of reducing GHG emissions achieved by using more energy and especially electricity of lower GHG emissions, either outsourced or own production, conducting energy efficiency improvements including identification of consumption hotspots and recognizing the impact of behavioral change related to energy use. The levers support achieving the policy objectives and targets ANDRITZ has set for Scope 1 and 2 emissions related to own operations.

Additionally, the company is also planning the following future actions:

- Supplier engagement to identify lower-carbon raw materials (Lever: Supply Chain Decarbonization)
- Customer engagement to identify lower-carbon energy possibilities for the usage of ANDRITZ machines (Lever: Value Chain Decarbonization)
- Shift from fossil-fuel-based production processes and heating systems to electric systems (Lever: Electrification)
- Increasing the share of secondary raw materials to reduce resource extraction and energy use (Lever: Circular Economy Practices)

As these actions are still under development during the reporting year, they have not been fully implemented yet. The planned outcome of the levers is reducing GHG emissions. The levers support achieving the policy objectives and targets ANDRITZ has set for value chain emissions covering both upstream and downstream value chain. Additionally, the lever of electrification contributes to emissions related to own operations.

The above-mentioned decarbonization actions, which have already been implemented, led to a GHG emission reduction of 24,530 tCO₂e (Scope 1 and Scope 2 market based) in the reporting year compared to the previous year. ANDRITZ expects a reduction of approximately 12,500 tCO₂e for the year 2025. The 2025 reduction depends on the share of renewable and other low-carbon energy combined with the energy efficiency achieved. Therefore, the reduction may vary.

ANDRITZ's current emissions reduction targets for 2025 are set for Scopes 1 and 2, while the new 2030 targets developed in 2024 cover all the three scopes including value-chain emissions. In terms of the company's own operations, ANDRITZ does not see major challenges in the implementation of targets due to the availability or allocation of resources. In relation to value-chain emissions, customer willingness to allocate resources to the use of renewable energy, for example, has a major impact on the use-phase-related emissions of ANDRITZ's products. With its own actions, ANDRITZ can contribute positively to the reduction of Scope 3 category 11 emissions (use of sold products) by technology development in decarbonization, resource efficiency, and in side stream utilization, increased energy efficiency, and promoting renewable energy as the preferred choice in the use phase. However, ultimately the customer decides on which energy source is utilized.

The relationship of significant CapEx and OpEx required to implement actions can be disclosed only after finalizing the climate transition plan, which is currently under development. This will be adopted after emissions reduction target validation by the SBTi, and by June 30, 2025 at the latest

The EU Taxonomy-aligned CapEx amounted to 10.3% and the EU Taxonomy-eligible CapEx was 24.1% in 2024. The EU Taxonomy-aligned OpEx amounted to 15.7% and the EU Taxonomy-eligible OpEx was 30.7% in the reporting year. Part of the CapEx also relates to individual, sustainable CapEx that enables ANDRITZ to reduce its own greenhouse gas emissions and lower its consumption of water and energy. These include CapEx for water treatment and waste management, electrically powered vehicles, sustainable renovation and maintenance of buildings, charging stations for electric vehicles and installation of photovoltaic systems. This information also relates to the key performance indicators required under Commission Delegated Regulation (EU) 2021/2178. A CapEx plan was not adopted by ANDRITZ in the reporting year.

Metrics and targets

E1-4 Targets related to climate change mitigation and adaptation

ANDRITZ's GHG emission reduction goal supports the commitment to protecting the environment based on the Group Health, Safety and Environmental Management Policy and other relevant policies presented in E1-2. The current relative Group goal, set in 2021, is to reduce the combined Scope 1 and 2 GHG emissions per MEUR revenue by 50% by the end of 2025 from the base year of 2019. The target is measured in tCO₂e per MEUR revenue. It is a relative target covering ANDRITZ's own operations with all ANDRITZ locations and geographies included as presented in ESRS 2 General disclosures, section BP-1 General basis for preparation of the sustainability statement.

Goal	Measuring variable	Base year 2019	2021	2022	2023	2024	Goal 2025
Reduce CO ₂ emissions (Scope 1+2) by 50%*	Tons CO ₂ e/ Million EUR revenue	28.1	29.3	18.6	18.0	13.7	14.0

Note: Only the revenue of the included locations was used.
* Compared to base year 2019

During the reporting year, it was possible to further reduce the GHG emissions (Scope 1 and 2) of the ANDRITZ Group. Compared to the base year 2019 with a baseline value of 28.1 tCO₂e/MEUR, emissions were reduced by 51% in relation to revenue. This means the KPI was reduced from 28.1 to 13.7.

The current goal related to climate change mitigation applies from 2019 to the end of 2025, and is monitored on a quarterly basis. ANDRITZ has not set any interim targets for the period 2021 to 2025. To achieve the target of reducing the GHG emissions (Scope 1 and 2), it is important to switch into renewable or other low-carbon energy as the main lever supported by energy efficiency. The progress related to these levers is monitored in ANDRITZ's internal strategy deployment program as part of its environmental management program. However, ANDRITZ has not set targets related to the performance of individual levers within the externally shared sustainability program. The ANDRITZ sustainability program focuses on reducing GHG emissions from its own operations.

The climate KPI applied in the reporting year was developed in 2021. Energy use at our locations was used as the data source. The target setting was based on an ambitious reduction path of -50% between 2025 and 2019. However, detailed information on scenarios discussed at the time are not available, and it cannot be concluded that the target setting in 2021 was based on conclusive scientific evidence. Stakeholders from the business areas representing different technologies and production site types were involved in the target setting process through workshops facilitated by an external sustainability consultancy. Also, the executive board was included in the process. Other external stakeholders were not involved in the climate target setting for ANDRITZ's own operations.

The target has not been changed since it was set in 2021. What has changed is the coverage of data. The data is collected at site level. In the beginning, only the largest manufacturing sites reported environmental data. Later, all manufacturing sites did so, followed by office sites. However, as the targets are relative, as described above, it is possible to compare the data. Only the revenue from sites that reported environmental data was used for the calculation of the KPIs. Furthermore, the KPIs of 2019, 2021, 2022 as well as the target KPI for 2025 were adapted in 2023 due to an incorrect CO₂ factor. As all KPIs have been adjusted, comparability has been ensured.

Going forward, the science-based targets submitted to SBTi at the end of 2024 will complement the current target in 2025 and replace it starting from 2026.

The KPI is calculated and reviewed on a quarterly basis. The target is monitored by Group Environmental Management, Executive Board and Supervisory Board. The table above shows the yearly performance. A clear downward trend can be seen since 2021, which is in line with the company's expectations. The actions taken allowed ANDRITZ to already achieve the intensity target in 2024.

Furthermore, ANDRITZ set a **goal for low-carbon electricity** which supports the commitment to protecting the environment based on the Group Health, Safety and Environmental Management Policy and other relevant policies presented in E1-2. The absolute Group goal, set in 2024, is to increase the share of low-carbon electricity to 75%. The target is measured as the share of low-carbon electricity, including renewable electricity. It is an absolute target covering ANDRITZ's own operations, and includes all ANDRITZ locations and geographies as presented in *ESRS 2 General disclosures, section BP-1 General basis for preparation of the sustainability statement*.

The current KPI related to energy and climate change mitigation applies to 2024 and is monitored on a quarterly basis. In 2024, the base value was 67%. The progress related to the target is monitored in ANDRITZ's internal strategy deployment program as part of its environmental management program. During the reporting year, it was possible to increase the share from 67% to 75%. The goal for 2025 is to increase the share to 85%.

The reported electricity type used at our locations is used as the data source. The KPI is calculated and reviewed on a quarterly basis. The target is monitored by the Director Group Environmental Management, Executive Board and Supervisory Board.

GHG emission reduction (in tCO₂e)

	Baseline year	Baseline emissions	Target year	Target emissions
Scope 1 and 2 (market-based) GHG emissions target (in tCO ₂ e)	2019	142 438	2025	71 219 (-50%)

As already stated above, ANDRITZ set its first GHG emissions reduction target in the course of the sustainability program We Care in 2021. The base year is 2019. The target was set as an intensity target, as during the first years, not all manufacturing locations were included. An intensity target based on the revenue allows comparability over the years when smaller locations were added, since only the revenue of all corresponding sites is included. A 50% reduction by the end of 2025 has been set. Since this is an intensity target and not an absolute target, the absolute values in the table above are presented for ESRS E1 reporting purposes only. They are not used to monitor performance toward the target.

Within ANDRITZ’s sustainability program, ANDRITZ has calculated its GHG inventory for its own operations (Scope 1 and 2) in accordance with the GHG Protocol framework. The GHG inventory covers all of the company’s main GHG emissions (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃). In the reporting year 2024, ANDRITZ included Scope 3 emissions in its GHG inventory for the first time. The Corporate Value Chain (Scope 3) Accounting and Reporting Standard by the GHG Protocol was used in the calculation.

During the reporting year, ANDRITZ defined a combined GHG emissions reduction target for Scope 1 and 2, and an extra target for Scope 3. The disclosure of these new science-based emissions reduction targets will be made after validation by SBTi. The timeline for the validation process finalization is not available at the time of reporting, but it is expected to be finalized during the first half of 2025.

The GHG emission reduction targets are gross targets. Validation by SBTi will ensure their consistency with the GHG inventory boundaries.

Of the company’s total emissions, Scopes 1 and 2 represent around 1% and Scope 3 around 99%. Therefore, when establishing the baseline year for the new targets developed in 2024, special consideration was given to Scope 3 data. CSRD acknowledges three previous years when setting new targets. When setting the baseline value for the new science-based targets, ANDRITZ considered the years 2022 and 2023, as 2021 still reflected the effects of the COVID-19 pandemic. Additionally, ANDRITZ Scope 3 data was not available for 2021. Of 2022 and 2023, the latter was chosen as a baseline due to its better availability of Scope 3 data, as well as its representativeness and coverage. Base year 2023 was used for all scopes from 1 to 3. Furthermore, no temperature anomalies or other external factors such as pandemic-related impacts affected ANDRITZ this year.

During 2024, ANDRITZ has developed new absolute GHG emission reduction targets to be reached by 2030, which are science based and compatible with limiting global warming to 1.5°C in alignment with the Paris Agreement. These will be disclosed in detail following the finalization of the SBTi validation process. The new targets have been developed based on criteria that must be met for near-term targets to be validated by the Science Based Targets initiative as well as recommendations that are important for transparency and best practice, as stated in the public document *SBTi Corporate Near-Term Criteria, Version 5.2., March 2024*. The development of these targets considered the following future developments: regulatory changes, shifts in customer demand, and technology developments. Potential impacts these future developments may have on GHG emissions and emission reductions have been considered both related to own operations and value chain. Impacts on own operations include for example technology and regulatory developments driven GHG impacts related to energy source and energy efficiency. Typically, these are related to preferring low-carbon energy and improving the efficiency thus supporting

emissions reduction. Changes in customer preferences, demand and sales volumes of different solutions and products within ANDRITZ's portfolio may change the production quantities on a manufacturing location level increasing the production in some locations while decreasing the quantities in others. It is impossible to estimate the gross GHG impact of these changes for a global company such as ANDRITZ with numerous manufacturing locations around the world. In the value chain, novel technologies developed by ANDRITZ enable customers to reduce their emissions thus reducing also ANDRITZ scope 3 emissions. As mentioned earlier, the main driver for use phase emissions related to ANDRITZ's products is customer choice on energy. This applies especially related to existing technologies, but also novel technologies. Efficiency improvements allow further emissions reduction in the use phase. Regulatory developments are likely to increase customer interest in new technologies, transitioning into low-carbon energy and efficiency improvements, thus reducing customers' own GHS emissions and respectively ANDRITZ's value chain emissions.

As no sector-specific standards are available for the machine manufacturing sector, the targets were not derived using a sectoral decarbonization pathway. Instead, the cross-sector method was used. The targets will be validated by the Science Based Targets initiative, which is equivalent to an external assurance.

During the reporting year, ANDRITZ has started to pilot potential decarbonization levers. The pilot has been conducted for the Pulp & Paper division's Scope 3 emissions, which are related to the Scope 1 and Scope 2 emissions of its customers. The mapping includes mill emissions and emissions of purchased heat and power. Potential future offerings may include collaboration with other companies. The mapping does not include quantitative contributions to achieve GHG emission reduction targets.

ANDRITZ places a strong emphasis on sustainability in its R&D work. On the one hand, machines are optimized for efficiency, while on the other, new solutions are developed. A strong focus was on the Special Growth Projects in the reporting year, which include, for example, technologies for green hydrogen, carbon capture, and renewable fuels. Both efficiency improvements and new innovative solutions contribute to reducing ANDRITZ's Scope 3 GHG emissions. Nevertheless, the concrete role of new technologies in achieving the GHG emission reduction targets has not yet been evaluated, as the climate transition plan is still being developed.

When developing the new targets in 2024, ANDRITZ drafted future scenarios around the company's Scope 3 emissions leading up to 2030. The data for these scenarios was based on global outlook data from the International Energy Agency (IEA), and data was retrieved from the Climate Pledges Explorer Data tool. The scenarios assume that global emissions are expected to be reduced by approximately 12% due to the increasing share of low-carbon energy, as presented by IEA, and 2023 is used as the base year. The calculations do not consider energy-efficiency gains, as the scenarios have been developed to highlight the emission gap that must be bridged with these gains, along with new technologies.

Based on this data, scenarios with different growth rates for ANDRITZ capital sales were developed to forecast the value-chain emissions related to machinery supplied by ANDRITZ until 2030. Scenarios for ANDRITZ Scope 1 and 2 emissions until 2030 were also developed. These scenarios served as the input for the ANDRITZ climate transition planning process, and supported ANDRITZ C-suite in the target setting decision process.

ANDRITZ acknowledges, that these scenarios are limited when it comes to supporting decision-making in a business context, and that they do not cover societal or policy-related development. Direct information on how scenarios have been used to determine decarbonization levers is not included in this disclosure.

E1-5 Energy consumption and mix

Energy is mainly used to heat the company premises and for the processes at the manufacturing sites. Natural gas is needed primarily to operate hardening and annealing furnaces. Liquid gas is often used as process energy in metal processing. Gasoline and diesel are mainly used for company vehicles. At some locations, diesel is also used for emergency generators to compensate for supply bottlenecks.

The amount of purchased electricity for 2024 slightly increased compared to 2023 and amounted to 288,937 MWh (2023: 284,268 MWh). Also, the share of low-carbon electricity, including renewable electricity, increased to 75% (2023: 67%).

Energy consumption and mix (in MWh)

Energy consumption and mix	2024	2023
1) Fuel consumption from coal and coal products (MWh)	0	0
2) Fuel consumption from crude oil and petroleum products (MWh)	37 106	32 702
3) Fuel consumption from natural gas (MWh)	228 446	243 004
4) Fuel consumption from other fossil sources (MWh)	24	38
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	126 684	151 973
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	392 260	427 717
Share of fossil sources in total energy consumption (%)	63.2%	69.1%
7) Consumption from nuclear sources (MWh)	2 480	2 026
Share of consumption from nuclear sources in total energy consumption (%)	0.4%	0.3%
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	87	873
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	213 529	181 360
10) The consumption of self-generated non-fuel renewable energy (MWh)	12 178	7 210
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	225 794	189 443
Share of renewable sources in total energy consumption (%)	36.4%	30.6%
TOTAL ENERGY CONSUMPTION (MWH) (SUM OF LINES 6, AND 11)	620 534	619 186

ANDRITZ was able to further increase its own energy production in 2024. It amounted to 12,178 MWh (2023: 7,210 MWh), and includes electricity from its own photovoltaic plants, from a small hydropower plant, and heating from energy pumps and solar plants. The majority of the energy produced was consumed by the company itself, but a small proportion was also sold, namely 2,049 MWh.

ANDRITZ recognizes the importance of addressing not only carbon dioxide (CO₂) emissions but also other greenhouse gases (GHGs) that contribute to the overall carbon footprint. These gases, collectively referred to as CO₂e (carbon dioxide equivalent), include methane (CH₄), nitrous oxide (N₂O), and various fluorinated gases. Considering CO₂e is crucial because each GHG has a different global warming potential (GWP).

The energy consumption figures cover all ANDRITZ locations included in ANDRITZ sustainability reporting as presented in *ESRS 2 Basis for the preparation*. ANDRITZ classifies energy as renewable or low carbon only when it is clearly defined as non-fossil energy in the contractual agreements with its suppliers. If this evidence is missing, energy is classified as fossil.

Energy intensity based on net revenue

All ANDRITZ business activities are considered high climate impact sectors, therefore ANDRITZ Group's total net revenue as noted in the consolidated financial statements is used to determine energy intensity. The subsectors of NACE category C (Manufacturing) ANDRITZ operates in are presented below after the energy intensity data.

	2024	2023
Total energy consumption from activities in high climate-impact sectors (in MWh)	620 534	619 186
Net revenue from activities in high climate-impact sectors (in EUR)	8 313 744 514	8 660 014 879
Energy intensity	0.000075	0.000071

ANDRITZ business activities fall under NACE category C (Manufacturing), which is a high climate-impact sector.

High climate-impact sectors used to determine energy intensity:

- C 28.9.5 Manufacture of machinery for paper and paperboard production
- C 28.9.9 Manufacture of other special-purpose machinery n.e.c.
- C 28.2 Manufacture of other general-purpose machinery
- C 28.4.1 Manufacture of metal forming machinery
- C 28.2.1 Manufacture of ovens, furnaces and furnace burners
- C 33.1.1 Repair of fabricated metal products, machinery and equipment
- C 28.1.3 Manufacture of other pumps and compressors
- C 28.1.1 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
- C 28.1.4 Manufacture of other taps and valves
- C 27.1 Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
- C 27.9 Manufacture of other electrical equipment
- C 25.1 Manufacture of structural metal products

As all ANDRITZ business activities fall under NACE category C (Manufacturing), which is a high climate-impact sector, the revenue amount from activities in high climate impact sectors is aligned with the revenue stated in the notes to the consolidated financial statements in chapter C) 9. Revenue of the consolidated financial statements.

The measurement of the metrics above is not validated by an external body other than the assurance provider.

E1-6 Gross Scopes 1, 2, 3 and total GHG emissions

ANDRITZ follows the following three standards by GHG Protocol in its GHG reporting: the GHG Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We use the operational control approach to consolidate these standards.

Scope 1 and 2 emissions include direct and indirect GHG emissions, calculated as CO₂e, from all locations in the scope of the reporting as presented in *ESRS 2 Basis for the preparation*. Scope 3 emissions include emissions expressed in CO₂e from other sources in ANDRITZ value chain both upstream and downstream. Of the 15 different scope 3 categories, 11 have been included and 4 excluded following the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Categories included and excluded are presented below in the text as a dedicated table. For the 11 categories included in ANDRITZ scope 3 reporting, reporting boundaries and calculation methods are presented in another table for each category.

Calculations have been done using both the market based and location based methodology. As ANDRITZ discloses its scope 3 emissions in 2024 for the first time, the GHG intensity based on net revenue is presented for the reporting year only, and not for the previous year.

For more information on the methodologies and basic assumptions, please see the further content presented in this chapter.

Gross Scopes 1, 2, 3 and total GHG emissions (in t CO₂e)

	2024	2023
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (t CO ₂ e)	54 214	54 641
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	107 713	117 625
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	51 520	75 623
Significant scope 3 GHG emissions		
Total Gross indirect (Scope 3) GHG emissions (t CO ₂ e)	140 125 000	n/a
1) Purchased goods and services	1 939 000	n/a
2) Capital goods	9 000	n/a
3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	36 000	n/a
4) Upstream transportation and distribution	385 000	n/a
5) Waste generated in operations	11 000	n/a
6) Business traveling	80 000	n/a
7) Employee commuting	118 000	n/a
8) Upstream leased assets	13 000	n/a
9) Downstream transportation	196 000	n/a
11) Use of sold products	137 336 000	n/a
13) Downstream leased assets	2 000	n/a
Total GHG emissions		
Total GHG emissions (location-based (t CO ₂ e)	140 286 927	172 266
Total GHG emissions (market-based (t CO ₂ e)	140 230 734	130 264

There are no significant changes in the definition of what constitutes the scope of reporting and its upstream and downstream value chain. ANDRITZ's value-chain definition can be found in the section *Strategy, business model and value chain (SBM-1)*.

Calculations were conducted with the established external tool for Scope 1 and Scope 2. The calculation of GHG emissions includes all GHG emissions by recording their global-warming potential in CO₂-equivalent emissions (CO₂e) in relation to the effects in 100 years (global warming potential 100).

Carbon dioxide (CO₂) serves as the reference gas for recording other GHGs. Other gases with GHG potential such as methane and nitrous oxide are accounted for when balancing GHG emissions based on climate impact. The conversion is conducted in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC).

GHG emissions are calculated and reported separately according to Scope 1 and 2 in accordance with the GHG Protocol.

Scope 1 includes all direct emissions caused by the organization itself. These include, for example:

- The use of fossil fuels to generate energy, such as direct emissions from a stationary boiler or direct emissions from a vehicle fleet
- Direct emissions of volatile gases, such as refrigerants from air-conditioning systems or direct emissions from industrial processes

Scope 2 includes emissions from the generation of externally sourced electricity, steam, heat and cooling, specifically those that arise directly during generation (e.g., in power plants or district heating plants).

The basis for the Scope 1 and 2 emissions calculation is the energy data (energy for heating, process heat, electricity and long distance heating), as reported by every ANDRITZ location. The tool then combines this data with emission factors from the ecoinvent data base and the Umweltbundesamt GmbH. The emission factors are regularly updated by the experts of the tool company and ANDRITZ has no influence on the chosen factors.

GHG emissions are calculated and reported separately according to Scope 3 in accordance with the GHG Protocol, and the calculations were conducted with a dedicated consultancy. For Scope 3 emissions, the relevant categories were assessed, and calculation methodologies (spend-based, average-data, distance-based, direct-use, waste-type) vary by category. The most applicable emission factors were selected by the experts from the consultancy for the Scope 3 emission calculation. Excel was used as a tool for the calculation.

Overview of emission factors used for Scope 3 emission calculation:

Publisher	Reference	Motivation	Applied in:
Carbon Footprint Ltd	https://www.carbonfootprint.com/	Selected as the only publicly available source of country-specific factors	C3, C11
Exiobase	https://www.climatiq.io/	Selected as the most comprehensive and globally representative factors	C1, C2, C4, C8, C9, C13
Defra	https://www.gov.uk/	Selected as a trusted and up-to-date source of emission factors	C3, C6, C7
EPA GHG Emission Factor Hub	https://www.epa.gov/	Selected as a trusted and up-to-date source of emission factors	C5

In the company's value chain, there are no entities with reporting periods that are different from ANDRITZ's reporting period, and therefore there are no effects of significant events or changes in circumstances to be reported.

There are no biogenic emissions of CO₂ from the combustion or biodegradation of biomass, since no biomass is used as an energy source in the company's own production (Scope 1). Furthermore, biogenic emissions of CO₂ from the combustion or biodegradation of biomass are included in Scope 2 GHG emissions. Since the share of biomass in total energy consumption is very low (see also the overview of energy consumption and the energy mix in E1-5), the share of biogenic CO₂ is not reported separately.

To reduce its Scope 2 GHG emissions, ANDRITZ is focusing heavily on switching to and using low-carbon electricity. Various contractual instruments are used for this purpose, both bundled energy contracts and unbundled energy attribute contracts. These include green electricity contracts, renewable energy certificates and power purchase agreements. The respective subsidiary itself determines which instruments are used, and these also vary from country to country. At the moment, there is no central database in which the various contracts are collected. Therefore, no precise information can be provided. Efforts are being made to provide more detailed information in the future.

No primary data was used for the Scope 3 calculation; only emission factors from databases were used. The share is therefore 0%.

List of Scope 3 GHG emissions categories included in and excluded from the inventory with a justification for excluded Scope 3 categories

Scope 3 category	Included in inventory	Excluded from inventory	Justification for exclusion
1. Purchased goods and services	x		
2. Capital goods	x		
3. Fuel- and energy-related activities (not included in Scope 1 or 2)	x		
4. Upstream transportation and distribution	x		
5. Waste generated in operations	x		
6. Business travel	x		
7. Employee commuting	x		
8. Upstream leased assets	x		
9. Downstream transportation and distribution	x		
10. Processing of sold products		x	Not relevant to the business model
11. Use of sold products	x		
12. End-of-life treatment of sold products		x	Minimal relevance to the total emissions
13. Downstream leased assets	x		
14. Franchises		x	Not relevant to the business model
15. Investments		x	Minimal relevance to the total emissions

The information about biogenic emissions of CO₂ from combustion or bio-degradation of biomass occurring in the value chain and not included in Scope 3 GHG emissions is not available for the reporting year.

Reporting boundaries considered and calculation methods used for estimating Scope 3 GHG emissions

Scope 3 category	Reporting boundary	Calculation method
1. Purchased goods and services	All upstream (cradle-to-gate) emissions of purchased goods and services	Spend-based
2. Capital goods	All upstream (cradle-to-gate) emissions of purchased capital goods	Spend-based
3. Fuel- and energy-related activities (not included in Scope 1 or 2)	All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding combustion)	Average data
4. Upstream transportation and distribution	The Scope 1 and Scope 2 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use)	Spend-based
5. Waste generated in operations	The Scope 1 and Scope 2 emissions of waste management suppliers that occur during disposal or treatment	Average data
6. Business travel	The Scope 1 and Scope 2 emissions of transportation carriers that occur during use of vehicles (e.g., from energy use)	Distance-based & average data
7. Employee commuting	The Scope 1 and Scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use)	Distance-based
8. Upstream leased assets	The Scope 1 and Scope 2 emissions of lessors that occur during the reporting company's operation of leased assets (e.g., from energy use)	Spend-based
9. Downstream transportation and distribution	The Scope 1 and Scope 2 emissions of transportation providers, distributors, and retailers that occur during use of vehicles and facilities (e.g., from energy use)	Spend-based
11. Use of sold products	The direct use-phase emissions of sold products over their expected lifetime (i.e., the Scope 1 and Scope 2 emissions of end users that occur from the use of: products that directly consume energy (fuels or electricity) during use; fuels and feedstocks; and GHGs and products that contain or form GHGs that are emitted during use)	Direct use
13. Downstream leased assets	The Scope 1 and Scope 2 emissions of lessees that occur during operation of leased assets (e.g., from energy use)	Spend-based

GHG intensity based on net revenue

GHG intensity per net revenue	2024
Total GHG emissions (location-based) (in t CO ₂ e)	140 286 927
Total GHG emissions (market-based) (in t CO ₂ e)	140 230 734
Net revenue (in EUR)	8 313 744 514
Total GHG emissions (location-based) per net revenue (tCO ₂ e/EUR)	0.02
Total GHG emissions (market-based) per net revenue (tCO ₂ e/EUR)	0.02

The GHG intensity based on the net revenue for 2023 is not reported because the figures would be without Scope 3 GHG emissions, which are reported for the first time in 2024. Therefore, comparability would not be given.

The net revenue used to calculate GHG intensity is aligned with the revenue stated in the notes to the consolidated financial statements in chapter C) 9. Revenue of the consolidated financial statements.

The measurement of the metrics above is not validated by an external body other than the assurance provider.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

ANDRITZ offers technical solutions to capture GHG emissions from industrial processes, focusing particularly on the cement, pulp and paper, and steel industries, as well as the waste-to-energy and biomass-combustion industries. These technologies separate and capture CO₂ from flue gas and make it available in the highest quality. It can then be compressed and liquefied for further use, for example, as a carbon source for e-fuel, or be safely stored underground for permanent removal from the atmosphere. ANDRITZ's solutions can be retrofitted to existing power and industrial plants, allowing them to continue operating in a sustainable manner or even achieve negative emissions if the biogenic CO₂ is stored underground.

In 2023, ANDRITZ commissioned the first amine-based carbon-capture plant for the cement industry in Germany. The pilot plant can capture two tons of CO₂ per day, which is then used as a raw material by chemical plants and breweries. In the future, the aim is to increase the quantity to 1,500 tons per day. ANDRITZ delivered another carbon-capture pilot plant to Austrian steel producer voestalpine, marking significant strides in its carbon management initiatives. The successful pilot operations continued throughout reporting year 2024.

ANDRITZ does not use carbon credits to finance GHG emission reductions or removals.

E1-8 Internal carbon pricing

ANDRITZ does not apply internal carbon pricing schemes.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

In accordance with the phase-in reporting approach, ANDRITZ omits the information prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement.

ESRS E2 Pollution

Impact, risk and opportunity management

ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

In ANDRITZ's double materiality assessment (DMA), topics relating to pollution were discussed both with the environmental subject-matter experts and the subject-matter experts from the business areas. The discussions concluded that ANDRITZ's locations do not cause significant pollution. Rather, ANDRITZ can counteract pollution in its downstream value chain with its solutions and products, such as clean air technologies, water treatment solutions or technologies that support the replacement of plastic and therefore minimize the amount of microplastics. Therefore, the focus of the IRO identification was on the positive impacts and opportunities of these technologies. Nevertheless, assessments were carried out for the company's manufacturing locations producing certain EU Taxonomy-eligible products as of the beginning of 2024 using a pre-screening checklist for an Environmental Impact Assessment which includes several questions on pollution. The assessment showed that there is no significant impact from ANDRITZ locations. The results of the assessment were later used as input in the DMA workshops.

ANDRITZ manufacturing locations are typically mechanical engineering workshops designing and manufacturing components, equipment, and machinery, including assembly work. Environmental requirements, including pollution-related requirements for the manufacturing locations, are implemented in accordance with national legal requirements and if required by the authorities. As the pollution of ANDRITZ's own operations is not significant, specific pollution-related stakeholder consultations related to the manufacturing locations were not performed. Large projects where ANDRITZ is involved as a supplier may include downstream value chain related consultations with the affected communities, but ANDRITZ is not involved in conducting these as they are conducted by the project owners.

As part of the DMA's stakeholder engagement, an interview was conducted with the mayor of a city in which one of our production sites is located. Pollution was not identified as a priority topic in this discussion.

As described, pollution from ANDRITZ's own operations is not a material issue; therefore, only business activities associated with pollution material impacts and opportunities are listed.

Clean air technologies for:

- Dedusting
- Multi-pollutants control
- Mercury control
- Desulphurization (DeSOx)
- Denitrification (DeNOx)

Water treatment solutions:

- Pumps for wastewater treatment
- Technologies for industrial and municipal wastewater treatment
- Tailings treatment

Technologies that support the replacement of plastic and therefore contribute to the reduction of microplastics:

- Pulp & paper technologies
- Technologies for lyocell production
- Dry molded fiber lines
- Technologies that work with other wood-based fibers

E2-1 Policies related to pollution

The policies ANDRITZ has adopted to manage its material IROs related to pollution are as follows. The monitoring process, scope, accountability, related third-party standards or initiatives, stakeholder involvement, and the availability of the policy are presented either collectively for a set of policies or for individual policies.

Quality, Health, Safety, and Environment Policy Statement and Health, Safety, and Environmental Management Policy

Key contents: ANDRITZ's Quality, Health, Safety, and Environment Policy Statement declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding health, safety, environmental protection, and product and process quality that are considered key factors for its success.

ANDRITZ's **core principles** specified in this policy statement include the continual and structured development and improvement of the company's environmental management systems, operations, and processes. Environmental protection, including the prevention of pollution and the conservation of natural resources by providing environmentally friendly and resource-efficient products and services to customers, is another of ANDRITZ's core principles.

ANDRITZ's Health, Safety, and Environmental Management Policy describes the company's commitment to protecting the environment as a contribution to a healthy future for coming generations. Thus, environmental protection, including the prevention of pollution and the conservation of natural resources, is one of ANDRITZ's leading principles and major goals, both with regards to products and services and the management of production facilities.

General objectives:

The ANDRITZ QHSE Policy Statement outlines the commitment to ensuring the well-being of its employees, protecting the environment, and maintaining high-quality services and products.

The Health, Safety, and Environmental Management Policy defines the goals and requirements for health, safety and environmental (HSE) management in the ANDRITZ Group.

The policies relate to the following material IROs:

- The positive impact of ANDRITZ's clean air technologies for dedusting, multi-pollutants control, mercury control, desulphurization, and denitrification, which help to reduce air emissions.
- The positive impact of ANDRITZ's product offering for water treatment including pumps for wastewater treatment, separation technologies for industrial and municipal wastewater treatment as well as technologies for efficient tailings treatment in the mining sector, which helps to avoid tailings dam failures. These technologies help to reduce and prevent water pollution.
- The positive impact of the company's technologies for plastic replacement with renewable materials (e.g., paper, lyocell, dry molded fiber, or other wood-based fiber) to counteract the generation of microplastics.
- The opportunity represented by the above-mentioned technologies for plastic replacement that support the avoidance of microplastics. These could lead to additional significant revenue streams.

Monitoring process: ANDRITZ companies implement a process to monitor and assess their HSE activities and performance. The results of monitoring and self-assessment as well as trend analysis results are incorporated into the management review process, aspects and impacts assessment, objectives planning, and development of corrective/preventive actions.

Scope: These policies apply to the entire ANDRITZ Group. Their implementation and application are mandatory for all ANDRITZ locations and construction sites.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policies.

Third-party standards or initiatives: Through the implementation of these policies, ANDRITZ commits to respect the ISO 9001, ISO 14001 and ISO 45001 standards.

Stakeholder involvement: The expertise of the local health, safety, and environmental specialists was included during the development of the policy.

Availability: The policies are made available to all employees via the intranet.

Business Process Manual

Key contents: ANDRITZ's Business Process Manual (a Group policy) describes the process for product and innovation management and how the company aligns its product portfolio development (with the result that ANDRITZ focuses on products with positive impacts such as those mentioned below).

General objectives: The policy defines the integrated management system structure for the ANDRITZ Group. It defines the business processes and responsibilities for process management and gives guidelines for process performance measurement.

This policy relates to the following material IROs:

- The positive impact of ANDRITZ's clean air technologies for dedusting, multi-pollutant control, heat recovery, desulphurization and denitrification, which help to reduce air emissions.
- The positive impact of ANDRITZ's product offering for water treatment including pumps for wastewater treatment, separation technologies for industrial and municipal wastewater treatment as well as technologies for efficient tailings treatment in the mining sector, which helps to avoid tailings dam failures. These technologies help to reduce and prevent water pollution.
- The positive impact of the company's technologies for plastic replacement with renewable materials (e.g., paper, lyocell, dry molded fiber, or other wood-based fiber) to counteract the generation of microplastics.
- The opportunity represented by the above-mentioned technologies for plastic replacement that support the avoidance of microplastics. These could lead to additional significant revenue streams.

Monitoring process: The responsibility for monitoring lies with the respective Group process owners, business area process owners, divisional process owners, and local process owners and depends on the respective process.

Scope: The policy covers the ANDRITZ Group, which has an integrated management system supporting business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ commits to respect the ISO 9001, ISO 14001, and ISO 45001 standards.

Stakeholder involvement: In developing and implementing the policy, particular emphasis was placed on ensuring the involvement of all process owners and their interests.

Availability: The policy is made available to all employees via the intranet.

Group Product Quality Policy

Key contents: ANDRITZ's Group Product Quality Policy addresses product and service design as well as meeting customer and legal requirements related to the environment.

General objectives: The policy defines general rules for the quality of ANDRITZ products, including environmental requirements applying to all businesses and supplies.

This policy relates to the following material IROs:

- The positive impact of ANDRITZ's clean air technologies for dedusting, multi-pollutant control, heat recovery, desulphurization, and denitrification, which help to reduce air emissions.
- The positive impact of ANDRITZ's product offering for water treatment including pumps for wastewater treatment, separation technologies for industrial and municipal wastewater treatment as well as technologies for efficient tailings treatment in the mining sector, which helps to avoid tailings dam failures. These technologies help to reduce and prevent water pollution.
- The positive impact of the company's technologies for plastic replacement with renewable materials (e.g., paper, lyocell, dry molded fiber, or other wood-based fiber) to counteract the generation of microplastics.
- The opportunity represented by the above-mentioned technologies for plastic replacement that support the avoidance of microplastics. These could lead to additional revenue streams.

Monitoring process: The responsibility for monitoring lies with the respective Group process owners, business area process owners, divisional process owners, and local process owners and depends on the respective process.

Scope: The policy covers the ANDRITZ Group.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ commits to respect the ISO 9001, ISO 14001 and ISO 45001 standards.

Stakeholder involvement: The expectations of customers were taken into account during the development of the policy.

Availability: The policy is made available to all employees via the intranet.

The **Health and Safety Management Implementation Guideline**, which is enclosed with the Group Health, Safety, and Environmental Management Policy provides guidance for mitigating negative impacts related to pollution of air, water, and soil, including prevention and control. Each location must implement a risk assessment including environmental hazards like air, water, and soil pollution. It describes the process for identification of hazards, evaluation of risks, and setting of priorities for preventive measures. The guideline also addresses how to deal with incidents and emergency situations, but its overall goal is to avoid any incidents or emergency situations. It defines the minimum standard for the ANDRITZ Group. Its implementation and application are mandatory for all locations, facilities, construction/installation sites, and field work areas.

The Health and Safety Management Implementation Guideline also provides guidance for dealing with hazardous materials and substances. Substances of concern and substances of very high concern are not explicitly mentioned in the guideline. Nevertheless, ANDRITZ business areas are encouraged to substitute and eliminate substances of very high concern from the products.

E2-2 Actions and resources related to pollution

ANDRITZ has not yet adopted actions related to pollution because a strong focus was placed on decarbonization. The strategic priority has been to first incorporate considerations relating to climate change and the circular economy into the strategy and the associated actions. Our plan is to gradually enlarge the scope of environmental sustainability considerations to cover pollution as well. Because of this, ANDRITZ has not focused on pollution-related actions other than those related to products.

Our pollution-related actions are delivered through our products. ANDRITZ offers clean air technologies to reduce air emissions, water treatment technologies to reduce water pollution, and various technologies that replace plastics to reduce microplastics.

Metrics and targets

E2-3 Targets related to pollution

No specific targets for air, water or soil pollution were set in the reporting year. Nevertheless, next to decarbonization and the circular economy, pollution was defined as a key topic in the reporting year. This means we consider developing new goals regarding pollution during next year.

Although there is no specific target for pollution, the goal of increasing the share of certain sustainable solutions and products to over 50% of Group revenue by the end of 2025 also contributes to tracking the effectiveness of policies and actions because the ANDRITZ product portfolio for pollution prevention is included in this KPI. The KPI is monitored via quarterly reports. The base year from which progress is measured is 2020, at which time the share of certain sustainable solutions and products, including the product portfolio for pollution prevention, was 46%. In the reporting year, the share was 44%.

ESRS E3 Water and marine resources

Impact, risk and opportunity management

ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

In 2024, ANDRITZ continued using Aqueduct Water Risk Atlas by the World Resource Institute to conduct water-related screening of locations within the scope of ANDRITZ's environmental reporting. In this screening, ANDRITZ identified and assessed water-related risks such as availability of water resources, potential for water scarcity, and the potential impact of water use on local communities and ecosystems. During the location-specific environmental assessment and preparation for environmental sustainability data reporting, the level of water stress was determined for each manufacturing location. Locations with high or extremely high water stress were identified and recorded in the reporting tool.

During the double materiality assessment, ANDRITZ identified actual and potential water and marine resources-related impacts, risks, and opportunities in its own operations and its upstream and downstream value chain. This included assessment of value chain water consumption in the subject-matter expert workshops during the DMA process, using the water risk assessment of ANDRITZ's own operations as input, as well as indicating the water stress level in the value chain for these geographical areas. However, ANDRITZ has not systematically assessed the upstream and downstream value chain water consumption related to suppliers, customers, and their locations.

In the assessment, the following material impacts were identified. No material financial risks or opportunities were identified.

Identified negative impacts:

Water consumption in the upstream value chain:

- Production of steel involves high levels of water withdrawal that may cause water scarcity for ecosystems and society. Although the water intake is high, investing in efficient water recycling can bring the supplier's location-specific water consumption to a lower level.

Water consumption in the downstream value chain:

- The pulp & paper industry is heavily dependent on water and consumes a remarkable amount of water per ton of product manufactured. The water-intensive nature of the industry may cause water scarcity for ecosystems and society.

Identified positive impacts:

Technologies for sustainable use of water:

- The ANDRITZ Pulp & Paper business area offers technologies for sustainable water management in the downstream value chain. The offering includes reducing freshwater withdrawal by enabling water reuse and recycling through several technologies and reducing water discharge. This has a positive impact on the environment
- The ANDRITZ Environment & Energy business area offers technologies for water treatment, drinking water supply, irrigation, and desalination with positive impacts beyond the value chain for the environment and society, including affected communities.

Disclosure of whether and how water-related consultations have been conducted

ANDRITZ manufacturing locations are typically mechanical engineering workshops designing and manufacturing components, equipment, and machinery, including assembly work. The overall environmental impact assessment of the manufacturing locations is performed as stipulated by the national legal requirements. This includes water-related impacts. As the water consumption of ANDRITZ's own operations is limited as described, specific water-related stakeholder consultations for the manufacturing locations are not performed beyond what is included in the overall environmental impact assessment.

ANDRITZ Hydropower manufactures electromechanical equipment for hydropower stations. In the downstream value chain of a hydropower station project, consultations with affected communities are often conducted by the project owners, who are the end customers of ANDRITZ. Moreover, large projects in the Pulp & Paper business area may include downstream value chain-related consultations with the affected communities. ANDRITZ is not involved in conducting upstream value chain-related consultations.

Most of our hydropower projects require financing on an international basis. Financial institutes therefore require a detailed Environmental and Social Impact Assessments (ESIA) based on recognized international standards. These institutes increasingly refer to the Hydropower Sustainability Standard (HSS) or have already adopted it as a requirement. As an equipment supplier, ANDRITZ is not in a position to specifically require the customers to certify projects under the HSS. However, ANDRITZ does promote the HSS wherever possible and encourages project owners (i.e., the customers) to follow the recommendations outlined in the standard and its guidelines.

E3-1 Policies related to water and marine resources

The policies ANDRITZ has adopted to manage its material IROs related to water are as follows. The monitoring process, scope, accountability, related third-party standards or initiatives, stakeholder involvement, and the availability of the policy are presented either collectively for a set of policies or for individual policies.

ANDRITZ's **Quality, Health, Safety, and Environment Policy Statement** declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding health, safety, environmental protection and product and process quality that are considered key factors for its success. ANDRITZ's core principles specified in this policy statement include the continual and structured development and improvement of the company's environmental management systems, operations, and processes. Environmental protection, including sustainable water management and conservation of natural resources by providing environmentally friendly and resource-efficient products and services to customers, is another of ANDRITZ's core principles.

ANDRITZ's **Health, Safety, and Environmental Management Policy** describes the company's commitment to protecting the environment as a contribution to a healthy future for coming generations. The policy reaffirms environmental protection, including sustainable water management and conservation of natural resources, as one of ANDRITZ's leading principles and major goals, both with regard to products and services as well as the management of production facilities. This policy and its procedures define the minimum standard for all companies in the ANDRITZ Group. Its implementation and application are mandatory for all ANDRITZ locations and construction sites. Additionally, ANDRITZ's Quality, Health, Safety, and Environment Policy Statement declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding health, safety, environmental protection and product and process quality that are considered key factors for its success. Providing environmentally friendly and resource-efficient products and services to customers is defined in the policy statement as one of ANDRITZ's core principles.

This policy statement and policy relate to:

- The negative impact of steel-related water consumption in the upstream value chain, which is addressed by a commitment to conservation of natural resources and resource-efficient products
- The positive impact of technologies for sustainable water use as described above

ANDRITZ's **Group Product Quality Policy** addresses product and service design as well as meeting customer and legal requirements related to the environment, including water management. ANDRITZ's **Business Process Manual** (a Group policy) describes the process for product and innovation management and how the company aligns its product portfolio development, including the product aspects related to water management. The Business Process Manual guides ANDRITZ in focusing its efforts on products that either support the mitigation of potential negative impacts or the promotion of positive impacts, such as the aspects relating to water management mentioned below.

These ANDRITZ Group policies relate to:

- The potential negative impact of steel-related water consumption that may occur with insufficient water management in the downstream value chain, which is addressed by a commitment to conservation of natural resources and resource-efficient products
- The potential negative impact due to the water-intensive nature of the pulp and paper industry, with a particular focus on the importance of efficient water management
- The positive impact of technologies for sustainable water use and water management as described above

The ANDRITZ Group policies of the Quality, Health, Safety, and Environment Policy Statement, the Health, Safety, and Environmental Management Policy, the Product Quality Policy, and the Business Process Manual share the following features:

Monitoring process: The responsibility for monitoring lies with the respective Group process owners, business area process owners, divisional process owners, and local process owners and depends on the respective process.

Scope: The policies cover the ANDRITZ Group, which has an integrated management system supporting business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policies.

Third-party standards or initiatives: Through the implementation of these policies, ANDRITZ commits to respect the ISO 9001, ISO 14001, and ISO 45001 standards.

Stakeholder involvement: When developing and implementing the policies, particular emphasis was placed on ensuring the involvement of all process owners and their interests.

Availability: The policies are made available to all employees via the intranet.

ANDRITZ's **Supplier Code of Conduct** details the company's expectations that its suppliers be committed to protecting the environment and managing their operations in a responsible manner, with a view to fulfilling the environmental requirements defined in the applicable laws, regulations, or permits. Our Supplier Code of Conduct also requires the suppliers to use natural resources such as water sparingly and reduce their use through practices such as recycling and changes to production processes. It further expects a commitment to continuous improvements with regard to impacts on the environment and natural resources.

The Supplier Code of Conduct relates to:

- The negative impact of steel-related water consumption in the downstream value chain

Monitoring process: All of ANDRITZ's supplier contracts include its Supplier Code of Conduct (and the requirement to commit to it). The company's supplier engagement and monitoring include, for example, ANDRITZ Supplier Relationship Management (SRM), SRM onboarding and Supplier Code of Conduct training on the company's web site as well as information on audit mechanisms for certain suppliers (in China and India).

Scope: The Supplier Code of Conduct applies to all suppliers of ANDRITZ worldwide.

Accountability: The Supplier Code of Conduct was developed by the Compliance department together with the Procurement department and is approved by the ANDRITZ Group Executive Board, the most senior level in the organization accountable for its implementation.

Third-party standards or initiatives: The standards of the ILO, the OECD Guidelines for Multinational Enterprises, and the principles of the UN Global Compact Initiative are taken into account in the Supplier Code of Conduct.

Stakeholder involvement: When developing and implementing the policy, particular emphasis was placed on ensuring the involvement of all process owners and their interests. Also input from industry experts and other relevant stakeholders was included for value chain worker perspectives, though workers in the value chain were not directly engaged.

Availability: The policy is made available to all suppliers via the ANDRITZ website. It forms part of all purchase orders and contracts entered into between members of the ANDRITZ Group and their suppliers.

As stated in the **sustainability program We Care**, ANDRITZ is committed to reducing the water consumption of its own operations in all areas, including areas with identified water risk. ANDRITZ's **Environmental Data Guideline** defines the environmental data reporting, including water management, using a dedicated monitoring and reporting tool. In the tool, consumption figures are categorized by the type of water sourcing and reported for all locations included in the reporting scope. Locations with high or extremely high water stress are identified and documented. Water consumption is tracked at the level of each ANDRITZ location. As ANDRITZ has committed to reducing water consumption across all locations, including those in water-stressed areas, no separate water-stressed area policy statement was in place in 2024.

ANDRITZ's **sustainability program We Care** and the **Environmental Data Guideline**, which pertains to the data in the environmental pillar of the sustainability program, include the following aspects:

Monitoring process: The Group-wide strategy implementation process is used for implementing and monitoring these policies. The performance relating to the sustainability program, including water aspects, is reported on a quarterly basis and presented to both the ANDRITZ Executive Board and Supervisory Board.

Scope: The policies cover the ANDRITZ Group, which has an integrated management system supporting business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy. The Executive Board reports on the relevant performance to the Supervisory board.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ aligns with internationally recognized best practices, including those set forth by the UN Global Compact Initiative, the principles-based approach to doing business described in the Ten Principles of UN Global Compact, and the overall UN Sustainable Development Goals.

Stakeholder involvement: ANDRITZ's sustainability program and the Environmental Data Guideline, which pertains to the data in the environmental pillar of the sustainability program, were developed in collaboration with internal subject-matter experts and with the support of third-party sustainability consultants. Benchmarking of industry best practices was incorporated into the process.

Availability: The policy is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website. Furthermore, ANDRITZ reports on its sustainability-related progress in the annual reporting and through various third-party ratings.

ANDRITZ's **Code of Conduct and Ethics** addresses the prevention and abatement of water pollution resulting from ANDRITZ's activities. Water treatment is also addressed in the Code in the context of obtaining and maintaining the required permits and avoiding or reducing waste or emissions, including wastewater or emissions to water, resulting from our business activities. Besides the overall water management, this includes water treatment as a step towards more sustainable sourcing of water.

ANDRITZ's Code of Conduct has the following aspects:

Monitoring process: The Group-wide compliance management system (CMS), which is certified according to ISO 37301, is used for monitoring. Furthermore, compliance performance indicators (CPIs) for the various compliance fields support the monitoring process. These are presented to the compliance directors within a compliance cockpit on a quarterly basis.

Scope: The Code of Conduct covers all management levels, employees, and other stakeholders acting on behalf of ANDRITZ, ensuring they share the same values and principles. Special topics (e.g., corruption and bribery) are subject to further policies.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ endeavors to comply with internationally recognized best practices, including those set forth by the ILO, laws pertaining to modern slavery, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact Initiative.

Stakeholder involvement: The Code of Conduct was developed by the Group Corporate Compliance together with the respective subject-matter experts.

Availability: The policy is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website. Furthermore, the Code of Conduct is provided to all employees during the onboarding process.

ANDRITZ has not adopted policies or practices related to sustainable oceans and seas because marine resources are not considered material for us. Our focus is on non-marine water resources, which have been identified as material for us.

E3-2 Actions and resources related to water and marine resources

ANDRITZ's sustainability program We Care sets the direction for water related actions with a reduction target for water consumption and enhanced management, and by applying a dedicated monitoring and reporting tool covering all locations in the scope of environmental reporting. Thus, the key action is reducing water consumption. Succeeding in the key action requires establishing water balances illustrating the connections between withdrawals, consumption, and discharges also in relation to areas at water risk, including water stressed areas based on water risk and high water risk as defined in Aqueduct Water Risk Atlas by the World Resource institute. The water balance exercise will be an essential step in improving water management to allow further consumption reduction. Besides consumption reduction, the water balance exercise aims to identifying opportunities for circular water management, including water recycling and reuse across all locations. The scope of the actions covers ANDRITZ's own operations across all manufacturing locations globally. Downstream value chain water use and management are included in the scope of ANDRITZ's technology and product development actions.

ANDRITZ locations in areas of water risk and high water risk are presented in attachment 1 to this report. The attachment indicates the geographical coordinates of ANDRITZ locations alongside disclosures required by the various standards included in the new European Sustainability Reporting Standards. This information includes ANDRITZ locations in areas of water risk and high water risk identified using the Aqueduct Water Risk Atlas. The assessment was performed in late 2024, with a report issued in early January 2025.

Additionally, ANDRITZ established a dedicated water team in 2024 consisting of 11 manufacturing locations that account for >60% of all water withdrawal at ANDRITZ. The water team is strengthening ANDRITZ's approach to water use during 2024-2025 and assisting with the development of new water goals extending beyond 2025.

Current water reduction targets are set to be achieved by the end of 2025. Progress relating to the monitored water withdrawal activities is reported internally to the top management in the quarterly sustainability updates and externally in the annual reporting. The implementation of the current action plan does not require significant operational (OpEx) and/or capital expenditures (CapEx). Therefore, the type of current and future financial and other resources allocated to the action plan as well as the relevant terms of sustainable financing instruments are not considered here as they should be included only when associated with significant expenditures.

In accordance with the current action plan, the water management-related resources are focused on the first and second levels of the mitigation hierarchy by avoiding the use of water and reducing the use through efficiency measures. The current action plan also includes reclaiming and reusing water. The action plan focuses on ANDRITZ's own operations in alignment with our sustainability program We care. The action plan is complemented by technology and product development activities to reduce water use in the downstream value chain through efficiency measures, including water recycling and reuse.

To implement the water-related content of ANDRITZ's policies, including the sustainability program We Care, the following actions within the scope of ANDRITZ's own operations are included in our action plan on water:

- **Smart water meters:** This action includes introducing connected devices to measure water consumption with the goal of automated, timely collection of water data. When introducing smart water meters, locations are prioritized based on their specific levels of water stress and water consumption.
- **Detection of water leakages:** This action includes not only technical devices but also other measures, such as updated monitoring processes, to allow early detection of leakages with the goal of reducing water consumption and water intake.
- **Water reuse, recycling, and harvesting:** This action includes considerations and technical developments to allow reusing water with minimal treatment for less critical applications, such as certain sanitation processes, and water recycling after advanced treatment to use the water for more critical applications, such as cooling and process water. In certain ANDRITZ locations, e.g., in India, these actions also include rainwater harvesting to collect and store rainwater to be used in similar applications as reused and recycled water. The goal these actions is to reduce water intake and promote the principles of circular water management at ANDRITZ.

All actions listed above have a time horizon of three years as they relate to ANDRITZ's medium-term planning process and the way in which environmental management is integrated into the business area-specific planning. The actions are not intended to provide or support the provision of remedies for those harmed by actual material impacts; rather, they are aimed at supporting the implementation of current water-related policies in ANDRITZ's own operations. As ANDRITZ has reported only the water consumption data without action-specific information in previous years, the disclosure of quantitative and qualitative information on progress at the action level does not apply.

Implementation of the water-related content of ANDRITZ's policies within the scope of the value chain includes the following actions:

- **Product and technology development:** This action entails expanding our ability to support our customers in sustainable water management by developing water-efficient products and technologies. The activities focusing on the downstream value chain within the scope of our customers produce outcomes such as technical solutions, instrumentation and monitoring solutions with advanced analytics targeting reductions in water consumption. The action also involves development work focusing on efficient raw material use, including addressing water-intensive raw materials, and applying the principles of circular design, such as design for longevity and repairability, use of recycled materials, and overall resource efficiency. Activities focusing on the upstream value chain within the scope of our own supply chain produce outcomes such as upgradable products with long lifespan and carefully considered material use targeting reductions in raw material use and associated environmental impacts.

These value chain-related actions have a time horizon of three years as they relate to ANDRITZ's medium-term planning process and the way in which environmental management is integrated into the business area-specific planning. The actions are not intended to provide or support the provision of remedies for those harmed by actual material impacts; rather, they are aimed at supporting the implementation of current water-related policies in ANDRITZ's own operations. As we have not disclosed water-related action plans in prior reporting periods, the disclosure of quantitative and qualitative information on progress does not apply, as mentioned under E3.

Metrics and targets

E3-3 Targets related to water and marine resources

The ANDRITZ Group has set a voluntary target of reducing water consumption by 10% measured as m³ per MEUR revenue by 2025 in reference to 2019 as a base year. This measurable relative target, which is not required of ANDRITZ by legislation, is related to the water management policy objectives laid out in ANDRITZ's Quality, Health, Safety, and Environment Policy Statement and in ANDRITZ's sustainability program We care, as presented earlier in the policy section of this ESRS E3 disclosure. As the target relates to ANDRITZ's own operations, it is not related to the material impacts identified in the DMA. No water-related material risks and opportunities were identified in the DMA.

The baseline value and the performance are as follows:

Goal	Measuring variable	Base year 2019	2021	2022	2023	2024	Goal 2025	Additional goal 2025
Reduce water consumption by 10%*	m ³ /million EUR revenue	158.3	180.6	153.6	130.6	136.8	142.5 (-10%)*	130.0 (-5%)**

Note: Only the revenue of the included locations was used. In this ANDRITZ sustainability program KPI water consumption is measured using water withdrawal.

* Compared to base year 2019

** Compared to 2024

This target to reduce water consumption applies to all manufacturing locations in the scope of ANDRITZ's environmental reporting, including areas with water risk and high water stress. As ANDRITZ achieved the 10% reduction target in already in 2023, the Group has set an additional annual reduction target of 5% (compared to the previous year) measured as m³ per MEUR revenue and applied it during the reporting year 2024. The additional annual reduction target of 5% continues to be applied for 2025, which is the last year in ANDRITZ's current sustainability program. These can be considered as interim targets that need to be disclosed in accordance with the ESRS minimum disclosure requirements for targets.

The target definition process involved consulting subject-matter experts with knowledge of water use at ANDRITZ locations, water-related suppliers, and relevant regulators to ensure alignment with the stakeholders. The methodologies used in defining the targets included but are not limited to consulting both internal and external subject-matter experts, assessing the water-related data, and benchmarking against peer companies, industry best practices, and potential target definition options presented in various international frameworks. The water-related target definition process was pragmatic and is not considered to be based on conclusive scientific evidence. Metrics, measurement methodologies, assumptions, sources, and processes for collecting data have not changed during the reporting year. The only change has been the additional target set for 2024 and 2025 as described in the previous paragraph.

In the reporting year, ANDRITZ has begun preparing new water-related targets to be applied after 2025. This work will be finalized during 2025. In 2024, ANDRITZ allocated resources to water-related sustainability development by establishing a dedicated water team consisting of 11 manufacturing locations that cover >60% of all water withdrawal at ANDRITZ. Considerations related to defining targets for areas of water stress are included in the new target definition.

E3-4 Water consumption

ANDRITZ water consumption in the reporting year is presented below. The data includes all locations that are within the scope of ANDRITZ's environmental reporting. The coverage of ANDRITZ's environmental reporting is presented above in ESRS 2. The water supply comes primarily from the public water system; however, a few locations also use surface water or groundwater. The water is discharged primarily to third parties, for example to the municipal wastewater disposal service. Water consumption consists of process water for production plants (including cooling water) as well as water for drinking and for hygiene purposes. A small amount is also needed for hydraulic test stands. Some industrial water is used to generate steam or cool annealing furnaces, or it evaporates in air-conditioning systems.

The data is collected from direct measurement performed either by ANDRITZ or by a supplier involved in ANDRITZ's water-related value chain. These suppliers include the public water systems and municipal wastewater disposal service providers. The measured withdrawal data is typically read manually from the meter; however, the share of automated meters is increasing. One of ANDRITZ's water-related actions is to introduce more automated smart water meters in our own operations. The external data related to water withdrawal is typically received through the water-related invoicing. For discharge, this kind of information is typically not available from the service providers. Because of this, ANDRITZ uses an average estimate of 10% water loss when estimating the amount of discharged water based on water withdrawal. The estimates are made at the location level, taking into account the specific features of the location. The total water consumption is defined as the difference between total water withdrawal and total water discharge.

As described in E3-3, the water target is related to ANDRITZ's own operations; it is not related to the material impacts identified in the DMA. No water-related material risks and opportunities were identified in the DMA. The metrics are therefore not related to the material impacts, risks, and opportunities. The metrics in place are related to ANDRITZ's sustainability program.

Water withdrawals, discharges, and consumption (in m³)

	2024	2023
Total water withdrawals	1 004 813	1 015 413
Total water discharges	709 284	814 947
Total water consumption	295 529	200 466
Total water consumption in areas at water risk, including areas of high-water stress	86 083	88 518
Total water recycled and reused	69 250	n/a
Total water stored	10 240	n/a
Changes in water storage	n/a	n/a
Water intensity ratio (in m ³ /MEUR)	35.5	23.1

The metrics above are not validated by an external body other than the assurance provider.

ESRS E4 Biodiversity and ecosystems

Strategy

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

ANDRITZ acknowledges that biodiversity and land use are important aspects in developing our sustainability approach. With a strong focus on decarbonization, our strategic priority has been to first incorporate considerations relating to climate change and the circular economy into our strategy and business model. Developing a biodiversity transition plan is not mandatory for ANDRITZ.

ANDRITZ's external assessment on impacts and dependencies related to biodiversity and ecosystems did not include a biodiversity resilience analysis.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, ANDRITZ identified actual and potential biodiversity and ecosystem-related impacts, risks, and opportunities in its own operations and its upstream and downstream value chain. The potentially material IROs were identified using the process described in the ESRS 2 General Disclosures section of this report. As a result of the assessment, ANDRITZ identified the following two material negative impacts related to biodiversity and ecosystems:

Negative biodiversity impacts identified in the downstream value chain

Impacts on the state of species – species global extinction risk

- Hydropower plants are potentially subject to controversial discussion in the context of biodiversity impact. This can include, e.g., fish migration and potential habitat changes for flora and fauna. The damming of water resources may also lead to land degradation due to significant changes in land use and thus to negative impacts on wildlife.

Impacts on the extent and condition of ecosystems – land degradation

- ANDRITZ's capability to supply mega factories for pulp and paper production may potentially lead to material impacts on biodiversity due to, e.g., eucalyptus plantations and monoculture, which may lead to land degradation.

These identified potential negative impacts take place within ANDRITZ's downstream value chain, not in its own operations. Therefore, ANDRITZ sees no need for disclosing a list of material sites in ANDRITZ's own operations as defined in the ESRS E4 standard, specifying the activities negatively affecting biodiversity-sensitive areas, providing a breakdown of sites according to the impacts and dependencies identified and the ecological status of the areas where they are located, and specifying the biodiversity-sensitive areas impacted. However, to form an overall view of how ANDRITZ locations relate to biodiversity, ANDRITZ initiated a biodiversity assessment of its own operations in November 2024 as described in the next section. The list of material sites with respect to biodiversity and ecosystems is included, and the risk analysis for both impacts and dependencies is described.

Impact, risk, and opportunity management

ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

As ANDRITZ acknowledges the importance of understanding the biodiversity- and ecosystem-related impacts and dependencies of its own operations, ANDRITZ initiated an external third-party assessment of the biodiversity risks of all locations included in the scope of ANDRITZ's environmental reporting in November 2024. The assessment does not include the specific value chains of the 170+ locations. The assessment approach combines asset-level data (including asset location, asset type, and land footprint) with proprietary datasets and models as well as spatial and non-spatial data on the state or characteristics of ecosystems (such as biodiversity richness and threat level, ecosystem services, and natural capital).

ANDRITZ manufacturing locations are typically mechanical engineering workshops designing and manufacturing components, equipment, and machinery, including assembly work. The overall environmental impact assessment of the manufacturing locations is performed as stipulated by the national legal requirements. This includes biodiversity- and ecosystems-related impacts. Specific biodiversity-related stakeholder consultations related to the manufacturing locations are not performed over and above what is included in the overall environmental impact assessment.

The external third-party assessment of the biodiversity risks of all locations included in the scope of ANDRITZ's environmental reporting is based on the acknowledged biodiversity data tools ENCORE and IBAT. Consultations with affected communities on sustainability assessments of shared biological resources and ecosystems were not included. The impact analysis assessed how alterations in ecosystems may affect the capacity of nature to provide ecosystem services. Both the magnitude and the significance were assessed. Concepts used to assess physical risks include land use footprint, ecosystem integrity (extent of the ecosystem degradation), and ecosystem footprint (the ecological value of the ecosystem). Systemic biodiversity risks were included in the impact analysis. The analysis shows that the biodiversity impact of ANDRITZ's own operations is at a low level.

The part of the impact analysis relating to transition risk focused on reputational and regulatory risks. Locations overlapping Protected Areas (PAs) and Key Biodiversity Areas (KPAs) were identified as operating in these areas may pose transition risks for businesses. The extent of ANDRITZ assets overlapping with Protected Areas is presented in hectares below in a table, the overlap is classified as very low. The coverage of the assets overlapping with Key Biodiversity Areas presented in a separate table, this overlap is also classified as very low. Coordinates of the locations are available in attachment 1. ANDRITZ activities were identified using the ENCORE classification, aligned with International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4. The activity types include manufacture of machinery and office activities.

ANDRITZ locations overlapping with **Protected Areas (PAs)** as defined by the International Union for Conservation of Nature (IUCN):

ANDRITZ location	Country	Overlap (ha)
Savonlinna	Finland	2.01
Lainate	Italy	0.53
Capannori (Luca)	Italy	0.46
Glens Falls	United States	0.46
Spartanburg	United States	0.46
Alpharetta	United States	0.46
Rock Hill	United States	0.40
Ravensburg	Germany	0.35
Tokyo	Japan	0.09

ANDRITZ locations overlapping with **Key Biodiversity Areas (KBAs)** as defined by the International Union for Conservation of Nature (IUCN):

ANDRITZ location	Country	Overlap (ha)
Starkville	United States	8.21
Hessdorf	Germany	1.6
Neftenbach	Switzerland	1.06
Queretaro	Mexico	0.34

To assess ANDRITZ's dependencies on biodiversity and ecosystems, ANDRITZ activities were mapped to ENCORE business processes at the asset level. This dependence analysis looked at the interactions between the level of reliance on ecosystem services and the ability of the ecosystems to maintain a continued flow of ecosystem services. Both reliance, the extent to which company activities depend on the ecosystem service, and resilience, the ability of ecosystems to provide a service that a company relies on, were analyzed in accordance with the recommendations of the Taskforce for Nature Related Financial Disclosures (TNFD). The analysis concluded that ANDRITZ's dependency level on biodiversity and ecosystems is moderate.

E4-2 Policies related to biodiversity and ecosystems

The policies ANDRITZ has adopted to manage its material IROs related to biodiversity and ecosystems are as follows. In the current policies, biodiversity and ecosystems are included in the overall environmental sustainability and, in particular, linked to natural resources and climate change as presented below. Please note that ANDRITZ has not issued a separate biodiversity and ecosystem protection policy. As no specific policy exists focusing on biodiversity and ecosystem protection only, the ANDRITZ policies presented below do not explicitly address the following topics mentioned in ESRs E4:

- How the policies relate to material dependencies and material physical and transition risks and opportunities
- How the policies support the traceability of products, components, and raw materials with significant actual or potential impacts on biodiversity and ecosystems along the value chain
- Whether and how the policies ensure that production, sourcing, or consumption occurs from ecosystems managed to maintain or enhance conditions for biodiversity
- Whether and how ANDRITZ's policies address the social consequences of biodiversity and ecosystems-related impacts

ANDRITZ's **Quality, Health, Safety, and Environment Policy Statement** declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding health, safety, environmental protection and product and process quality that are considered key factors for its success. ANDRITZ's core principles specified in this policy statement include the continual and structured development and improvement of the company's environmental management systems, operations, and processes. Another of ANDRITZ's core principles is environmental protection, including protection of biodiversity and ecosystems, by providing environmentally friendly and resource-efficient products and services to customers.

ANDRITZ's **Health, Safety, and Environmental Management Policy** describes the company's commitment to protecting the environment as a contribution to a healthy future for coming generations. The policy reaffirms environmental protection, including biodiversity and ecosystems, as one of ANDRITZ's leading principles and major goals, with regard to both products and services and the management of production facilities. This policy and its procedures define the minimum standard for all companies in the ANDRITZ Group. Its implementation and application are mandatory for all ANDRITZ locations and construction sites. Additionally, ANDRITZ's Quality, Health, Safety, and Environment Policy Statement declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding health, safety, environmental protection (including biodiversity and ecosystems) and product and process quality that are considered key factors for its success. Providing environmentally friendly and resource-efficient products and services to customers is defined in the policy statement as one of ANDRITZ's core principles. This includes the aspects of biodiversity and ecosystems.

ANDRITZ's **Group Product Quality Policy** addresses product and service design and meeting customer and legal requirements related to the environment. This includes environmental aspects such as biodiversity and ecosystems. ANDRITZ's **Business Process Manual** (a Group policy) describes the process for product and innovation management for implementing the Group Product Quality Policy and how the company aligns its product portfolio.

These policies relate to:

- The potential negative impacts on the state of species – species global extinction risk
- The potential negative impacts on the extent and condition of ecosystems – land degradation

The ANDRITZ Group policies of the Quality, Health, Safety, and Environment Policy Statement, the Health, Safety, and Environmental Management Policy, the Product Quality Policy, and the Business Process Manual share the following aspects:

Monitoring process: The responsibility for monitoring lies with the respective Group process owners, business area process owners, divisional process owners, and local process owners and depends on the respective process.

Scope: The policies cover the ANDRITZ Group, which has an integrated management system supporting business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policies

Third-party standards or initiatives: Through the implementation of these policies, ANDRITZ commits to respect the ISO 9001, ISO 14001, and ISO 45001 standards.

Stakeholder involvement: In developing and implementing the policies, particular emphasis was placed on ensuring the involvement of all process owners and their interests.

Availability: The policies are made available to all employees via the intranet.

ANDRITZ's **Supplier Code of Conduct** details the company's expectations that its suppliers be committed to protecting the environment and managing their operations in a responsible manner with a view to fulfilling the environmental requirements defined in the applicable laws, regulations, or permits. The Supplier Code of Conduct requires ANDRITZ's suppliers to refrain from harmful soil changes. It also requires the suppliers to use natural resources interlinked with biodiversity and ecosystems sparingly and to reduce their resource use through practices such as recycling and through changes in production processes. It further expects a commitment to continuous improvements with regard to the environment and natural resources. The Supplier Code is part of all purchase orders or contracts entered into between members of the ANDRITZ Group and their suppliers.

The ANDRITZ Supplier Code of Conduct relates to:

- The potential negative impacts on the state of species – species global extinction risk
- The potential negative impacts on the extent and condition of ecosystems – land degradation

Monitoring process: All of ANDRITZ's supplier contracts include its Supplier Code of Conduct (and the requirement to commit to it). The company's supplier engagement and monitoring include, for example, ANDRITZ Supplier Relationship Management (SRM), SRM onboarding and Supplier Code of Conduct training on the company's website as well as information on audit mechanisms for certain suppliers (in China and India).

Scope: The Supplier Code of Conduct applies to all suppliers of ANDRITZ worldwide.

Accountability: The Supplier Code of Conduct was developed by the Compliance department together with the Procurement department and is approved by the ANDRITZ Group Executive Board as the most senior level in the organization accountable for its implementation.

Third-party standards or initiatives: The standards of the ILO, the OECD Guidelines for Multinational Enterprises, and the principles of the UN Global Compact Initiative are taken into account in the Supplier Code of Conduct.

Stakeholder involvement: In developing and implementing the policy, particular emphasis was placed on ensuring the involvement of all process owners and their interests.

Availability: The policy is made available to all suppliers via the ANDRITZ website. It forms part of all purchase orders or contracts entered into between members of the ANDRITZ Group and their suppliers.

ANDRITZ has not issued dedicated biodiversity and ecosystem protection policies related to its own operations in or near a biodiversity-sensitive area and/or addressing deforestation. As marine resources are not considered material to ANDRITZ, we see no need to issue policies on sustainable oceans and/or seas practices. We also consider that deforestation in the ANDRITZ context includes sustainable land practices relevant to us and therefore see no need to issue separate policies on land use.

E4-3 Actions and resources related to biodiversity and ecosystems

ANDRITZ uses the mitigation hierarchy framework when developing its approach and actions relating to biodiversity. When using the framework, we focus on avoidance and minimization as top priorities. However, as ANDRITZ has a strong focus on decarbonization, our strategic priority has been to first incorporate considerations relating to climate change and the circular economy into our strategy and the related actions. Our plan is to gradually enlarge the scope of environmental sustainability considerations to cover biodiversity. Because of this, ANDRITZ has not focused on other biodiversity-related actions.

Metrics and targets

E4-4 Targets related to biodiversity and ecosystems

The definition of targets related to biodiversity and ecosystems is not material to the company based on the materiality assessment.

E4-5 Impact metrics related to biodiversity and ecosystems change

As presented in ESRS 2 E4 IRO-1, ANDRITZ has identified nine sites overlapping with Protected Areas (PAs) and four sites overlapping with Key Biodiversity Areas (KPAs). Though ANDRITZ activities related to these sites are not considered to negatively impact biodiversity and ecosystems, ANDRITZ is voluntarily disclosing the areas in hectares. The combined area for the nine sites overlapping with Protected Areas (PAs) is five hectares. The combined area for the four sites overlapping with Key Biodiversity Areas (KPAs) is eleven hectares.

The third-party assessment did not conclude that ANDRITZ is directly contributing to the impact drivers of land use change, freshwater use change or seawater use change. Because of this, metrics on these aspects are not applied.

ESRS E5 Resource use and circular economy

Impact, risk and opportunity management

ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

In ANDRITZ's double materiality assessment (DMA), topics relating to resource use and the circular economy were discussed with subject-matter experts from the environmental management and supply chain functions as well as with the subject-matter experts from the business areas. The discussions concluded that ANDRITZ's own operations do not have material impacts related to resource use and the circular economy but ANDRITZ's value chain does have both upstream and downstream impacts. This was also confirmed in the focus interviews with suppliers and customers.

In the beginning of 2024, circular economy considerations were included in the vulnerability assessments carried out at ANDRITZ manufacturing sites producing certain taxonomy-eligible products as a part of the Do No Significant Harm (DNSH) assessment. Besides chronic and acute climate risks, including transition and physical risks related to climate change, the assessment included water, the circular economy, and biodiversity. The assessment of the circular economy focused on the waste management concept of the taxonomy-eligible manufacturing sites.

In the DMA, the following positive impacts were identified as material:

- **Suppliers with sustainable extraction practices:** By working with suppliers who apply sustainable practices (e.g., use of recycled materials), the overall flow of virgin resources can be reduced, resulting in reduced negative impacts on the environment.
- **Refurbishment/recycling of sold products:** Most of ANDRITZ's products have an extremely long lifespan. Afterwards, the equipment can be almost 100% recycled or refurbished as the main materials are steel, copper, aluminum. For example, pulp and paper mills have a typical lifespan of 40–50 years and much of the equipment can be refurbished to be used again at the original mill or sold as second-hand products. At the end of the life cycle, equipment can be recycled as materials since they are mostly metals with excellent recyclability.

- **Recycling of material cut-offs:** ANDRITZ returns its metal cut-offs to recyclers for the production of new secondary metals, which contributes to a circular economy.

The following negative impacts were identified as material:

- **Extraction of virgin raw materials:** The extraction of virgin raw materials to produce machinery can potentially lead to considerable environmental damage and an increase in the overall consumption of resources.
- **Waste streams from pulp and paper:** There are certain solid waste streams from pulp and paper mills which are challenging to find another use for besides landfill.

The following opportunities were identified as material:

- **Resource-efficient development:** A huge number of opportunities exist as resource efficiency drives efforts to get more from less. Examples include solutions with higher process yield and higher rate of circularity (CircleToZero), carbon capture utilization (biogenic CO₂), and green hydrogen to produce renewable fuels from biorefineries.
- **Waste in pulp and paper:** Technology solutions developed to process certain difficult solid waste streams from pulp and paper mills into value-adding products bring new business opportunities.

No material risks were identified.

Specific consultations such as with affected stakeholders on the topics of resource inflows, resource outflows, and waste were not conducted in the reporting year. However, stakeholder interviews were carried out in the course of the DMA. The topic of the circular economy was highlighted by customers, suppliers, and investors.

E5-1 Policies related to resource use and circular economy

The policies ANDRITZ has adopted to manage its material IROs related to resource use and the circular economy are as follows. In the current policies, the circular economy is included under overall environmental sustainability and is linked, in particular, to natural resources and climate change as presented below. Please note that ANDRITZ has not issued policies focusing exclusively on the circular economy.

Supplier Code of Conduct

Key contents: ANDRITZ's Supplier Code of Conduct details the company's expectations that its suppliers be committed to protecting the environment and managing their operations in a responsible manner with a view to fulfilling the environmental requirements defined in the applicable laws, regulations, or permits. In terms of resource use and the circular economy, the Supplier Code of Conduct and Ethics requires from suppliers that natural resources are used sparingly and conserved where possible. The use of natural resources shall be reduced through practices such as recycling and through changes in production processes. Suppliers are expected to commit to continuous improvements in the use of products, processes and technologies to reduce environmental impact. Furthermore, they are expected to avoid or reduce waste or emissions resulting from their business activities and dispose of waste in a legal and responsible manner.

General objectives: The Supplier Code of Conduct sets forth the minimum requirements for conducting business with ANDRITZ as a supplier. ANDRITZ will only do business with suppliers who undertake to comply with the Supplier Code.

This policy relates to the following material IROs:

- The positive impact of choosing suppliers with sustainable extraction practices
- The negative impact of the extraction of virgin raw materials to produce machinery which can potentially lead to considerable environmental damage and an increase in the overall consumption of resources

Monitoring process: All of ANDRITZ's supplier contracts include its Supplier Code of Conduct (and the requirement to commit to it). The company's supplier engagement and monitoring include, for example, ANDRITZ Supplier Relationship Management (SRM), SRM onboarding and Supplier Code of Conduct training on the company's website as well as information on audit mechanisms for certain suppliers (in China and India).

Scope: The Supplier Code of Conduct applies to all suppliers of ANDRITZ worldwide.

Accountability: The Supplier Code of Conduct was developed by the Compliance department together with the Procurement department and approved by the ANDRITZ Group Executive Board.

Third-party standards or initiatives: The standards of the ILO, the OECD Guidelines for Multinational Enterprises and the principles of the UN Global Compact Initiative are considered via the Supplier Code of Conduct.

Stakeholder involvement: The Supplier Code of Conduct was developed by the Group Procurement and Group Compliance departments together with the respective subject-matter experts.

Availability: The policy is made available to all suppliers via the ANDRITZ website. It forms part of all purchase orders or contracts entered into between members of the ANDRITZ Group and their suppliers.

Group Procurement Policy

Key contents: ANDRITZ's Group Procurement Policy defines the procurement strategy for the ANDRITZ Group and establishes minimum standards in addition to basic procedures, rules, and responsibilities for procurement activities throughout the ANDRITZ Group. In terms of resource use and the circular economy, it states that a supplier must accept ANDRITZ's Supplier Code of Conduct and Ethics; otherwise, no order can be placed with the respective supplier. Alongside appropriate quality, performance, and other factors, it also stipulates sustainability as a criteria for sourcing goods and services.

In 2024, ANDRITZ initiated an updating of this policy to be finalized in 2025. The update will further strengthen the integration of sustainable sourcing principles into ANDRITZ's procurement. During the policy update, consideration is given to the use of renewable resources as well as transitioning away from the use of virgin resources, including relative increases in the use of secondary (recycled) resources. (E5-1-15-(a)) (E5-1-15-(b))

General objectives: The policy defines the procurement strategy for the ANDRITZ Group and establishes minimum standards as well as basic procedures, rules, and responsibilities for procurement activities throughout the Group.

This policy relates to the following material IROs:

- The positive impact of choosing suppliers with sustainable extraction practices
- The negative impact of the extraction of virgin raw materials to produce machinery which can potentially lead to considerable environmental damage and an increase in the overall consumption of resources

Monitoring process: Responsibilities are clearly assigned to Group Procurement Management, the business areas, divisions, and locations. Training and feedback help maintain adherence, while corrective actions address non-compliance and inefficiencies. Continuous improvements based on monitoring results ensure that the procurement process remains transparent, efficient, and aligned with organizational goals.

Scope: The policy applies to all members of the ANDRITZ Group. Its implementation and application are mandatory for all procurement organizations as well as for any person involved in procurement activities.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Availability: The policy is made available to all employees via the intranet.

Group Product Quality Policy

Key contents: ANDRITZ's Group Product Quality Policy addresses product and service design as well as meeting customer and legal requirements related to the environment.

General objectives: The policy defines general rules for the quality of ANDRITZ products, including environmental requirements applying to all businesses and supplies.

This policy relates to the following material IROs:

- The positive impact of refurbishment/recycling of sold products
- The negative impact of certain solid waste streams from pulp and paper mills which are challenging to find another use for besides landfill
- The opportunity of resource-efficient product development
- The opportunity of developing solutions for transforming certain solid waste streams in pulp and paper mills into value-added products

Monitoring process: ANDRITZ management at all levels has to provide the necessary resources to monitor the requirements for product quality.

Scope: The policy covers the ANDRITZ Group.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ commits to respect the ISO 9001, ISO 14001, and ISO 45001 standards.

Stakeholder involvement: The expectations of customers were taken into account in the development of the policy.

Availability: The policy is made available to all employees via the intranet.

Business Process Manual

Key contents: ANDRITZ's Business Process Manual (a Group policy) describes the process for product and innovation management and how the company aligns its product portfolio development (with the result that ANDRITZ focuses on products with positive impacts such as those mentioned below).

General objectives: The policy defines the integrated management system structure for the ANDRITZ Group. It defines the business processes and responsibilities for process management and provides guidelines for process performance measurement.

This policy relates to the following material IROs:

- The positive impact of refurbishment/recycling of sold products
- The negative impact of certain solid waste streams from pulp and paper mills which are challenging to find another use for besides landfill
- The opportunity of resource-efficient product development
- The opportunity of developing solutions for transforming certain solid waste streams in pulp and paper mills to value-added products

Monitoring process: The responsibility for monitoring lies with the respective Group process owners, business area process owners, divisional process owners, and local process owners and depends on the respective process.

Scope: The policy covers the ANDRITZ Group, which has an integrated management system supporting business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ commits to respect the ISO 9001, ISO 14001, and ISO 45001 standards.

Stakeholder involvement: In developing and implementing the policy, particular emphasis was placed on ensuring the involvement of all process owners and their interests.

Availability: The policy is made available to all employees via the intranet.

Sustainability program We Care and the Environmental Data Guideline

Key contents: As stated in sustainability program We care, ANDRITZ is committed to reducing the waste volume of its own operations in all areas. ANDRITZ's Environmental Data Guideline defines the environmental data reporting, including waste management, using a dedicated monitoring and reporting tool.

General objectives: ANDRITZ's sustainability program We Care aims to promote environmental, social, and economic responsibility. It lays out the focus areas and includes the 10 ESG goals for the whole Group.

This policy relates to the following material IROs:

- The positive impact of choosing suppliers with sustainable extraction practices
- The positive impact of refurbishment/recycling of sold products
- The opportunity of resource-efficient product development
- The opportunity of developing solutions for transforming certain solid waste streams in pulp and paper mills into value-added products

Monitoring process: The Group-wide strategy implementation process is used for implementing and monitoring these policies. The performance related to the sustainability program, including waste, is reported on a quarterly basis and presented to both the ANDRITZ Executive Board and Supervisory Board.

Scope: The policies cover the ANDRITZ Group, which has an integrated management system supporting business activities by defining and documenting business and collaboration rules. This covers all relevant business processes and aspects and considers the needs of customers, employees, partners, society, and shareholders.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy. They report on the performance to the Supervisory board.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ aligns with internationally recognized best practices including those set forth by the the UN Global Compact Initiative, the principles-based approach to doing business described in the Ten Principles of UN Global Compact and the overall UN Sustainable Development Goals.

Stakeholder involvement: ANDRITZ's sustainability program and Environmental Data Guideline, which pertains to the data in the environmental pillar of the sustainability program, were developed with internal subject-matter experts supported by third-party sustainability consultants. Benchmarking of industry best practices was incorporated into the process.

Availability: The sustainability program is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website. Furthermore, ANDRITZ reports on the sustainability-related progress in the annual reporting and via several third-party ESG ratings.

Quality, Health, Safety, and Environment Policy Statement and Health, Safety, and Environmental Management Policy

Key contents: ANDRITZ's Quality, Health, Safety, and Environment Policy Statement declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding health, safety, environmental protection and product and process quality that are considered key factors for its success.

ANDRITZ's **core principles** specified in this policy statement include the continual and structured development and improvement of the company's environmental management systems, operations, and processes. Another of ANDRITZ's core principles is environmental protection, including the prevention of pollution and the conservation of natural resources by providing environmentally friendly and resource-efficient products and services to customers.

ANDRITZ's Health, Safety, and Environmental Management Policy describes the company's commitment to protecting the environment as a contribution to a healthy future for coming generations. Environmental protection, including the prevention of pollution and the conservation of natural resources, is therefore one of ANDRITZ's leading principles and major goals, both with regard to products and services and the management of production facilities.

General objectives: The ANDRITZ QHSE Policy Statement outlines the commitment to ensuring the well-being of its employees, protecting the environment, and maintaining high-quality services and products.

The Health, Safety, and Environmental Management Policy defines the goals and requirements for health, safety, and environmental (HSE) management in the ANDRITZ Group.

The policies relate to the following material IROs:

- The positive impact of returning material cut-offs (especially metals) to recyclers

Monitoring process: ANDRITZ companies implement a process to monitor and assess their HSE activities and performance. The results of monitoring and self-assessment as well as trend analysis results are incorporated into the management review process, aspects and impacts assessment, objectives planning, and development of corrective/preventive actions.

Scope: These policies apply to the entire ANDRITZ Group. Their implementation and application are mandatory for all ANDRITZ locations and construction sites.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policies.

Third-party standards or initiatives: Through the implementation of these policies, ANDRITZ commits to respect the ISO 9001, ISO 14001, and ISO 45001 standards.

Stakeholder involvement: The expertise of the local health, safety, and environmental specialists was included during the development of the policy.

Availability: The policies are made available to all employees via the intranet.

[E5-2 Actions and resources related to resource use and circular economy](#)

ANDRITZ's sustainability program We Care sets the direction for actions related to resource use and the circular economy with targets for reducing waste volumes and enhancing management as well as establishing a dedicated monitoring and reporting tool covering all locations in the scope of environmental reporting. ANDRITZ's ongoing actions and resources throughout the value chain are presented below, covering the actions located in the upstream value chain, within the company's own operations, and in the downstream value chain.

For implementing the circular economy-related content of ANDRITZ's policies, including the sustainability program We Care, the **assessment of its suppliers** was defined as a key action. New suppliers must address the topics of compliance and sustainability during the qualifying process. Collaboration with ANDRITZ is only possible after the supplier has agreed in writing to the content of the ANDRITZ Supplier Code of Conduct. During the onboarding process, suppliers must complete a mandatory compliance and sustainability questionnaire. This process is managed using ANDRITZ Supplier Relationship Management (SRM) tool. All suppliers are reviewed, approved/qualified, and documented with this tool. The process enhances supply chain transparency by providing insights into the supplier's sustainability policies, certifications, and practices. Furthermore, it supports risk identification and mitigation, strengthens the supplier relationships and ensures adherence to regulations such as the German Supply Chain Act. This action contributes to achieving the goal set in the sustainability program We Care of covering 85% of the supply volume by means of orders placed with assessed suppliers by the end of 2025.

The scope of the action is the upstream value chain. All suppliers must agree to the content of the ANDRITZ Supplier Code of Conduct. The compliance and sustainability questionnaire must be completed by existing suppliers with an annual purchasing volume higher than 250,000 EUR in one of the last two consecutive years, new suppliers (established in current year) with an external purchasing volume higher than 25,000 EUR (in the current year) and new suppliers from the previous year with an external purchasing volume higher than 100,000 EUR.

The time horizon for completion of this action is by the end of 2025, which is in line with the ESG target. Remedy-related disclosure requirements are not applicable to this action. By the end of 2024, the coverage of the supply volume by assessed suppliers was 90.6%.

Resource types allocated to these actions include resources needed to operate and run the Supplier Relationship Management (SRM) system. The implementation is part of ANDRITZ's normal supply chain management process and does not require significant operational and/or capital expenditure.

To implement the circular economy-related content of ANDRITZ's policies, including the sustainability program We Care, key actions were defined as **proper waste separation and implementation of waste management concepts** by following the waste hierarchy (prevention, reuse, recycling, other recovery, and disposal) at ANDRITZ's manufacturing locations. These actions support an increase in the recycling rate and a reduction in landfilling and incineration of waste. Ultimately, the aim is to avoid waste by following the waste hierarchy. Furthermore, these actions contribute to a lower carbon footprint by cutting emissions from waste disposal and transportation, as well as lowering disposal costs by reducing waste volume and optimizing waste segregation. This contributes to the goal set in the sustainability program We Care of reducing the waste volume per MEUR revenue by 10% by the end of 2025 compared to 2019.

The actions extend to the company's own operations at all manufacturing locations worldwide. The time horizon for completion of this action is by end of 2025, which is in line with the ESG target. Remedy-related disclosure requirements are not applicable to this action. By the end of 2024, a reduction of 36% of the waste volume was already achieved (compared to 2019).

The implementation of the current action plan does not require significant operational and/or capital expenditure. Therefore, the type of current and future financial and other resources allocated to the action plan as well as the relevant terms of sustainable financing instruments are not considered here as they should only be included in the case of significant expenditure.

For implementing the circular economy-related content of ANDRITZ's policies addressing the value chain, **increasing R&D activities for the development of new technologies and increasing R&D activities in the area of resource efficiency and side stream utilization** were defined as key actions. The research work for ANDRITZ's CircleToZero initiative, with the goal of achieving zero emissions and zero waste at the same time as creating

financial growth for customers, already enabled various solutions for solid side streams (dregs and grits, sludge, ash, and gasifier bottom ash or lime mud) of the pulp and paper production. The research work by the Pulp and Paper business area as well as by the other business areas is being continued to achieve the goal of zero emission and zero waste. This contributes to the goal of increasing the share of certain sustainable solutions and products to over 50% of Group revenue by 2025.

The scope of the action is the downstream value chain and affects ANDRITZ's customers. These value chain-related actions have a time horizon of three years as they are related to ANDRITZ's medium-term planning process and the way in which environmental management is integrated into the business area-specific planning. Remedy-related disclosure requirements are not applicable to this action. Information regarding the progress of actions or action plans disclosed in prior periods are not applicable to this action.

In 2024, ANDRITZ spent 139.6 MEUR on R&D activities, of which 9.2 MEUR are CapEx and 130.4 MEUR are OpEx.

Metrics and targets

E5-3 Targets related to resource use and circular economy

In 2021, ANDRITZ Group set the voluntary target of reducing the waste volume per MEUR revenue by 10% by the end of 2025 compared to 2019. This target supports the commitment to protecting the environment from the Quality, Health, Safety, and Environment Policy Statement and ANDRITZ's sustainability program We Care. The target is a relative target covering ANDRITZ's own operations with all ANDRITZ locations and geographies included as presented in ESRS 2 General Disclosures, section BP-1 General basis for preparation of the sustainability statement.

The baseline value and the performance are as follows:

Goal	Measuring variable	Base year 2019	2021	2022	2023	2024	Goal 2025	Additional goal 2025
Reduce waste volume by 10%*	Tons/million EUR revenue	10.7	7.8	7.0	8.7	6.8	9.6 (-10%)*	6.5 (-5%)**

Note: Only the revenue of the included locations was used.

* Compared to base year 2019

** Compared to 2024

As ANDRITZ achieved the 10% reduction target already in 2023, an additional annual reduction target of 5% (compared to the previous year) measured as tons per MEUR revenue was set and applied during the reporting year 2024. The additional annual reduction target of 5% continues to be applied for 2025, which is the last year in ANDRITZ's current sustainability program. These can be considered as interim targets.

The target definition process involved consulting subject-matter experts with knowledge of waste at ANDRITZ locations, waste-related suppliers and relevant regulators to ensure alignment with the stakeholders. The methodologies used in defining the targets included but are not limited to consulting both internal and external subject-matter experts, assessing the waste-related data, and benchmarking against peer companies, industry best practices, and potential target definition options presented in various international frameworks. The waste related target definition process was pragmatic and is not considered to be based on conclusive scientific evidence. Metrics, measurement methodologies, assumptions, sources, and processes for collecting data have not changed during the reporting year. The only change has been the additional target set for 2024 and 2025 as described in the previous paragraph.

The KPI is calculated and reviewed on a quarterly basis. The target is monitored by the Group Environmental Management, Executive Board and Supervisory Board. The table above shows the yearly performance. A clear downward trend can be seen since 2021, which is in line with company's expectations. The original waste target was already achieved by the end of 2024.

The target relates to the topic of resource outflows including waste since the focus lies on reduction of the waste volume. Furthermore, it relates to waste management because it is focusing on reducing waste. It focuses on the waste prevention stage of the waste hierarchy.

ANDRITZ has not yet set corporate level targets regarding an increase in circular product design, an increase of the circular material use rate, minimization of primary raw materials, sustainable sourcing, and the use of renewable sources, or other matters related to resource use or the circular economy. In 2024, ANDRITZ started to further develop its corporate sustainability approach and strategy with the goal of renewing the sustainability program to extend beyond 2025. This project is continuing through the first half of 2025. The current ESG goals, which are valid until end of 2025, will be replaced with new goals as of the beginning of 2026. In developing the sustainability approach and the related new goals, one focus area is decarbonization, supported by the circular economy and zero pollution. The circular economy and resource use are therefore included within the goal definition process.

E5-4 Resource inflows

ANDRITZ has diverse resource inflows that support its operations across industries like pulp and paper, metals, hydropower, and separation technologies. The inflows include various metals like steel, aluminum, cast iron, and other alloys for manufacturing machinery and equipment but also some plastics. Resource inflows also include hydraulic and mechanical components as well as electrical components like motors, control systems, and electronics for automation. Energy also constitutes another category of inflows. This includes electricity, fuels, and compressed air. The natural resource of water represents another the inflow. It is used for testing, cooling processes, and cleaning processes. In addition, the company purchases logistics and other services.

In the reporting year, the overall total weight of products bought and used during the reporting period amounted to approximately 1,700,000 t. It was assumed that 28% of the relevant purchasing volume (purchasing excluding services) is associated with weight information. This weight information has been extrapolated to the total relevant purchasing volume.

The percentage of biological materials and of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture ANDRITZ's products and services cannot be estimated at the moment.

The measurement of this metric is not validated by an external body other than the assurance provider.

E5-5 Resource outflows

Products and materials

ANDRITZ Pulp & Paper provides sustainable technology, automation, and service solutions for the production of all types of pulp, paper, board, and tissue. The product portfolio also includes, for example, boilers for power generation, various nonwoven technologies, dry molded fiber (DMF) technology development, and panelboard (MDF) production systems. With waste-to-value recycling, shredding, and energy solutions, waste and by-product streams from production are converted into valuable secondary raw materials as well as into sustainable resources for energy generation. State-of-the-art IIoT technologies as part of Metris digitalization solutions complete the comprehensive product offering.

ANDRITZ Metals is – via the Schuler Group – one of the world’s leading suppliers of technologies, plants, and digital solutions in metal forming. The product portfolio also includes automation and software solutions, process know-how, and service. In the metals processing segment, the business area offers innovative, sustainable, and market-leading solutions for the production and processing of flat products, for welding systems, and for furnaces with its own burner solutions as well as services for the metals processing industry.

ANDRITZ Hydropower is one of the world’s leading suppliers of electromechanical equipment and services for hydropower stations in the dynamically growing global renewable energy market. Based on 180 years of experience and a global installed capacity of 470 gigawatts, we offer innovative solutions for new and existing hydropower stations, from small hydropower to large-scale plants. State-of-the-art digital solutions, comprehensive services for the operation and maintenance of entire hydropower plants, and turbo generators for the thermal industry complete the portfolio.

ANDRITZ Environment & Energy offers a broad range of technologies focusing on sustainable solutions for various industries. The extensive product portfolio includes technologies to produce green hydrogen and renewable fuels, for carbon capture and emission reduction, mechanical and thermal solid/liquid separation, grinding, pelletizing, and pumping fluids. Complemented by cutting-edge automation and digitalization as well as comprehensive services, they enable efficient and innovative solutions in processes such as water and wastewater management, recycling, waste/sludge-to-value, resource-saving battery-related mining, desalination, feed and food valorization, air emission reduction, and Power-to-X solutions.

The expected lifespan of the products placed on the market by ANDRITZ, in relation to the industry average for each product group can only be disclosed on a general level because ANDRITZ has over 1,000 products and these are often customized. Therefore, one key product from each business area was chosen.

Key products	Expected lifespan	Industry average
Recovery boiler	~50 years	~50 years
Cold rolling mill	~50 years	~50 years
Hydro turbine	~40 years	~40 years
Decanter centrifuge	~40+ years	~40 years

The expected durability of the key products chosen does not differ significantly from the industry average. In general, it can be said that ANDRITZ machines are designed for a long life span. This is mainly due to permanent maintenance, repairs, modernizations or adaptations to changing requirements.

Repairability is a key factor in our engineering and product development strategy. ANDRITZ prioritizes reliable and repairable designs, with continuous alignment between Capital and Service Product Management to enhance maintainability.

Key aspects therefore include:

- Integration of repairability in product design, based on historical service data and feedback from field interventions.
- Long-term spare parts availability: Standardized machine components remain available for decades, as reflected in our internal material master database, which tracks the full lifecycle of parts.

- Engineered-to-Order machines: Some machines are also highly customized to the customer and their needs and are individually developed according to the engineered-to-order principle, where corresponding construction drawings and specifications are available to reproduce spare parts.
- Reordering of spare parts: Easy reordering of spare parts for the customer thanks to Andritz's own web store and international service network.
- Repair services & documentation: While Original Equipment Manufacturer (OEM) manuals focus primarily on troubleshooting, Andritz provides repair services to ensure optimal performance. Due to the complexity of our products, repairs are typically carried out by our service teams rather than third parties.

While the exact percentage of recyclable content varies by product, ANDRITZ actively supports circular economy principles by ensuring that many of its machines are fully refurbished and upgraded to meet modern performance standards. The main structural components of the products are mainly made of steel, often more than 80%, including various grades and wear-resistant alloys that are highly recyclable in industrial metal processing streams. Furthermore, often the components of a product can be replaced separately which also increases the repairability.

The packaging materials used for transportation are approximately 94% wood-based, primarily in the form of plywood or particle boards, along with plastic wrapping materials (PE films, securing elements). Machines are typically secured on Euro pallets or solid wood beams for transport. These materials are designed for reuse where feasible (e.g., pallets, load carriers, wooden enclosures) or can be sorted and recycled through standard industrial waste streams.

By ensuring high recyclability of both product components and packaging materials, ANDRITZ actively supports resource efficiency, waste reduction, and sustainable end-of-life management for its equipment.

Waste

ANDRITZ focuses great attention on the conservation and re-use of materials and raw materials in the course of its business. The efficient use of materials, keeping rejects and waste to a minimum, and economical energy consumption in material processing all play an important role. Special attention is paid to observing all official regulations and record-keeping obligations, particularly when disposing of hazardous substances.

All in all, 51,864,805 kg of waste was generated during the reporting year (2023: 56,157,503 kg). Of this waste, 73% was recycled (incl. processing) and 27% was not.

Waste (in kg)

	2024	2023
Total amount diverted from disposal	37 717 381	40 083 679
Thereof non-hazardous waste	37 441 978	39 785 732
Preparation for reuse	n/a	n/a
Recycling	37 310 092	39 725 182
Other recovery operations	131 886	60,550
Thereof hazardous waste	275 403	297 947
Preparation for reuse	n/a	n/a
Recycling	n/a	n/a
Other recovery operations (processing)	275 403	297 947
Total amount directed to disposal	14 147 424	16 074 823
Thereof non-hazardous waste	11 065 397	13 930 269
Incineration	4 177 519	5 285 175
Landfill	6 887 878	8 645 094
Other disposal operations	n/a	n/a
Thereof hazardous waste	3 082 027	2 144 554
Incineration	1 621 148	1 565 319
Landfill	1 460 879	579 235
Other disposal operations	n/a	n/a
TOTAL	51 864 805	56 157 503

The largest share of waste comes from steel used in the manufacturing process. Metal waste is separated into different waste types based on composition and/or format and then recycled. Other recyclable materials like plastic from packaging, waste from wooden crates, cardboard packaging, and wastepaper are collected and recycled. Non-hazardous residual waste and hazardous waste are collected according to the legal provisions and processed appropriately by registered disposal companies.

Materials that are present in ANDRITZ's waste include metals, glass, paper and cardboard, plastics, biomass, residual waste, construction waste, e-waste, and other non-hazardous waste.

In the reporting year, hazardous waste amounted to 3,357,430 kg. No radioactive waste was generated by ANDRITZ.

The data for waste is collected from every location in an online tool for sustainability reporting. The data recorders have to indicate the amount, type, and disposal method of the waste. The tool then consolidates the data from all locations. The data is mainly provided to the data recorders by their local waste treatment companies. With smaller quantities of waste, it is often difficult to provide precise information. This can also lead to estimates.

The measurement of the metrics above is not validated by an external body other than the assurance provider.

3. Social information

ESRS S1 Own workforce

Strategy

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

All people in ANDRITZ's own workforce who can be materially impacted by the undertaking are included in the scope of disclosure under ESRS 2.

When identifying those who are materially impacted by the actions and policies of the company, ANDRITZ has put in place specific definitions of its "own workforce". The own workforce is defined as being either internal or external workers.

Internal workers are salaried employees and are categorized as follows: employee, expatriate / assignee, apprentice, intern, trainee, or employee with fixed-term contract.

External workers are non-salaried contractors undertaking activities in lieu of an internal worker. They are normally employed to undertake work of short-term duration, to act as a replacement for an employee who on a prolonged absence from the company, or to carry out work requiring a specific skill set that is unavailable within the company. External workers are categorized as follows: Temporary Agency Worker, Freelance, or Employee of a Sub-Contractor.

Both internal and external workers are materially impacted by the company's activities, decisions, or policies and are included in all ESG reporting for social impact and responsibility.

The material **negative impacts** on ANDRITZ's own workforce include:

- A lack of flexibility in working hours can lead to a restriction of personal needs such as time with family. This can lead to demotivation of the employee and increase levels of stress, which will eventually lead to departure from the company and the resulting loss of skills, knowledge, and talent.
- A higher fluctuation rate due to a lack of training, lack of equal opportunities, or poor occupational safety. If employees are not being developed to increase their skills or to ensure they have the correct knowledge to do their job correctly, this will eventually lead to departure from the company and the resulting loss of skills, knowledge, and talent.
- Similarly, if there is a lack of equal opportunities for employees, this will have the same effect.
- Finally, if the company does not provide adequate training, then this creates potential risks to occupational safety e.g., incorrect use of equipment, which creates concerns over personal safety, with the risk that this will eventually lead to dissatisfaction and subsequently to departure from the company and the resulting loss of skills, knowledge, and talent.
- Loss of working hours due to sickness or accident as a result of poor occupational safety. This will impact ANDRITZ's abilities to achieve its targets, with a consequent loss of confidence and revenue from its customers.

The material **positive impacts** on ANDRITZ's own workforce include:

- Improved work-life balance for employees will lead to increased motivation, satisfaction, and overall health, leading to retention and increased productivity.
- As a large employer, ANDRITZ can provide greater security to its employees due to the stable, mid-to long-term nature of its business. As a large employer, ANDRITZ can provide social security protections and even support and influence local bargaining agreements, leading to better employment conditions.
- As a large employer, ANDRITZ can help raise industry standards through collective bargaining arrangements, which in turn will have a positive impact on employees in areas such as better remuneration and employment standards.
- By providing a wide range of training opportunities, ANDRITZ can have a positive impact on employee satisfaction and their future career opportunities. Further education and training often lead to higher income and thus financial progress for employees.
- By promoting an "Blame Free" culture at ANDRITZ, the company can help to increase employee motivation and satisfaction in addition to a positive effect on productivity.
- Finally, by treating all employees equally, employee satisfaction and motivation can be increased.

The material **risks and opportunities** that arise from impacts and dependencies on the ANDRITZ workforce include:

Risks:

- A lack of qualified staff and a higher fluctuation rate if the working conditions at ANDRITZ are inadequate, which will impact ANDRITZ's ability to carry out work and also generate increased recruitment costs.
- A high accident frequency rate, especially as compared to its competitors, could lead to a loss of reputation, future business, and problems with attracting new employees.
- This can also lead to a shortage of qualified professional workers within the business, which can also lead to lower revenue for the company.
- If equal treatment of its workers is not taken seriously, this can harm the company's reputation, with a resulting loss of revenue, reputation, and the ability to attract new employees.

Opportunities:

- Focusing on increasing employee motivation will lead to higher productivity and company growth, resulting in achievement of the company's goals.
- Focusing on areas such as diversity and equal treatment as well as occupational safety measures will make ANDRITZ an attractive employer, and attracting qualified professional workers will lead to higher productivity and growth. This will also improve employee retention, reduce recruitment costs for replacing employees, and enable the company to undertake long-term planning thanks to a stable workforce.
- Focusing on occupational safety measures will reduce lost working hours due to sickness and accidents, which will in turn lead to higher productivity and growth.

- Finally, providing adequate training to all employees will result in higher productivity and efficiency as well as greater retention, with the benefits as stated above.

In addition, the company recognizes the potential impacts on its workforce through its activities to reduce the environmental impacts of its operations. These can include an impact on individual roles due to the adoption of new technologies, the need to reskill to meet changing operational needs, or changes to the workforce structure as certain activities or processes are phased out. The company aims to mitigate these risks through proactive learning and development activities as well as transparent communication and collaboration with its workforce.

As a general principle and as already stated in our 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. This also includes all forms of modern slavery and human trafficking. All employment contracts with ANDRITZ must always be concluded on a voluntary basis. All employment relationships may be terminated by both parties, subject to reasonable and statutory notice. In a risk analysis, the risk of incidents of forced labor or compulsory labor was not identified as sensitive. Therefore, no types of operation, countries, or geographic areas with significant risk of incidents of forced labor or compulsory labor can be indicated.

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. In a risk analysis, the risk of incidents of child labor was not identified as sensitive. Therefore, no types of operation, countries, or geographic areas with significant risk of incidents of child labor can be indicated.

ANDRITZ is aware that employees working at the manufacturing sites are at greater safety risk compared to employees in the offices because they have to operate certain equipment and handle heavy machinery. To develop a better understanding, a comprehensive health and safety program was initiated years ago. More detailed information on the health and safety efforts of ANDRITZ are given in chapter S1-4.

The material risks and opportunities identified do not relate to a specific group of people but to the whole own workforce of ANDRITZ.

Impacts, risks and opportunities management

S1-1 Policies related to own workforce

While each legal entity has its own regulations on working practices, ANDRITZ has in place global policies to manage its material impacts, risks, and opportunities related to its own workforce which establishes the expected requirements in any local policies.

ANDRITZ has in place a [Policy Statement on Human Rights and Environmental Protection Strategy](#) which specifies how it identifies members of its workforce who can be at greater risk of harm.

Key contents: ANDRITZ's Human Rights and Environmental Protection Strategy declares the company's commitment to and compliance with all relevant legal requirements and other relevant and applicable standards regarding Human Rights and Environmental Protection that are considered key factors for its success.

ANDRITZ's core principles specified in this policy statement include respect for others, human rights, and fair working conditions as well as environmental and social responsibility and sustainability.

ANDRITZ's Human Rights and Environmental Protection Strategy describes the company's commitment to protecting the environment as a contribution to a healthy future for coming generations. Environmental protection, including the prevention of pollution and the conservation of natural resources, is therefore one of ANDRITZ's leading principles and major goals, with regard to both products and services and the management of production facilities.

General objectives: ANDRITZ's Human Rights and Environmental Protection Strategy describes the company's commitment to protecting the environment as a contribution to a healthy future for coming generations.

ANDRITZ's Human Rights and Environmental Protection Strategy defines the company's commitment to human rights and the environment, the legal framework in which it operates, the internal responsibilities for ensuring the strategy is adhered to, the company's approach to risk identification, analysis, and management at a country and business area level, and preventative measures and remedial actions that can be taken.

It also lays out the company complaints procedure, which enables everyone (internal and external) to report human rights and environment related risks and (potential) violations that are grounded in the activities of ANDRITZ or one of our direct or indirect suppliers. The aim of the reporting channels is to become aware of potential weaknesses and/or wrongdoing in our own business areas as well as our supply chain at an early stage.

The policy relates to the following material IROs:

- As a large employer, ANDRITZ can help raise industry standards through collective bargaining arrangements, which in turn will have a positive impact on employees in areas such as better remuneration and employment standards.
- Focusing on areas such as diversity and equal treatment as well as occupational safety measures will make ANDRITZ an attractive employer, and attracting qualified professional workers will lead to higher productivity and growth.
- Focusing on occupational safety measures will reduce lost working hours due to sickness and accidents.
- Finally, providing adequate training to all employees will result in higher productivity and efficiency as well as greater retention, with the benefits as stated above.

Monitoring process: ANDRITZ companies implement a process to monitor and assess their human rights and environmental protection activities and performance. The results of monitoring and self-assessment as well as trend analysis results are incorporated into the management review process, aspects and impacts assessment, objectives planning, and development of corrective/preventive actions.

Scope: These policies apply to the entire ANDRITZ GROUP. Their implementation and application are mandatory for all ANDRITZ locations and construction sites.

Accountability: The CFO of the ANDRITZ GROUP, the Chief Compliance Officer, and the HR manager in Germany are responsible for implementing the guideline.

Third-party standards or initiatives: Through the implementation of these policies, ANDRITZ commits to respecting the following internationally applicable standards:

- German Supply Chain Due Diligence Act (LKSG)
- 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 (UNGPs)

Stakeholder involvement: Group Corporate Compliance (GCC) is responsible for implementing the due diligence requirements, especially for establishing 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's own business areas and towards our suppliers.

Availability: The Policy Statement is made available to all employees via the intranet and is also available for all other stakeholders on the ANDRITZ website.

ANDRITZ has in place a **Group Human Resources Policy** which specifies how it identifies members of its workforce who can be at greater risk of harm.

Key contents: ANDRITZ's Group Human Resources Policy plays a significant role in building a strong relationship between ANDRITZ and its employees, improving employee engagement and supporting employees' development. All of these aspects support our company's long-term success globally and help us maintain a competitive edge in the market.

General objectives: The purpose of this policy is to manage the diverse and geographically dispersed ANDRITZ workforce effectively. It aims to:

- Ensure cohesion across regions, languages, and cultures
- Provide excellent HR strategies and procedures to be used worldwide
- Recruit & develop qualified and experienced talent to support the company's growth
- Analyze metrics to investigate employee satisfaction and retention rates
- Support regulatory compliance and adhere to local laws

The policies relate to the following material IROs:

- Improved work-life balance for employees
- Provide greater security to employees.
- Raise industry standards through collective bargaining arrangements
- Training opportunities
- Equal treatment of employees
- Increased employee motivation
- Employee retention

Monitoring process: The Group HR department and local HR departments are responsible for providing comprehensive monthly reports related to the Group staff, which serve as a valuable tool for monitoring and evaluating various aspects of our workforce. In addition to the standard reports, specific and detailed “ad hoc reports” may need to be generated to address specific areas of concern. The local HR organizations play a crucial role in contributing to these reports on a case-by-case basis.

The monthly reports compiled by Group HR encompass a wide range of essential metrics and insights to facilitate informed decision-making and strategic planning. Key elements covered in these reports include:

- **Employee engagement surveys:** We regularly conduct employee engagement surveys to assess the overall satisfaction and motivation levels within our workforce. These surveys provide valuable feedback and insights into areas that require attention and improvement. The action plans are also monitored to guarantee all leaders take meaningful action from the survey together with their teams.
- **Turnover reports:** Monitoring turnover is essential for understanding employee retention and identifying potential areas of concern. The monthly reports include detailed analyses of turnover rates, turnover reasons, and trends across different departments, levels, and locations.
- **Representation of underrepresented groups:** We recognize the importance of fostering diversity and inclusion within our organization. The reports highlight the representation of underrepresented groups, allowing us to identify areas for improvement and implement targeted initiatives to ensure equal opportunities for all and track progress towards our diversity goals. A focus is placed on the increase of female employees and the increase of underrepresented groups in senior management.
- **Corporate social responsibility and ESG:** As part of our commitment to sustainable business practices, the reports include relevant metrics and indicators related to our corporate social responsibility initiatives and environmental, social, and governance (ESG) performance.
- **External requests for vendor compliance:** We respond to external requests for information and compliance with vendor requirements. The reports detail the necessary information and data needed to fulfill these requests, ensuring our adherence to applicable regulations and standards.

- **Headcount, forecast, budget, and recruiting key performance indicators (KPIs):** The reports encompass a detailed analysis of headcount, including current staffing levels, forecasted requirements, and budget allocation. Additionally, they incorporate recruiting KPIs to evaluate the effectiveness and efficiency of our talent acquisition processes.

The comprehensive HR reporting system ensures that the necessary data and insights are readily available to facilitate decision-making, support strategic planning, and promote transparency across the organization.

By regularly monitoring and analyzing these key metrics, we can proactively address workforce related topics and develop them further.

Scope: These policies apply to the entire ANDRITZ GROUP.

Accountability: The ANDRITZ GROUP Executive Board is the most senior level in the organization that is accountable for the implementation of the policies.

Group Human Resources Management (GHR) is responsible for developing and implementing human resource strategies that support the overall business and strategic direction of the company, specifically in the areas of succession planning, talent management, change management, culture management (#1ANDRITZway), employee engagement, employer branding, talent acquisition, organizational and performance management, training and development, global mobility, and total compensation.

Third-party standards or initiatives: Through the implementation of these policies, ANDRITZ commits to respect the internationally applicable national, regional, and international standards in the areas of data protection, diversity, equal treatment, measures against harassment, and anti-discrimination.

Stakeholder involvement: In order to ensure the interests, views and rights of people of ANDRITZ's own workforce, including human rights, inform the strategy and the business model, the company using a number of channels to receive feedback.

Primarily, there are regular town halls held by the CEO, to provide an update on the Company direction and strategy, which also involves an interactive Q&A session, to enable questions and feedback to be received. These town halls are followed up through regular communication through the Intranet, and comments and questions are tracked by Corporate Communications.

ANDRITZ also undertakes regular Employee Engagement surveys and measures the results against set KPIs, in order to gain the perspectives of its workforce in managing actual or potential impacts.

The results of the Employee Engagement survey are analysed, and action plans are created to remedy key topics. The status of these action plans is reviewed monthly with the Executive Board to ensure their completion. Follow up surveys are undertaken to measure the effectiveness of these action plans.

The performance review process also provides the employee and manager to discuss the business strategy and direction and an individual level, and the employee has the opportunity to feedback their thoughts on the directions being taken.

Availability: The policies are made available to all employees via the intranet.

Furthermore, the policies included descriptions in relation to the following topics:

Group Human Resources Policy

- Communication & information
- Employee engagement
- Relationship with works councils and trade unions (defined in the Compliance Handbook)
- Diversity
- Equal treatment and measures against harassment
- Anti-discrimination
- Prevention of child labor
- Health and safety regulations in the workplace (as defined in the Health & Safety Handbook, Code of Conduct)
- Corporate social responsibility
- Reporting

Human Rights and Environmental Protection Strategy

- Prohibition of child labor
- Prohibition of forced labor and modern slavery
- Occupational health and safety obligations
- Rights to collective bargaining
- Equal treatment / discrimination
- Fair remuneration
- Working hours
- Prohibition of the destruction of vital natural resources through environmental pollution
- Prohibition of unlawful eviction and unlawful taking of forests and waters
- Prohibition of export of hazardous waste

ANDRITZ has a complaints procedure (Speak UP!) to enable the 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 the company. Speak UP! also allows reports to be processed anonymously and is operated in a high-security data center, allowing secure communication according to the latest standards.

The Human Rights and Environmental Protection Strategy is undertaken with reference to the legal requirements arising from the German Supply Chain Due Diligence Act (LKSG). In addition, we aim to align our conduct with internationally applicable standards, such as

- Universal Declaration of Human Rights
- Principles of the UN Global Compact
- International Labour 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 (UNGPs)

The Policy Statement on Human Rights and Environmental Protection Strategy addresses the policy of ANDRITZ regarding the trafficking of human beings, forced labor, or compulsory labor, and child labor.

ANDRITZ has a Health, Safety and Environmental Management Policy in place that aims at preventing workplace accidents. Furthermore, the company holds the ISO 45001 certification for occupational health and safety management systems. It provides a framework for improving employee safety, reducing workplace risks, and creating safer working conditions.

The Group Human Resources Policy, the Code of Conduct and the Policy Statement on ANDRITZ's Human Rights and Environmental Protection Strategy address the ANDRITZ's position regarding the elimination of discrimination, including harassment, and promoting equal opportunities.

The following grounds for discrimination are specifically covered in the policies mentioned above: race, color, ethnic origin, religion, nationality, gender, sexual orientation, age, physical ability, health condition, political or social opinion, union membership, marital status, or any other basis prohibited by applicable law.

In the Group Human Resources Policy, the specific policy commitments related to inclusion and positive action for people from groups at particular risk of vulnerability in ANDRITZ's own workforce are documented.

To ensure discrimination is prevented, mitigated, and acted upon once detected, ANDRITZ takes actions like providing trainings, offering an anonymous whistleblowing tool for reporting discrimination cases, and maintaining a clearly structured process for dealing with such reports. To advance diversity and inclusion in general, ANDRITZ focuses on targeted recruiting and employer branding with a focus on diversity in HR programs and succession planning. Furthermore, a global inclusion program was launched in the reporting year, including a Global DEI committee, an education program, and internal communication.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

ANDRITZ undertakes regular employee engagement surveys and measures the results against defined KPIs in order to learn about the perspectives of its workforce in managing actual or potential impacts.

A specific survey tool is used in the surveys to collect and analyze the responses. The engagement survey is conducted once a year but so-called pulse surveys on specific topics (e.g., company culture) also take place during the year.

The Group HR team is responsible for running the engagement survey, and all business area leads are responsible for ensuring that the action plans resulting from the surveys are completed.

ANDRITZ does not have a global framework agreement with workers' representatives in place, but the existing collective agreements, which protect workers' rights, also contribute to the protection of human rights.

The results of the employee engagement survey are analyzed, and action plans are created to remedy key topics. The status of these action plans is reviewed on a monthly basis with the Executive Board to ensure their completion. Follow-up surveys are undertaken to measure the effectiveness of these action plans.

The effectiveness of the survey is tracked using external benchmarked figures, and targets to improve on these benchmarks are set year by year, and these are monitored and communicated internally.

The employee engagement survey is open to all employees in ANDRITZ, and the feedback is strictly confidential and cannot be connected to individual employees. Certain questions within the survey relate to the treatment of diverse groups to gain insights into how effective the related policies are.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

ANDRITZ strives to address any material negative impacts on its own workforce through a structured remediation process. When a negative impact is identified, whether through employee complaints or internal audits, the following steps are taken: identification and assessment of the extent of harm caused; engagement with impacted workers to understand their concerns; identification of corrective actions that could include financial compensation, policy changes, training, or workplace improvements; ensuring remedies are applied effectively and in a timely manner; and implementation of safeguards to prevent similar issues from recurring.

Employees can raise their concerns or needs directly with their supervisor or with the compliance team. Furthermore, ANDRITZ has a whistleblower system in place. Speak UP! is an internet-based whistle-blower system providing a platform for reporting suspected compliance-related misconduct to the Group Compliance department. Speak UP! is available (internally and externally) to anyone with a justified interest in the company. Speak UP! also reports to be processed anonymously and is operated in a high-security data center, allowing secure communication according to the latest standards.

The channels provide a mechanism for grievances or complaints to be raised by ANDRITZ's own workforce and remedied. The complaints procedure and Speak UP! can be accessed by all employees through the company intranet site or the website.

Based on the internal “Compliance Investigations Guideline,” notifications raised via Speak UP! are tracked and monitored by the Group Compliance team to ensure timely and effective resolution. Incoming notifications through “SpeakUP!” and compliance@andritz.com are received exclusively by the Group Compliance Officer and the Corporate Compliance Manager. For further internal handling, incoming notifications are categorized along the lines of general compliance fields and specific EU whistleblowing matters. Each reported issue is logged, categorized, and assigned a unique case number for tracking. Issues are classified based on severity, nature, and risk levels (high, medium or minor) associated with compliance notifications (e.g., general, anti-bribery, HR matters), and affected parties. A dedicated compliance team member, the investigator, assesses the report, conducts fact-finding, and recommends actions. Each report is comprehensively recorded in the case management tool. Each case is continuously monitored, with documenting of progress updates, to ensure transparency and accountability. In cases with a high degree of urgency or major (financial) impact, ad hoc reports are submitted to the responsible Executive Board. The Compliance Committee, the Executive Board, the Supervisory Board and Group Internal Audit will also receive and review the Annual Compliance Report containing a general overview of the compliance investigations carried out.

ANDRITZ assesses whether people in its own workforce are aware of and trust these processes as a way to raise their concerns or needs by tracking the number and types of reports submitted, analyzing trends in grievance reporting, training sessions, and information material in the intranet. The process for handling the received reports is set out in the internal Investigations Guideline, which, among other things, defines how investigations are to be conducted and which principles the persons involved must observe. One of the most important principles is that reports and complaints are treated confidentially and with due regard for the right to privacy and data protection of the persons using the channel.

[S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions](#)

ANDRITZ’s sustainability program We Care sets the direction for actions regarding its own workforce with dedicated targets and by applying monitoring and reporting tools covering all locations in the scope of HR and H&S reporting. ANDRITZ’s ongoing actions and resources regarding its own workforce are presented below.

The **Employee Engagement Program** is designed to foster a culture of collaboration, growth, and continuous improvement. As part of this initiative, we conduct an annual engagement survey, along with pulse surveys throughout the year. This action contributes to achieving the goal set in the sustainability program We Care of reducing the voluntary turnover rate to less than 4.5% by the end of 2025. Furthermore, it also supports the goal regarding the equitable opportunity index, which relies on feedback from the employee engagement survey to see if employees believe ANDRITZ is a company with equal opportunities. The same is true for the goal regarding the inclusive leader index, which relies on feedback from the survey to see if employees believe that leaders are inclusive in their behavior when working with their employees, e.g., sharing of information, listening to ideas, or taking action when necessary.

The scope of the action is the own workforce. The Employee Engagement Program was started in 2023 and continued in 2024. In 2024, a response rate of 76% was achieved, which is 6% higher than in the previous year. Remedy-related disclosure requirements are not applicable to this action. Resource types allocated to these actions include resources needed to run the survey. The annual cost of the tool used to manage the employee engagement survey is €200k per year.

In 2024, ANDRITZ started its **Global Inclusion Program**, which focuses on targeted recruitment and employer branding to increase diversity, with an emphasis on HR initiatives and succession planning. A global D&I internal communication and education program was started to educate people about the meaning of D&I (diversity and inclusion) at ANDRITZ and why it is important to reach our business goals. Furthermore, a global DEI Committee was established to support implementation of the ANDRITZ Inclusion Program over the long term. This action contributes to achieving the goals set in the sustainability program We Care of reducing the voluntary turnover rate to less than 4.5% by the end of 2025 and increasing the number of female employees to 20% by the end of 2025.

The scope of the action is the own workforce. The Global Inclusion Program was started in 2024 and will continue in 2025. Remedy-related disclosure requirements are not applicable to this action. Resource types allocated to these actions include resources needed to run the program and the training. For Diversity and inclusion programs, a budget is in place of €175K for 2025.

In the area of health and safety, a **Behavior-Based Safety (B-BS) program** and a **Leadership in Health and Safety (LiHS) training** can be reported as key actions in the reporting year. Most workplace incidents are caused by unsafe behaviors rather than unsafe conditions. The B-BS involves observing employees' actions, providing feedback, and reinforcing safe practices while addressing and correcting unsafe behaviors through coaching and training. This evidence-based approach helps ensure that interventions are effective and can be measured and adjusted over time to continuously improve workplace safety. More than 60 H&S experts, responsible for larger and more complex manufacturing facilities, took the advanced B-BS course, consisting of full 6 days of training. The Leadership in Health & Safety (LiHS) methodology identifies formal and informal leadership as the key element to positively influence behavior and establish a solid safety culture in organizations. During 2024, a total of 650 leaders engaged in the one-day LiHS workshop, which was intended to concretely implement the Leadership in Health and Safety methodology within the organization. In Q1/2025, more than 1000 managers are expected to take the training. Finally, the LiHS program will be cascaded down to the rest of the organization through a condensed event delivered by the Safety Leaders of the different locations. The training is supported by additional online training. These actions contribute to achieving the goals set in the sustainability program We Care of reducing the lost time injury frequency rate (>1 day absence) by 30% every year compared to the preceding year.

The scope of the action is the own workforce. The programs were started in 2024 and will continue in 2025. Remedy-related disclosure requirements are not applicable to this action. Resource types allocated to these actions include resources needed to run the program and the training. In 2024, the financial resources were included in the overall QHSE budget. For 2025, a budget of €324K is planned.

The company's governance framework is designed to ensure strong oversight and accountability, and regular surveys and audits of ESG-related risks are conducted to ensure the company continues to comply with all applicable regulations. Through these processes, specific action plans are identified to provide remedy for any negative impacts that have been identified. For example:

- A lack of qualified staff and a higher fluctuation rate could result if the working conditions at ANDRITZ are inadequate, which impacts ANDRITZ's ability to carry out work as well as generating increased recruitment costs.
- A high accident frequency rate, especially as compared to its competitors, could lead to a loss of reputation, future business, and problems with attracting new employees.
- This can also lead to a shortage of qualified professional workers within the business, which can further lead to lower revenue for the company.

- If equal treatment of its workers is not taken seriously, then this can harm the company's reputation and result in loss of revenue, reputation, and the ability to attract new employees.

The processes that ANDRITZ has in place to reduce these negative impacts are the Group Human Resources Policy and the Human Rights and Environmental Protection Strategy. More information about these policies can be found in chapter S1-1.

Action plans are developed and monitored on a monthly basis, with reports provided to the Executive Board members to ensure actions are being taken to remedy actual material impacts.

A number of additional initiatives are in place to support the delivery of positive impacts to the workforce. These initiatives typically center around the training of management to produce improvements in areas requiring action. For instance, the company has created an ANDRITZ Global Inclusion Program and an Employee Engagement Program, which are a result of feedback from the employee engagement surveys and are designed to support process such as the onboarding process, team discussions, and training sessions to create stronger connections and foster meaningful engagement through native language communication.

The effectiveness of these actions is measured through specific KPIs, such as the female management ratio, and by comparing the results of engagement surveys to see if there has been any improvement in the metrics related to these action points.

ANDRITZ undertakes regular surveys and audits of ESG-related risks to ensure it continues to comply with all applicable regulations. Through these processes, specific action plans are identified to provide remedy for any negative impacts that have been identified.

As a result of the surveys and audits, every manager is tasked with creating at least one action plan on a negative material impact that has been identified in their area of responsibility. The completion of these plans is monitored by Group HR, and progress is reported to the Executive Board on a monthly basis.

ANDRITZ undertakes regular surveys and audits of ESG-related risks to ensure that its own practices do not cause or contribute to material negative impacts on its workforce and puts in place action plans to remedy any practices identified as causing or contributing to material negative impacts.

All managers are responsible for the management of material social impacts in their area of responsibility. They are supported by senior management, Group HR, Group QHSE and Group Compliance in this regard.

ANDRITZ recognizes the potential impacts on its workforce that arise from the transition to a greener, climate-neutral economy. These can include an impact on individual roles due to the adoption of new technologies, the need to reskill to meet changing operational needs, or changes to the workforce structure as certain activities or processes are phased out. The company aims to mitigate these risks through proactive learning and development activities as well as transparent communication and collaboration with its workforce.

Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In 2021, in the course of ANDRITZ's sustainability program We Care, the following voluntary social targets were set:

- Reduction of the lost time injury frequency rate (>1 day absence) by 30% every year compared to the preceding year
- Reduction of the voluntary turnover rate to less than 4.5% by the end of 2025
- Increase the number of female employees to 20% by the end of 2025

These targets support the commitment to maintaining a safe and healthy work environment for all employees and arise from the Quality, Health, Safety, and Environment Policy Statement and the commitment to a diverse workforce with equal opportunities as outlined in the Group Human Resources Policy. The targets are absolute targets covering ANDRITZ's own operations with all ANDRITZ locations and geographies included as presented in the ESRS 2 General Disclosures, section BP-1 General basis for preparation of the sustainability statement.

The baseline values and the performance are as follows:

Goal	Measuring variable	Base year 2019	2021	2022	2023	2024	Goal 2025 resp. % p.a.
Reduce lost time injury frequency rate (> 1 day's absence) by 30% compared to the preceding year	Injuries causing one or more days of absence per 1 million working hours	6.1	3.1	2.8	2.6	2.3 (-12%)	-30% p.a.
Reduction of the voluntary fluctuation rate	% of total employees	6.0	6.5	6.0	5.1	4.1	<4.5
Increase the proportion of female employees	% of total employees	16.2	16.6	16.4	17.0	17.2	20

Furthermore, additional social targets were set in 2024 and can be found in the following table:

Goal	Measuring variable	2024	Goal 2024	Goal 2025
Share of female leaders	% of total female leaders	14.0%	14.1%	14.5%
Equitable opportunity index	External benchmark from Glint, based on the average score across all companies participating in the surveys).	65%	64%	67%
Inclusive leader index	External benchmark from Glint, based on the average score across all companies participating in the surveys).	70%	67%	71%
Employee appraisals (focus on salaried employees)	% of salaried employees who have participated in a performance review, documented in the #APeople database	85.4%	65%	95%

The target definition process involved subject-matter experts. The methodologies used in defining the targets included but are not limited to consulting both internal and external subject-matter experts, assessing the HR and H&S data, and benchmarking against peer companies, industry best practices, and potential target definition options presented in various international frameworks. The target definition process was pragmatic and is not considered to be based on conclusive scientific evidence. Metrics, measurement methodologies, assumptions, sources, and processes to collect data have not changed during the reporting year.

The targets for the share of female leaders, voluntary turnover rate, share of female employees, and performance metrics are measured on a monthly basis, and a monthly target has also been set for each to track the progress in achieving the end-of-year target.

The targets for the Equitable Opportunity Index and Inclusive Leader Index are measured on an annual basis following the annual Employee Engagement Survey, which is planned for the third quarter of each year.

There are no changes to any targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources, and adopted processes for collecting data, except for the specific target itself, which is set on an annual basis while the medium-term target is set on a 3-year basis.

All ANDRITZ targets and results are discussed with the relevant workforce representatives as part of the normal, regular consultation process (which differs for each legal entity with ANDRITZ).

In addition, the company conducts employee engagement surveys and uses the feedback received to create action plans at the Management and business area level. These action plans are tracked to ensure any remedial action has been undertaken and completed. The duration of these action plans is dependent on the complexity of the issue highlighted. The structure and results of these surveys are published for all employees and are discussed and reviewed with workforce representatives, where applicable.

S1-6 Characteristics of the undertaking's employees

The data used to generate the ANDRITZ metrics for S1 is derived from the global HR-IT system #APeople. This contains the data of all employees (internal and external) for all consolidated and non-consolidated companies. The data contained within #APeople enables the reporting of all required metrics from a central place to ensure the accuracy and timeliness of the data.

This data is validated internally and is not subject to external validation.

Employee numbers are reported in headcount. The numbers are reported monthly and as an average (rolling 12 months).

The criteria and breakdown of the headcount figures are described in the internal Group Functions Reporting Guideline.

The total number of employees by headcount is aligned with the number of “employees (as of end of period; without apprentices)” as disclosed in the notes to the consolidated financial statements in chapter C) 12. Personnel expenses in the consolidated financial statements.

Employees by gender, age group, type of employment and employment contract

	Absolute 2024	Absolute 2023	Percentage 2024	Percentage 2023
Men	24 811	24 654	83%	83%
Women	5 192	5 063	17%	17%
TOTAL	30 003	29 717	100%	100%
< 30 years old	3 591	3 608	12%	12%
30-50 years	17 386	16 819	58%	57%
> 50 years old	9 026	9 290	30%	31%
TOTAL	30 003	29 717	100%	100%
Salaried employees	19 143	18 738	64%	63%
Waged employees	10 860	10 979	36%	37%
TOTAL	30 003	29 717	100%	100%
Full-time	28 646	28 526	95%	96%
thereof male	24 214	24 110	85%	85%
thereof female	4 432	4 416	15%	15%
Part-time	1 357	1 191	5%	4%
thereof male	612	534	45%	45%
thereof female	745	657	55%	55%
TOTAL	30 003	29 717	100%	100%
Permanent	27 566	27 142	92%	91%
thereof male	22 849	22 511	83%	83%
thereof female	4 717	4 631	17%	17%
Temporary	2 437	2 575	8%	9%
thereof male	1 984	2 133	81%	83%
thereof female	453	442	19%	17%
Non-guaranteed hours employees*	n/a	n/a	n/a	n/a
thereof male	n/a	n/a	n/a	n/a
thereof female	n/a	n/a	n/a	n/a
TOTAL	30 003	29 717	100%	100%

*No data available

Employees by country

	Absolute 2024
Germany	4,877
China	3,910
Austria	3,726
Brazil	3,187
USA	2,649
India	1,734
Finland	1,618
Canada	1,056
Slovakia	884
Croatia	783
Italy	755
France	708
Chile	532
Mexico	431
Sweden	428
Uruguay	414
Switzerland	410
Netherlands	306
Indonesia	242
Hungary	238
Norway	211
Denmark	202
Turkey	141
Japan	120
Australia	108
Spain	88
Great Britain	75
Other countries with < 50 employees	170
TOTAL	30,003

Employee turnover by gender and age group

	Contracts terminated 2024	Contracts terminated 2023	Fluctuation rate 2024*	Fluctuation rate 2023*
Men	2,888	2,905	11.6%	11.7%
Women	461	471	8.9%	9.4%
< 30 years old	635	641	17.5%	17.5%
30–50 years	1,616	1,702	9.4%	10.1%
> 50 years old	1,098	1,033	11.9%	11.0%
TOTAL	3,349	3,376	11.2%	11.4%

* Calculation of fluctuation rate: contracts terminated in relation to the average number of employees. Contracts terminated include dismissals by the employer and resignation of employees.

S1-8 Collective bargaining coverage and social dialogue

Collective bargaining agreements exist with 53.4% of the workforce. For the remainder of the workforce, individual agreements are established on the basis of qualifications and professional experience as well as statutory requirements, and the remuneration is in line with the respective markets.

Percentage of own employees covered by collective bargaining agreements by country (in and outside the EEA)

Coverage rate	Collective Bargaining Coverage		Social dialogue
	Employees - EEA	Employees – Non-EEA	Workplace representation (EEA only)
	(for countries with >50 empl. representing >10% total empl.)	(for countries with >50 empl. representing >10% total empl.)	(for countries with >50 empl. representing >10% total empl.)
0–19%	Slovakia, Hungary	Canada, China, Great Britain, India, Indonesia, Japan, Turkey, Uruguay, USA	n/a
20–39%	Denmark	Mexico	n/a
40–59%	n/a	Australia, Chile	n/a
60–79%	Germany, Spain	n/a	n/a
80–100%	Austria, Croatia, Finland, France, Italy, Netherlands, Norway, Sweden, Switzerland	Brazil	n/a

Andritz has not yet concluded a European Works Council Agreement (EWC), a Societas Europaea (SE) works council agreement or a European Cooperative Society agreement.

The data for measuring the share for collective bargaining agreements is taken from the #APeople HR database. This denotes for each employee if they are part of an official collective bargaining agreement in their legal entity or at country level.

This data is validated internally and is not subject to external validation.

S1-9 Diversity metrics

Gender distribution at top management level

	Absolute 2024	Absolute 2023	Percentage 2024	Percentage 2023
Men	51	39	93%	91%
Women	4	4	7%	9%
TOTAL	55	43	100%	100%

Employees by age group

	Absolute 2024	Absolute 2023	Percentage 2024	Percentage 2023
< 30 years old	3,591	3,608	12%	12%
30–50 years old	17,386	16,819	58%	57%
Over 50 years old	9,026	9,290	30%	31%
TOTAL	30,003	29,717	100%	100%

Top management in ANDRITZ is defined as employees on the Executive Board minus 1 and Executive Board minus 2, in positions related to business area managers, division managers, managing directors, Group functions and regional managers.

ANDRITZ has established the goal of increasing the proportion of women in management positions, where the proportion of women is currently 7% with a total of 4 women.

The proportion of female employees within the company in 2023 was 17.2% (2023: 17.0%). One of the ESG goals of the company is to increase the share of women to 20% by the end of 2025.

S1-10 Adequate wages

The company policy is to remunerate its employees fairly and in line with the respective applicable wage or collective agreement regulations. Unless agreed otherwise, every employee is entitled to the benefits usually offered in the legal entity of work or employment. Local rules and regulations for benefits are applied. For example, in Austria, ANDRITZ must comply with the terms and conditions set out in the national "Kollektivvertrag" for the metals industry in areas such as annual leave, sick pay, and family leave.

Additional benefits can be agreed on in the employment contract or in its supplements as appropriate and depending on the position level.

Such additional benefits can be:

- Additional health and accident insurance
- Car allowance or company car in line with local car policies
- Any individual pension plans should be based on defined contribution models only
- Specific packages related to foreign assignments

The legal entities of ANDRITZ are responsible for ensuring this policy is adhered to by means of local benchmarking of wages for employees and by taking remedial actions where employees are below this level. This includes utilizing data from companies such as MERCER and Willis Towers Watson.

ANDRITZ does not currently track at a global level the countries where employees earn below the applicable adequate wage. However, it is currently establishing a structure to enable this evaluation as of 2027.

S1-12 Persons with disabilities

The percentage of persons with disabilities among ANDRITZ's employees is 1.62%.

The data for persons with disabilities is documented in the HR Database. This data is maintained and updated by a HR administrator as necessary, following the receipt of relevant, official confirmation, from the employee.

S1-13 Training and skills development metrics

Employee appraisals

	2024	2023
Men	67%	65%
Women	78%	75%
TOTAL	69%	67%

Employee trainings

	2024	2023
Total expenditure on education and training (in TEUR)	10,303	10,344
Average expenditure per employee (EUR)	343	348
Total training hours	487,961	461,821
Average hours of training per employee	16.3	15.5
Men	15.3	15.3
Women	20.9	16.8

All company employees are offered education and training as well as international career opportunities. The development programs with training and learning opportunities for various target groups are intended to encourage all employees to acquire new or enhanced skills, knowledge, and perspectives.

In this context, talent management and succession planning play an important role in the company. Talent management is a continuous process that enables managers to gain a better overview of the potential and skills of internal succession candidates and of their willingness to take on responsibility. The company has used various programs to develop future managers for many years, such as the ANDRITZ Global Talent Program or the ANDRITZ Global Leadership Program.

Training of young, skilled workers has a long tradition in the company – for example, apprentices have been trained at the Graz location in Austria since 1922. The young people receive both theoretical and practical training, and they are also better prepared for their future careers by attending English courses, safety, and quality training as well as team-building training. As of the end of 2024, 697 apprentices were being trained at company locations worldwide (2023: 642 apprentices).

In addition, the company has the opportunity to address highly qualified and talented young people through collaboration with universities and other educational institutions. Efforts are made to attract and secure them for the company in the long term. Students receive support for their final theses and are employed in various ways during their courses of study. Cooperation between the company and universities / technical colleges was intensified in 2024.

The most important tool for enhancing personal development and good collaboration at the company locations is the performance review that is usually conducted once a year – in some areas several times per year. This employee performance review is used to discuss work content and goals, and future development is one of the central themes. Feedback is provided on the current job status and #1ANDRITZway behaviors, and future prospects are considered. At the same time, the employees' questions and concerns can be discussed.

Performance reviews were conducted with 69.3% (2023: 66.7%) of the staff in the reporting year, including 90% of salaried employees. With the successful introduction of #APerformance, the employee performance review module, a significant increase will be evident in the coming years.

S1-14 Health and safety metrics

Health and safety at the workplace have top priority at ANDRITZ. The goal is to create a safe, healthy, and pleasant working environment for all staff working under ANDRITZ's responsibility and for all other stakeholders. ANDRITZ is striving for a zero-accidents target and a proactive safety culture in order to prevent work accidents and illnesses.

	2024	2023
% of people in own workforce who are covered by ISO 45001	84	74
Accidents at work (with one or more days of absence)	135	156
Lost time injury frequency rate (accidents causing one or more days absence per 1 million working hours)	2.3	2.6
Fatal accidents at work (incl. work-related ill health)	2	0
Fatal accidents at work (incl. work-related ill health) (subcontractors)	1	1
Severity of accidents (absence periods in hours per accident)	229	230
Number of medical treatment injuries at work	491	580

The Lost Time Injury Frequency Rate is the number of people injured over a period for each one million hours worked by a group of employees or workers. The severity of the accident is the average of lost time per accident.

This data is validated internally and is not subject to external validation.

S1-15 Work-life balance metrics

Number of employees taking parental leave by gender

	Absolute 2024	Absolute 2023	Percentage 2024	Percentage 2023
Men	209	166	0.8%	0.7%
Women	166	187	3.2%	3.7%
TOTAL	375	353	1.3%	1.2%

The company policy is to remunerate its employees fairly and in line with the respective applicable wage or collective agreement regulations. Unless agreed otherwise, every employee is entitled to the benefits usually offered in the legal entity of work or employment. Local rules and regulations for benefits apply.

The company also provides child-care support to employees, for example by entering into part-time employment contracts. Several locations have company-run kindergarten facilities, some of which also focus on technical skills. In addition, the company supports part-time contracts for fathers or other forms of support with childcare. The company allows employees to work from home, making it easier to balance work and family life.

S1-16 Remuneration metrics (pay gap and total remuneration)

The company policy is to remunerate its employees fairly and in line with the respectively applicable wage or collective bargaining agreement regulations.

Average salaries for women amounted to 89.4% of average salaries for men during the reporting period. This difference results from the fact that the proportion of women in management positions and higher-paid clerical and specialist positions is below 50%. Targeted measures have been taken to change this situation.

The gender pay gap amounted to 10.6% in 2024. As no data for the average gross hourly pay level was available, the average annual salary was used instead for the calculation of the gender pay gap.

The annual total remuneration ratio was 92 in the reporting year. The annual total remuneration of the CEO is the remuneration of the highest paid individual. Instead of the median employee annual total remuneration the average remuneration for employees (excluding the executive board) was used for the calculation.

The data is collected from the legal entities on a semi-annual basis, and the average salaries over this period of time are split by gender.

S1-17 Incidents, complaints and severe human rights impacts

	2024
Number of incidents of discrimination incl. harassment	2
Number of complaints filed through channels for people in own workforce to raise concerns	29
Number of complaints filed to national contact points for OECD multinational enterprises	0
Total amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed (in €)	0
Number of severe human rights issues and incidents connected to own workforce	0
Number of severe human rights issues and incidents connected to own workforce that are cases of failure to respect UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce (in €)	0

In 2024, ANDRITZ had no fines, penalties or damages to pay for violations in the areas of discrimination and harassment. Therefore, there is no need for reconciliation to the annual financial statements.

The two cases in which the facts of the discrimination and harassment were substantiated as well as the 27 cases in which the investigations did not reveal any evidence for the reported facts, were recorded and processed on the basis of the information provided via the various options for submitting reports. These reports are either submitted via the "Speak UP!" whistleblower system, via the compliance@ANDRITZ.com email address, or are communicated to the compliance department in person, by letter, or by telephone. These reports are processed in accordance with the internal whistleblower guidelines, and appropriate action is taken.

In 2024, there were no severe human rights violations or incidents in connection with the company's own workforce.

Furthermore, there were no fines, penalties, or compensation payments for human rights violations or incidents in connection with the company's own workforce. Therefore, there is no need for reconciliation to the annual financial statements.

This data is validated internally and is not subject to external validation.

ESRS S2 Workers in the value chain

Strategy

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, ANDRITZ identified actual and potential impacts, risks, and opportunities related to workers in the value chain. The potentially material IROs were identified using the process described in the ESRS 2 General Disclosures section of this report. As a result of the assessment, ANDRITZ identified the following two material positive impacts, one negative impact, and one risk. No financial opportunities for the ANDRITZ business were identified during the DMA. In the reporting year, when assessing how the impacts and risks are managed, opportunities were discussed without assessing their materiality. These insights are to be used as input for the next materiality assessment.

Identified positive impacts:

Working conditions in the value chain:

- Fair working conditions in the value chain promoting **prosperity, health, and safety** contribute positively to society.
- Working conditions promoting **equal opportunities and diversity** in the value chain, including training and gender equality, contribute positively to society by fostering a culture of awareness of these topics.

Identified negative impacts:

Human rights in the value chain:

- Lack of fair working conditions to protect human rights have a negative impact on the people working in these companies.

Identified potential risks:

Weak labor laws and/or insufficient implementation of international standards

- Non-compliance with ANDRITZ Supplier Code of Conduct and Ethics in the value chain may have consequences for ANDRITZ's reputation that may lead to less business volume in its own operations. The risk of non-compliance is higher in regions with weak labor laws and/or insufficient implementation of international standards.

All workers in the value chain that can be materially impacted by ANDRITZ are included in the reporting. The material impacts occur through our relationships with suppliers and contractors. The value chain workers employed by these entities are governed by ANDRITZ Supplier Code of Conduct and Ethics. Measures to address the impact, risks, and opportunities are listed in this report. The measures are divided into those that address direct suppliers and those that address the entire workforce (including direct suppliers) in the value chain. The type of workers subject to material impacts by ANDRITZ's own operations or through the value chain are differentiated into own workforce, workers on the construction site, potentially external workers, and the workers in supply chain and distribution. This differentiation is particularly relevant with regard to health and safety measures. Risks affecting workers' livelihoods and their potential business and regulatory implications are considered.

ANDRITZ works with suppliers from all over the world. In regions such as China and India, the most important suppliers are audited, and this is done in other countries as well if necessary. To counteract potentially systematic risks related to labor and human rights, a risk analysis (screening of the supplier base) was carried out, with the result that no suppliers from certain areas are commissioned. In addition, supplier social audits are carried out unannounced on a random basis at suppliers in China and India to assess local conditions and take any corrective action that may be necessary. Due to the company's global activities and diverse supplier relationships, it cannot be

ruled out that negative impacts may occur with regard to human rights issues among workers in the value chain. If such negative impacts should occur, they will primarily affect individual supplier relationships. Appropriate measures (such as the correct payment of wages and overtime compensation, checking that equipment and workplace conditions meet safety requirements) are taken, including on-site visits as part of supplier social audits, up to and including termination of the relationship with the supplier. Suppliers are obliged to comply with legal requirements. During the social audits of suppliers, measures and actions are decided upon together with the suppliers, which are then implemented as part of a corrective action plan (including follow-up audits). This leads to a positive change in working conditions at the supplier's premises.

Additional discussion of potential risks and opportunities

Due to the dependencies on supplier services, ANDRITZ strives to work closely with suppliers and to see the cooperation as a partnership. In specific cases, cooperation in the course of supplier social audits is aimed at improving the situation of the employees at the suppliers' premises, and active measures are taken to achieve this. During these discussions, the following potential topics have been identified without assessing their materiality in the financial context under the principles of double materiality. Some of them overlap with the earlier DMA assessment. As mentioned earlier, these insights are to be used as input for the next materiality assessment.

- **Potential risk:** Companies with global supply chains, particularly in regions with weak labor laws, run the risk of being associated with child labor, forced labor, and discriminatory practices. If such violations are uncovered, the company could face legal action, reputational damage, and loss of market share. Failure to comply with labor laws and international standards (e.g., on working hours, wages, union rights) could result in fines, penalties, and restrictions on business operations, especially as governments around the world tighten regulations on labor rights.
- **Potential risk:** Consumers, investors, and stakeholders are increasingly concerned about companies' ethical practices, including their treatment of workers. Negative publicity or reports of exploitation of workers (e.g., in supply chains) can damage a company's brand reputation and result in the loss of customer loyalty, investor confidence, and market share.
- **Potential opportunity:** Companies that improve the well-being of workers (fair wages, health benefits, safe working conditions) can increase worker satisfaction and productivity, leading to lower turnover, higher morale, and better operational performance.
- **Potential opportunity:** Companies that proactively address labor risks, promote ethical labor practices, and ensure fair treatment of workers can bolster their brand reputation and gain consumer trust and loyalty. This is especially important as consumers increasingly prefer to support brands that have a proven commitment to social responsibility.
- **Potential opportunity:** Investors are increasingly focused on companies that prioritize environmental, social, and governance (ESG) factors, including the treatment of workers throughout the value chain. Demonstrating a commitment to fair labor practices can attract ethical investors, improve access to capital, and drive financial performance.
- **Potential opportunity:** By fostering strong relationships with suppliers and ensuring that they adhere to ethical labor practices, companies can build a more resilient and sustainable supply chain. This reduces the risk of disruption from labor-related issues such as strikes or protests.
- **Potential opportunity:** By actively managing and improving working conditions, companies can ensure compliance with international labor standards and laws and position themselves as corporate social responsibility leaders. This can help them avoid legal risks and improve operational efficiency.

Impact, risk and opportunity management

S2-1 Policies related to value chain workers

The policies ANDRITZ has adopted to manage its material IROs related to workers in the value chain are as follows.

Supplier Code of Conduct

The ANDRITZ Group Supplier Code of Conduct outlines our commitment to respect human rights, including labor rights, and protect value chain workers. Our commitment covers the rights to fair wages, safe working conditions, and freedom of association, which are among the fundamental rights of workers. The Supplier Code of Conduct also includes the prohibition of forced and child labor and all forms of modern slavery.

The Supplier Code is thematically composed of the following areas: (1) Organizational requirements and management responsibility, (2) Human rights, health, and fair labor practices, (3) Environmental and social responsibility, sustainability, (4) Business integrity, (5) Export control, (6) Intellectual property rights, trade secrets, privacy, and data security, (7) Supplier commitment, (8) Reporting, monitoring, sanctioning, and (9) Compliance contact addresses at ANDRITZ. The supplier is obliged to pass on the principles arising from the Supplier Code of Conduct to its suppliers.

The policy relates to:

- **The positive impact** of fair working conditions in the value chain promoting prosperity, health, and safety and contributing positively to society.
- **The positive impact** of working conditions promoting equal opportunities and diversity in the value chain, including training and gender equality, contributing positively to society by fostering a culture of awareness of these topics.
- **The negative impact** of lacking fair working conditions to protect human rights. This has an adverse impact on the people working in these companies.
- **The risk** of non-compliance with the ANDRITZ Supplier Code of Conduct and Ethics in the value chain, which may have consequences for ANDRITZ's reputation that may lead to less business volume in its own operations. The risk of non-compliance is higher in regions with weak labor laws and/or insufficient implementation of international standards.

Monitoring process: The suppliers go through a qualification process, and a business relationship will only be established after written consent to the contents of the Supplier Code of Conduct and Ethics. All of ANDRITZ's supplier contracts include its Supplier Code and the requirement to commit to it. The company's supplier engagement and monitoring include, for example, ANDRITZ Supplier Relationship Management (SRM), SRM onboarding and Supplier Code of Conduct training on the company's web site as well as information on audit mechanisms for certain suppliers in China and India.

Scope: The Supplier Code of Conduct applies to all suppliers of ANDRITZ worldwide.

Accountability: The head of Supply Chain Management and the head of Group Compliance manage the Supplier Code and ensure that it is updated continuously. The Code is approved by the ANDRITZ GROUP Executive Board, the most senior level in the organization accountable for the implementation.

Third-party standards or initiatives: We adhere to internationally recognized human rights standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) Core Conventions and the OECD Guidelines for Multinational Enterprises.

Stakeholder involvement: The Supplier Code was developed by the departments Supply Chain management and Compliance. Engagement with industry experts related to supply chain management provided input for policy development.

Availability: The Supplier Code is made available to all suppliers via the ANDRITZ website and the purchasing portal. It forms part of all purchase orders or contracts entered into between members of the ANDRITZ Group and their suppliers. The new version of the Supplier Code of Conduct and Ethics (version 3) was published in the first quarter of 2024 and communicated to all relevant stakeholders.

ANDRITZ's measures to provide and/or enable **remediation** of human rights impacts include a confidential grievance reporting system for workers to report any violations. We ensure that each grievance is thoroughly investigated and addressed in accordance with our remediation process. If human rights violations are identified, such as forced overtime or unsafe working conditions, we work with suppliers to implement corrective action, including retraining and changes to the work environment.

The Supplier Code of Conduct includes the prohibition of **forced and child labor** and all forms of **modern slavery and human trafficking**. Furthermore, working conditions and the observance and respect of human rights are an essential aspect of the Supplier Code of Conduct. To ensure compliance, suppliers are required to take specific measures, and, if necessary, these are checked by means of random samples. Remedial action is then taken if necessary. Remedial measures may include training, audits, further training, and even termination of contracts.

With regard to policies, it should be noted that relevant ANDRITZ companies publish statements regarding modern slavery and forced labor ("Modern Slavery Statements"). In the reporting years, such statements were issued for Canada, the United Kingdom, and Australia. These statements set out specifically identified human rights risks and the correlating measures that have been put in place to minimize the risks. This applies to each company's own business area as well as to the supply chain.

Policy Statement on ANDRITZ's Human Rights and Environmental Protection Strategy

In Q1 2024, ANDRITZ issued a policy statement regarding the implementation of the human rights and environmental strategy. The policy statement was issued to describe the holistic process of supply chain risk management and to present key measures and the purchasing strategy. Additionally, the policy statement is related to compliance with the requirements of the German Supply Chain Due Diligence Act. At a country level, ANDRITZ Deutschland Beteiligungs GmbH has issued a declaration on behalf of its operating subsidiaries. The due diligence obligations and measures to be taken as a result of the German Supply Chain Due Diligence Act have been implemented for the operating subsidiaries of ANDRITZ Deutschland Beteiligungs GmbH. Furthermore, Schuler Pressen GmbH has prepared and published an additional policy statement because this company exceeded the relevant number of employees at the beginning of 2024. These two country level policy statements and due diligence obligations arising from the Supply Chain Act cover both the company's own business area and the supply chain. Below we will present the Policy Statement on ANDRITZ's Human Rights and Environmental Protection Strategy, which includes the commitment to respecting human rights and the environment and describes the due diligence process for human rights and environmental protection, including the risk assessment, the results of the risk assessment, and the associated expectations. The Policy Statement complements the Supplier Code of Conduct and Ethics described above, laying out the company's strategy on human rights and environmental protection and focusing on specific risks in those areas. It also lays out ANDRITZ's due diligence process for human rights and environmental protection.

This policy statement relates to the following material IROs:

- **The positive impact** of fair working conditions in the value chain promoting prosperity, health, and safety and contributing positively to society.
- **The positive impact** of working conditions promoting equal opportunities and diversity in the value chain, including training and gender equality, contributing positively to society by fostering a culture of awareness of these topics.
- **The negative impact** of lacking fair working conditions to protect human rights. This has an adverse impact on the people working in these companies.
- **The risk** of non-compliance with the ANDRITZ Supplier Code of Conduct and Ethics in the value chain, which may have consequences for ANDRITZ's reputation that may lead to less business volume in its own operations. The risk of non-compliance is higher in regions with weak labor laws and/or insufficient implementation of international standards.

Monitoring process: The chief compliance officer is responsible for monitoring risk management. He is supported by the Human Resources representative in Germany. With regard to workers in the value chain, the Supply Chain Management department plays a key role in practical implementation of the preventive and remedial actions as part of the value chain due diligence. Other relevant departments, such as Health and Safety, Quality Management, and HR, report regularly and as required to the chief compliance officer based on audits carried out at production 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 chief compliance officer, mainly in reference to monitoring of the risk management activities.

Scope: The policy is valid for the ANDRITZ Group.

Accountability: The ANDRITZ Group CFO, the chief compliance officer and the Human Resources representative in Germany are accountable for the implementation of the policy.

Third-party standards or initiatives: The policy statement is aligned with the following internationally applicable standards:

- Universal Declaration of Human Rights
- Principles of the UN Global Compact
- International Labour 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)

Stakeholder involvement: The policy statement was developed by the Compliance department together with the respective subject-matter experts, including in supply chain management.

Availability: The policy is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website.

In 2024, ANDRITZ initiated a **Group Human Rights Policy** development process to disclose ANDRITZ's general approach to respecting the human rights of individuals in the ANDRITZ value chain and the affected communities, including the engagement and measures to provide and/or enable remedies for human rights impacts. Earlier, a separate policy had not been a priority to ANDRITZ as it was believed that the topic was covered by other policies, such as the ones presented above. During the reporting year, we decided to strengthen our social sustainability approach by developing a dedicated new policy. The general approach in the drafted policy includes alignment with international human rights standards and adherence to national laws for collective and individual rights, community engagement, and education. At the end of the reporting period (December 31, 2024), the policy is in a draft status, and it will be finalized and adopted during 2025.

Further disclosures as requested by the standard ESRS S2

At ANDRITZ, we are committed to upholding and respecting the fundamental human rights of all individuals involved in our value chain. We recognize that human rights are essential to the ethical and sustainable operation of our business, and we are dedicated to promoting fair treatment, safe working conditions, and respect for the dignity of workers at every step of our value chain. We adhere to internationally recognized human rights standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the International Labour Organization (ILO) Core Conventions. As described above, our policies and practices include:

- **Fair labor practices:** We ensure that all workers in our supply chain receive fair wages, are not subject to discrimination, and work in a safe, healthy environment free of forced or child labor.
- **Worker safety and well-being:** We place a high value on the health, safety, and well-being of all employees, contractors, and suppliers. Our workplaces are designed to meet strict safety standards, and we regularly review working conditions.
- **Supplier engagement:** We work closely with our suppliers and partners, ensuring that they adhere to the same high standards of human rights and labor practices. This includes conducting regular audits and adhering to our Supplier Code of Conduct.
- **Grievance mechanisms:** We provide accessible grievance mechanisms for workers and stakeholders to report concerns about human rights violations in our value chain without fear of retaliation.
- **Continuous Improvement:** We are committed to continuously reviewing and improving our human rights practices and ensuring that our business operations and supplier relationships meet global human rights standards.

We also recognize the critical importance of working with workers throughout our value chain to foster mutual respect, transparency, and continuous improvement. We believe that active engagement with workers in the value chain is essential to creating a fair, inclusive, and sustainable business environment. Protecting human rights is integral to the long-term success of our business and essential to the dignity and respect of every worker in our value chain. During the reporting period, there were no relevant cases of violations of the principles of the UN Guiding Principles on Business and Human Rights, the ILO guidelines, the OECD Guidelines for Multinational Enterprises, or the relevant supply chain laws. At ANDRITZ, we take violations of the UN Guiding Principles, the ILO Declaration, and the OECD Guidelines very seriously. In recent years, we have not identified any material instances of non-compliance with these standards in our value chain. However, should such an instance arise, we will take immediate action to remediate the situation and ensure that all affected workers are properly supported and compensated.

Disclosure of general approach in relation to engagement with value chain workers

- We recognize the critical importance of working with workers throughout our value chain to foster mutual respect, transparency, and continuous improvement. We believe that active engagement with workers in the value chain is essential to creating a fair, inclusive, and sustainable business environment.

Disclosure of general approach in relation to measures to provide and/or enable remedy for human rights impacts

- We are committed to addressing any human rights impacts that may arise in our operations or supply chain. We have established clear grievance mechanisms that are accessible to all stakeholders and ensure that any concerns or violations are promptly reported and investigated. When human rights impacts are identified, we take immediate corrective action and work with those affected to provide remedy, including compensation, rehabilitation, and guarantees of non-repetition. Our approach is based on transparency, accountability, and a commitment to continuous improvement.

Disclosure of explanations of significant changes to policies adopted during reporting year

- The last update was made in response to the entry into force of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LKSG). The revised Supplier Code of Conduct covers, in particular, the requirements arising from the German Supply Chain Act and other applicable supply chain laws.

S2-2 Processes for engaging with value chain workers about impacts

Engagement with the value chain workers to incorporate their perspectives into ANDRITZ's processes enables us to generate positive impacts and mitigate any potential negative impacts. We acknowledge the importance of including these perspectives in decision-making. The company supports the formation of worker committees and unions to ensure their voices are heard in decision-making processes. Our aim is to ensure that the value chain worker perspectives help us to identify and address actual and potential impacts related to human rights, labor practices, and working conditions. Engagement processes include but are not limited to supplier meetings, social supplier audits, and a whistleblower channel. If necessary, action plans for corrective measures are drawn up and implemented. Our approach to engagement is guided by the following principles:

- **Open and transparent communication:** We ensure that communication channels are open at all levels of our value chain. This includes regular, two-way communication between management, employees, and suppliers to ensure that concerns, feedback, and suggestions are heard and addressed in a timely manner.
- **Collaborative decision-making:** We involve workers in important decisions that affect their work environment and conditions. This includes seeking their input on safety measures, working hours, and general workplace policies.
- **Grievance mechanisms and feedback systems:** We provide accessible and confidential grievance mechanisms for employees to report any issues or concerns they may have. This ensures that their voices are heard and acted upon without fear of retaliation. Feedback loops are established to monitor and respond to concerns, ensuring that employees feel supported and valued.
- **Working together with the suppliers:** We maintain an ongoing relationship with our suppliers to ensure alignment with values and goals. This includes regular reviews and audits to assess their practices and ensure that all workers in our supply chain are treated fairly and equally.

Through these measures, we seek to foster a culture of respect and cooperation with all employees in the value chain, creating an environment in which all people are treated with dignity, their voices are heard, and they have the opportunity to contribute to the success of our business.

Engagement mechanisms for capturing perspectives include, for example, analyzing employee feedback from both our own operations and the value chain to integrate the perspectives into sustainability strategies, supplier contracts, and policy revisions, including health and safety protocols. Possible actions can also include adjusting procurement practices to ensure fair payment terms for suppliers, which translates into better wages for workers. The option of introducing flexible working hours or additional support for vulnerable worker populations based on engagement findings also is considered.

Further disclosures as requested by the standard ESRS S2

Disclosure of stage at which engagement occurs, type of engagement, and frequency of engagement

- An important part of supplier management at ANDRITZ is that the responsible purchasers regularly exchange information with their suppliers and that an evaluation process takes place once a year, in which the previous cooperation is discussed and possible corrective measures for future cooperation are agreed. The key accounts at the suppliers are defined as contact persons who are responsible for the entire value chain at the supplier. This inclusion process takes place in the form of a personal meeting and is conducted regularly (at least once a year) and, if necessary, during the year.
- A dialog with the suppliers also takes place in the course of the supplier social audits. These supplier social audits are conducted regularly in accordance with the audit plan. The findings from these audits are incorporated into the supplier evaluation and purchasing strategy.

Disclosure of function and most senior role within undertaking that has operational responsibility for ensuring that engagement happens and that results inform the undertaking's approach

- The head of Supply Chain Management is responsible for ensuring compliance with this process.

Disclosure of global framework agreement or other agreements related to respecting the human rights of workers

- Cross-industry collective agreements apply not only to ANDRITZ itself but also to supplier companies. Andritz enables and is part of trade unions, which are organized in industrial associations at European and international level in 151 countries, to ensure compliance with workers' human rights in accordance with internationally recognized standards. The agreement contains key commitments such as the prohibition of forced and child labor, the promotion of fair working conditions and respect for freedom of association. Implementation is monitored through regular audits, training and ongoing dialogue with employee representatives. For example, the ITUC - International Trade Union Confederation. The International Trade Union Confederation is the largest international association of trade unions based in Brussels. The ITUC has 301 member organizations in 151 countries and territories and represents a total of 176 million workers.

Disclosure of how the effectiveness of engagement with value chain workers is assessed

- The review of the effectiveness of the assessment process is an essential component and is to be carried out by the responsible purchaser.
- The supplier social audits are set up in such a way that regular exchanges and on-site visits with suppliers take place. Agreed corrective measures are continuously reviewed and re-evaluated. Minimum social standards are also checked as part of the supplier social audits. In addition, information received from suppliers via the whistleblowing tool is taken into account in the evaluation process. The responsible purchasers also check their suppliers, including by visiting the suppliers' premises. Further insights are gained from the quality audit.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

As part of the ANDRITZ supplier management system, we continuously identify and assess potential and actual adverse human rights impacts related to workers in the value chain and define preventive and mitigating actions accordingly. Suppliers are obliged to report any violations or suspected violations of the Supplier Code of Conduct. Corrective action will be taken as described in the ANDRITZ Code of Conduct and Ethics, depending on the severity of the violation.

The ANDRITZ whistleblower channel Speak Up! is an internet-based whistleblower system operated in a high-security data center that ensures communication in accordance with the latest security standards. Reports can also be submitted anonymously or by third parties if required. On construction sites, direct contact is also possible. The whistleblower channel is available worldwide through various media and publications, including the ANDRITZ website. All reports submitted through the channel are followed up on by the Corporate Compliance team. The process for handling the received reports is set out in the internal Investigations Guideline, which, among other things, defines how investigations are to be conducted and which principles the persons dealing with the report must observe. One of the most important principles is that reports and complaints are treated confidentially and with due regard for the right to privacy and data protection of the persons using the channel.

In addition, all cases are tracked and regularly reported to senior management, including in the Compliance Committee, which meets quarterly and is made up of the CFO, the group compliance officer, the head of Group Internal Audit, the Group legal counsel, the head of Accounting and Reporting and the Group sustainability director. The number and maturity of the reports serve as a basis for evaluating the effectiveness of the compliance management system.

To ensure that value chain workers are aware of and trust the processes, the existence of the Speak Up! tool is regularly communicated, such as via the website and the company newspaper. The whistleblower channel is explicitly mentioned in the ANDRITZ Code of Conduct and in the Code of Conduct for Suppliers, and the details of the channel are clearly highlighted. Speak Up! is also accessible via a QR code using smartphones and tablets. Speak Up! enables communication with the whistleblower using an individual code that allows the reporting person to access their report and contact the compliance team.

ANDRITZ has a zero-tolerance policy for retaliation, ensuring that no retaliation will be taken against anyone who reports misconduct. This is clearly communicated and set out in the Code of Conduct and Ethics and the Whistleblowing Policy. Anonymous reporting channels are available to protect the identity of the reporter. Reports received will be treated confidentially and in accordance with data protection principles. Suppliers are obliged to pass on this reporting channel to their employees in accordance with the Supplier Code. The effectiveness of the whistleblower channel is evaluated as part of the general effectiveness reviews. In addition to the whistleblowing tool, publicly available third-party reporting systems are explicitly referred to in the whistleblowing guidelines and in the whistleblowing tool.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Action plans and resources to manage the company's material impacts, risks, and opportunities related to value chain workers

ANDRITZ is committed to the highest standards of ethical behavior and respectful interaction with each other. This is set out in the ANDRITZ Code of Conduct and Ethics. ANDRITZ expects the same of its suppliers and is committed to working only with suppliers who are committed to upholding these standards.

ANDRITZ requires its suppliers to commit to the principles set out in the ANDRITZ Supplier Code of Conduct in their operational activities and in their dealings with their employees and subcontractors. Adherence to these standards is checked by means of random supplier audits and, if necessary, the implementation of corrective measures is monitored. Furthermore, measures are taken as and when required if relevant circumstances become known.

Description of action planned or underway to prevent, mitigate, or remediate material negative impacts on value chain workers

One important measure is the supplier's obligation to comply with the Supplier Code. This obligation is made by the supplier's declaration of acceptance of the Supplier Code. Inclusion is established by the supplier's confirmation when the order is placed. This code is a mandatory part of every order. Alternatively, the Supplier Codes are checked by the business partners and become part of the contract for the supplier relationship.

The Supplier Code of Conduct applies to all suppliers, and all suppliers reflect our value chain.

Our organization strives to prevent, mitigate, and remediate significant negative impacts on workers in the value chain. Our preventive measures include enforcing our Supplier Code of Conduct and conducting regular risk assessments. In the event of persistent problems, we mitigate the impact through grievance mechanisms, monitoring, and engagement with stakeholders. In cases where vulnerabilities have been identified, we establish corrective action plans for suppliers. In the future, we want to increase transparency and expand the scope of our audits to ensure the highest labor standards throughout our value chain.

In addition, supplier audits are an essential part of the ANDRITZ purchasing strategy and play an important role in the corporate strategy. Furthermore, stakeholder surveys are conducted regularly, which of course also include suppliers.

Quantitative Progress: In our 2024 action plan, we set a goal to have as a minimum 80 social audit. We received to audit 89 suppliers. Similar target and numbers should be achieved in the next years with the same numbers of auditors we have.

Qualitative Progress: In 2025 we will implement a supporting software solution to reduce documentation work and make results and numbers faster available. As well there will be more options to interact with suppliers and have quicker actions in given mutual target achievement.

Challenges and Learnings: One challenge we faced was the delayed delivery of information requested from the supplier's side and sometimes the lack of response. As a result, some actions related to social audit were slower to implement than anticipated. We have learned from this and are now working to shape our communication with internal support to minimize risk.

ANDRITZ has reserved 1.5 headcounts for social audit actions. No other specific resourcing such as CapEx or OpEx are allocated for the social auditing actions, and currently there are no plans to extend these actions.

Our audit plan determines the annual audit priorities based on a risk assessment. Through the supplier audits, ANDRITZ provides on-site expertise with the aim of mitigating the potential negative events identified at the suppliers.

In addition to the measures listed above, the ANDRITZ whistleblower system is open to everyone. This naturally also includes suppliers.

Description of whether and how action is taken to provide or enable remedy in relation to an actual material impact

If any behavior on the part of suppliers is identified that is not in line with ANDRITZ's principles, various corrective measures are provided, ranging from retraining to termination of contracts. Going through the onboarding process is also a corrective measure for those suppliers who have not yet completed it. The corrective measures are determined on a case-by-case basis, taking into account all relevant circumstances at the suppliers, in particular the purchasing volume, the possibility of ANDRITZ exerting influence, the geopolitical situation, and the industrial sector.

Description of additional initiatives or processes with the primary purpose of delivering positive impacts for value chain workers; description of how the effectiveness of actions or initiatives in delivering outcomes for value chain workers is tracked and assessed

The supplier social audits focus on the positive development of the audited supplier. This is done, among other things, by providing support directly to the supplier, such as improving on-site health and safety measures. Action plans are set up and tracked accordingly. This includes further visits, discussions with suppliers, and deadlines for actions.

Description of processes to identify what action is needed and appropriate in response to particular actual or potential material negative impacts on value chain workers

As a result of the findings in the course of the supplier social audits and the reports received through the whistleblower channel, appropriate processes are defined to respond to any negative impacts. Dedicated functions for these measures have been set up, and the effectiveness of these processes is regularly reviewed.

Description of the approach for ensuring that processes to provide or enable remedy in event of material negative impacts on value chain workers are available and effective in their implementation and outcomes

At ANDRITZ, we ensure that remediation processes are clearly defined, accessible, and effective. We regularly monitor the implementation of these processes and evaluate the results to ensure that the measures are effective for affected workers. This includes working closely with affected parties and continuously improving our procedures.

Description of what action is planned or underway to mitigate material risks arising from impacts and dependencies on value chain workers and how effectiveness is tracked

Suppliers are required to report any violation of the Supplier Code of Conduct or any knowledge of such a violation. As stated in the Supplier Code of Conduct, ANDRITZ may, depending on the severity of the violation, impose appropriate corrective action on the supplier (such as dismissal of an employee or termination of the supplier's subcontractor). Until the required corrective action has been implemented, ANDRITZ is entitled to withhold payments that would otherwise be due to the supplier. If the requested corrective action cannot prevent or remedy any damage, or if the violation of the Supplier Code of Conduct is considered a gross violation, ANDRITZ is entitled to terminate the contract with the supplier with immediate effect. This termination of the contract does not release the supplier from its obligation to remedy any damage/loss that may have occurred for ANDRITZ.

Disclosure of whether and how it is ensured that own practices do not cause or contribute to material negative impacts on value chain workers

ANDRITZ ensures that ethical principles are observed as early as possible the selection process, prevention any mutual dependencies in business relationships. This aspect is given special consideration when drafting supplier contracts.

Procurement practices prioritize suppliers that comply with labor standards such as fair wages, safe working conditions, and freedom of association.

Long-term supplier relationships are maintained to avoid precarious working conditions.

Contracts explicitly prohibit practices such as forced overtime or child labor.

The company regularly conducts human rights impact assessments of its procurement processes to identify and address potential risks to employees in the value chain.

Supplier onboarding includes a thorough due diligence review to ensure compliance with ethical labor practices. Non-compliant suppliers are excluded from the supply chain unless corrective actions are taken.

Cross-departmental collaboration ensures that decisions regarding procurement, sales, or operations consider the potential impact on workers in the value chain. For example, procurement teams work with sustainability teams to balance cost efficiency with ethical labor standards.

When conflicts arise between business objectives and worker well-being, the company prioritizes human rights. For example, it may accept higher production costs or delayed schedules to ensure that workers' rights are respected.

Disclosure of severe human rights issues and incidents connected to the upstream and downstream value chain

During the reporting period, there were no relevant cases of violation of the principles of the UN Guiding Principles on Business and Human Rights, the ILO guidelines, the OECD Guidelines for Multinational Enterprises, or the relevant supply chain laws.

Disclosure of how participation in industry or multi-stakeholder initiatives and the undertaking's own involvement aim to address material impacts

ANDRITZ is also involved in multi-stakeholder initiatives for this purpose. In particular, ANDRITZ Hydropower, as a member of the International Hydropower Association, has committed itself to the San José Declaration on Sustainable Hydropower, which includes a stop for new hydropower projects in UNESCO World Heritage Sites, and also supports the worldwide establishment of the Hydropower Sustainability Standards. ANDRITZ actively participates in OECD multi-stakeholder events.

Metrics and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets set to manage material impacts, risks, and opportunities related to value chain workers

At ANDRITZ, we actively involve value chain workers and their legitimate representatives in the goal definition process. This is done through regular consultation and feedback rounds to ensure that their perspectives and needs are taken into account when setting goals.

ANDRITZ has set itself the goal of only working with suppliers that meet the requirements set by ANDRITZ. In addition to external ESG ratings, which are obtained using a database, suppliers must answer specific questions on environmental, social, and governance issues. These questionnaires are then evaluated and scored. Critical cases are reviewed by the supply chain compliance officer and followed up on by the local purchasing organization. As

part of the ANDRITZ sustainability strategy, a target was set in 2021 that 85% of the delivery volume (cumulative external purchasing volume from suppliers with an average annual purchasing volume of more than 250,000 EUR in one of the last two consecutive years) should be covered by suppliers evaluated in the SRM tool by the end of 2025. By the end of 2024, 90% had already been covered, and thus the target had already been achieved. A re-evaluation of the evaluation process and the target is planned for 2025

Supplier assessments are a key element of the ANDRITZ purchasing strategy and play an important role in the corporate strategy. Furthermore, stakeholder surveys are carried out regularly, which of course include suppliers.

Supplier employees are subject to the same health and safety standards as ANDRITZ employees. Wherever ANDRITZ is represented at construction sites, supplier employees are included in the safety measures taken.

ESRS S3 Affected communities

Strategy

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

All affected communities that could be materially impacted by ANDRITZ are included in the scope of disclosure under ESRS 2. The focus was on affected communities, including indigenous peoples, impacted by large-scale projects, in other words on the downstream value chain. These include, for example, people that must be relocated, people that live near the plant or rural and farming communities. Communities living around ANDRITZ's operating sites, communities in the upstream value chain as well as communities at the endpoints of the value chain were also evaluated but not considered as materially impacted.

ANDRITZ identified insufficient management which could lead to negative effects for local communities and indigenous people as a material negative impact. For example, unequal benefit sharing, lack of dialog, resettlement, or improper compensation could lead to negative effects. This negative impact can be categorized as systemic as this could happen in ANDRITZ's downstream value chain in the course of large-scale projects. As this mainly concerns hydropower projects and pulp and paper projects, this negative impact on affected communities is one of those that may arise from the green transition.

Economic growth, employment opportunities, and infrastructure development due to large-scale hydropower and pulp and paper projects were identified as positive impacts for affected communities including indigenous peoples along the downstream value chain. Pulp mills are nowadays usually located in remote areas where wood resources are close to the mill site. The mills and powerplants usually bring increased wealth to the nearby community, thus positively affecting the living conditions of the local community. Both pulp mills and hydropower plants generate significant employment opportunities during construction, operation, and maintenance. This includes direct jobs in engineering and operating the mill. Indirect opportunities for local businesses and service providers include, for example, food service, maintenance, and cleaning services. The increased amount of employment positively affects the local economy as the direct and indirect employees use local services. Training programs for local workers during construction and operation phases enhance skill sets and prepare individuals for long-term employment opportunities. The establishment of pulp mills and hydropower plants often leads to improvements in infrastructure and access to electricity. The infrastructure-related improvements include, for example, roads, bridges, schools, and healthcare facilities.

No material risks or opportunities were identified as well as no dependencies on affected communities.

As an equipment supplier, ANDRITZ is not involved in conducting downstream value chain-related stakeholder engagement with the affected communities as this engagement is conducted by the project owner. Because of this, it is not possible to disclose how an understanding was obtained of how affected communities with particular characteristics, those living in particular contexts, or those undertaking particular activities may be at greater risk of harm. However, ANDRITZ promotes meaningful stakeholder engagement with affected communities throughout the project lifecycle and encourages project owners to follow the recommendations outlined in established standards such as the Hydropower Sustainability Standard (HSS) and its guidelines.

Impact, risk and opportunity management

S3-1 Policies related to affected communities

The policies ANDRITZ has adopted to manage its material IROs related to affected communities are as follows.

Code of Conduct and Ethics

Key contents: In ANDRITZ's Code of Conduct, the company takes responsibility for managing, measuring, and minimizing the environmental and social impact of its facilities, products, and projects. Specific focus areas include the assessment of the environmental and social impact of ANDRITZ's products and projects in cases defined as critical or as required by law.

General objectives: The Code of Conduct is intended to serve as a guideline and decision-making aid to help employees act appropriately.

This policy relates to the following material IROs:

- The negative impact of large-scale projects on indigenous people.

Monitoring process: The Group-wide compliance management system (CMS), which is certified according to ISO 37301, is used for monitoring. Furthermore, compliance performance indicators (CPIs) for the various compliance fields support the monitoring process. These are presented to the compliance directors within a compliance cockpit on a quarterly basis.

Scope: The Code of Conduct covers all management levels, employees, and other stakeholders acting on behalf of ANDRITZ, ensuring they share the same values and principles. Special topics (e.g., corruption and bribery) are subject to further policies.

Accountability: The ANDRITZ Group Executive Board is the most senior level in the organization that is accountable for the implementation of the policy.

Third-party standards or initiatives: Through the implementation of this policy, ANDRITZ endeavors to comply with internationally recognized best practices including those set forth by the ILO, modern slavery laws, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact Initiative.

Stakeholder involvement: The Code of Conduct was developed by the Compliance department together with the respective subject-matter experts.

Availability: The policy is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website. Furthermore, the Code of Conduct is provided to all employees during the onboarding process.

Policy Statement on ANDRITZ's Human Rights and Environmental Protection Strategy

Key contents: The Policy Statement on ANDRITZ's Human Rights and Environmental Protection Strategy includes the commitment to respecting human rights and the environment and describes the due diligence process for human rights and environmental protection, including the risk assessment, the results of the risk assessment, and associated expectations.

General objectives: The Policy Statement on ANDRITZ's Human Rights and Environmental Protection Strategy complements the Code of Conduct and Ethics, laying down the company's strategy on human rights and environmental protection and focusing on specific risks in those areas. It also lays down ANDRITZ's due diligence process for human rights and environmental protection.

This policy relates to the following material IROs:

- The negative impact of large-scale projects on indigenous people.

Monitoring process: The chief compliance officer is responsible for monitoring risk management and is supported by the Human Resources representative in Germany. The Supply Chain Management department also plays a key role with regard to practical implementation of the preventive and remedial actions as part of the supply chain due diligence. Other relevant departments, such as Health and Safety, Quality Management, and HR, report regularly and as required to the chief compliance officer based on audits carried out at production 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 chief compliance officer, mainly in reference to monitoring of the risk management activities.

Scope: The policy is valid for the ANDRITZ Group.

Accountability: The ANDRITZ Group CFO, the chief compliance officer and the Human Resources representative in Germany are accountable for the implementation of the policy.

Third-party standards or initiatives: The policy statement is aligned with the following internationally applicable standards:

- Universal Declaration of Human Rights
- Principles of the UN Global Compact
- International Labour 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)

Stakeholder involvement: The policy statement was developed by the Compliance department together with the respective subject-matter experts.

Availability: The policy is made available to all employees via the intranet and to all other stakeholders via the ANDRITZ website.

In 2024, ANDRITZ initiated a **Group Human Rights Policy** development process to disclose ANDRITZ's general approach to respecting the human rights of communities, and indigenous peoples specifically, its engagement with affected communities, and measures to provide and/or enable remedy for human rights impacts. Earlier, a separate policy had not been a priority to ANDRITZ as it was believed that the topic was covered by other policies. During the reporting year, we decided to strengthen our social sustainability approach by developing a dedicated new policy. The general approach in the drafted policy includes alignment with international human rights standards and adherence to national laws for collective and individual rights, community engagement, and education. At the end of the reporting period (December 31, 2024), the policy is in a draft status, and it will be finalized and adopted during 2025.

During 2024, no disrespectful actions involving affected communities in ANDRITZ's own operations or value chain were reported to the ANDRITZ Group in relation to the following principles, declarations, and guidelines:

- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises

S3-2 Processes for engaging with affected communities about impacts

ANDRITZ manufacturing locations are typically mechanical engineering workshops designing and manufacturing components, equipment, and machinery, including assembly work. The overall impact assessment of the manufacturing locations is performed guided by the national requirements, both legal and industry best practices. Environmental and social aspects are considered, including the engagement with affected communities. ANDRITZ concludes that the affected communities are mostly related to ANDRITZ's downstream value chain involvement in large industrial construction projects, either greenfield or enlargement of existing customer sites. Because of this, our reporting focuses on affected community engagement in large projects. The principles and processes of the affected stakeholder engagement apply across the ANDRITZ Group.

ANDRITZ Hydropower manufactures electromechanical equipment for hydropower stations. In the downstream value chain of a hydropower station project, consultation and engagement with affected communities are often conducted by the project owners, who are the end customers of ANDRITZ, or project developers, who develop the projects to be run operationally by another stakeholder. Large projects in the Pulp & Paper business area may also include downstream value chain-related consultation and engagement with the affected communities. Through these engagements, the perspectives of affected communities inform the decisions and/or activities performed by the project owner or project developer with the aim of managing actual and potential impacts on communities. Project owners or developers are responsible for leading the engagement with affected communities and, for example, conducting social impact assessments related to the project. The role of the supplier is to adhere to the sustainability standards and frameworks set by the project owner or developer and align the supplier operations with the sustainability criteria of the project, including the social criteria. As a supplier, ANDRITZ aims to achieve and maintain open communication with the project owner or developer to stay informed about the sustainability-related stakeholder engagement of the project, including the engagement with the affected communities. Affected community engagement is at the discretion of the project owner or developer. ANDRITZ is not included in this engagement and, therefore, does not have access to the perspectives of affected communities.

ANDRITZ acknowledges that the stakeholder engagement process should be started as early as possible, and the process should continue throughout the project lifecycle. As mentioned, project owners or developers do not involve mechanical industry suppliers such as ANDRITZ directly in conducting the upstream value chain-related stakeholder engagement with the affected communities.

Most of our hydropower projects require financing on an international basis. Financial institutes therefore require detailed environment and social impact assessments (ESIA) based on recognized international standards. These institutes increasingly make reference to the Hydropower Sustainability Standard (HSS) or have already adopted it as a requirement. As an equipment supplier, ANDRITZ is not in a position to specifically require our customers to certify projects under the HSS. However, ANDRITZ promotes the HSS wherever possible and encourages project owners and developers to at least follow the recommendations outlined in the standard and its guidelines. This includes conducting consultations and other engagement to involve various stakeholder categories, including project-affected communities, indigenous peoples, and vulnerable groups. ANDRITZ acknowledges that affected stakeholder engagement respecting indigenous peoples, minorities, and other vulnerable groups in line with international law and standards as described in the UN Declaration on the Rights of Indigenous Peoples, including the principles of free, prior, and informed consent, is required for certain large projects where ANDRITZ participates as a supplier.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

As presented in section S3-2 Processes for engaging with affected communities about impacts, ANDRITZ is not directly involved in conducting the upstream value chain-related stakeholder engagement with the affected communities. However, it is possible for affected stakeholders to identify ANDRITZ as an equipment supplier for the project owner. ANDRITZ's "Speak UP!" whistleblowing service is also available for external parties such as affected communities to report potential human rights and environmental violations anonymously. Moreover, the remediation processes of the project owner are available for the affected communities. More information on ANDRITZ's whistleblowing service, including policies regarding protection against retaliation for individuals that use channels to raise concerns or needs, is presented in the ESRS G1 section on business conduct. It should be noted that ANDRITZ does not specifically assess if affected communities in the area of projects where ANDRITZ is involved as a supplier are aware of and trust the structures or processes established by the project owner or developer as a way to raise their concerns or needs and have them addressed.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

As ESRS S3 reporting states that an action cannot be mentioned in the reporting without providing detailed information on, for example, the scope, time horizon, remedy of potentially harmed individuals, progress, and type of financial resources, including the amount of financial resources currently and in the future, it is not possible for ANDRITZ as a machinery supplier in the value chain of a project owner or a developer executing the project to include this information. Therefore, ANDRITZ needs to conclude that there are no company-specific actions in regard to affected communities.

Metrics and targets

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

For the reasons presented in S3-4, ANDRITZ concludes that there are no company-specific actions in regard to affected communities. ANDRITZ has not set company-specific targets related to affected communities.

4. Governance information

ESRS G1 Business conduct

Impact, risk and opportunity management

ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The general procedure for identifying and assessing the material IROs is described in the section on ESRS 2 IRO-1. Workshops were held with compliance experts to identify material IROs on the topic of responsible corporate governance. Existing documents such as the Code of Conduct, the Anti-corruption and Bribery Policy, or Compliance Management were consulted. It was also assumed that, as a listed company, there are particularly high requirements for compliance management within the company and in the upstream and downstream supply chain.

G1-1 Business conduct policies and corporate culture

Compliance and ethically correct behavior form the basis of all ANDRITZ business activities. The corresponding values and principles are set out in the company's Code of Conduct and Ethics. The basic document is available in 14 languages and also as a booklet, which is given to new employees at the start of their employment. In addition, a training video summarizes the contents of the Code of Conduct in an easily understandable way for all employees of the company. The ANDRITZ Code of Conduct and Ethics was first published in 2010 and was last revised and updated in 2024. The new edition of the Code (version 4) incorporates in particular adaptations resulting from the relevant supply chain laws.

Key processes ensuring that applicable laws, internal regulations, and rules of conduct on insider trading, competition law, anti-corruption, data protection, export control, equal treatment/non-discrimination, and supplier compliance are complied with are brought together in the Group-wide ANDRITZ compliance management system (CMS).

ANDRITZ undergoes regular certifications in order to review and further improve the effectiveness of the compliance management system. The ISO 37301 certification for the ANDRITZ compliance management system and the ISO 37001 certification for the anti-corruption management system were carried out for the first time in 2018. Re-certification audits were carried out in 2024, covering the operating sites of ANDRITZ AG and the Austrian ANDRITZ Hydro GmbH as well as the operating sites of the US companies. For 2025, the ISO certification audits will be carried out globally for all operating companies.

ANDRITZ ensures that policies are made available to potentially affected stakeholders and those who need to assist in their implementation. Important policies, such as the Code of Conduct, are publicly available on the ANDRITZ website as well as on the intranet so that all stakeholders can easily find and view them. In addition, ANDRITZ uses various reporting channels, including the "Speak UP!" whistleblowing system, to facilitate the reporting of compliance violations and to ensure that stakeholders are aware of the mechanisms in place.

The ANDRITZ Code of Conduct and Ethics serves as a key document in this regard, anchoring the relevant principles in the company and bringing them to the attention of all employees.

The ANDRITZ Code of Conduct and Ethics emphasizes compliance with laws, regulations, and business ethics as the foundation of the company. It commits all employees and business partners to respecting human rights, promoting diversity and fair working conditions, and avoiding discrimination. ANDRITZ attaches great importance to environmental and social responsibility by implementing sustainable practices and working to minimize environmental impact. Integrity in business is a central concern, and corruption, bribery, and unfair competition are avoided. The protection of intellectual property and trade secrets is emphasized, as is the protection of company assets against loss and misuse. The ANDRITZ Code of Conduct and Ethics aims to ensure that personal data is protected in accordance with data protection laws. ANDRITZ expects its suppliers to comply with similar standards and encourages reporting of violations through the “Speak UP!” whistleblowing system. The Group Corporate Compliance department is responsible for the content design, further development, adaptation, and revision of policies in compliance-relevant areas of activity. The involvement of key stakeholders throughout the Group policy development process is crucial to gain their acceptance and ensure that Group policies are in line with ANDRITZ’s goals and values. In practice, this means that employees across departments (depending on the topic of the Group policies), the management and the Executive Board, external legal advisors where appropriate, and relevant publicly available guidelines and recommendations from regulators are actively involved in the process to further develop Group policies. Open communication within the departments, but also across departments, promotes consideration of the various needs and interests of all stakeholder groups in the development process for Group policies. For example, the diverse composition of the Compliance Committee means that a number of departments are involved in meetings to gather feedback and ensure that all perspectives are taken into account.

As soon as a draft of the policy is available, it is forwarded to the Group compliance officer for approval. Final approval is given by the Executive Board. After approval by all members of the Executive Board, the policy is published by Group Quality Management via Connect News on the intranet, the “Corporate Manual,” where all Group policies can be viewed by all ANDRITZ employees. Group functions such as Group Corporate Compliance must review Group policies at least every three years and update them if necessary. A new version must also be approved by the Executive Board.

The Executive Board of ANDRITZ AG bears ultimate responsibility for the implementation of the policies. This responsibility includes ensuring that all relevant measures and procedures are properly implemented and monitored to ensure compliance with the defined guidelines. In addition, the Executive Board is responsible for ensuring that all employees are informed about the policy and trained accordingly in order to support its successful implementation.

All ANDRITZ directors, managers, employees and other stakeholders acting on behalf of ANDRITZ must commit to the values and principles set out in this Code of Business Conduct and Ethics. Certain topics addressed in the Code of Conduct and Ethics are described in more detail in separate policies, guidelines, and related business processes.

ANDRITZ follows several external standards and initiatives as part of the implementation of its corporate policy. These include internationally recognized standards and guidelines such as ISO 14001 for environmental management, the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO conventions on the protection of workers’ rights. Within ANDRITZ, these standards and initiatives aim to ensure high ethical and sustainable practices in all business areas.

Training is also offered, both electronically (e-learning) and in person, which effectively communicates compliance to employees and makes it easier for them to understand using practical examples. Furthermore, various compliance communication measures are implemented, including the compliance communication campaign “Sophia says,” in which a mascot explains basic compliance principles and illustrates them for employees. In particular, these measures are intended to ensure that compliance becomes daily practice.

The structure of the compliance organization described below ensures that compliance is implemented in the company-wide business processes and corporate culture and is exemplified there by designated representatives (e.g., the compliance directors).

The Group compliance officer, corporate compliance manager, corporate compliance counsel, the Compliance Committee, the regional compliance officers and the compliance field experts form the Group Corporate Compliance Team. Their main function is the implementation of the Group Compliance Management System (CMS), including the establishment of a compliance culture.

The Compliance Group function has set up a Group Compliance Committee chaired by the Group compliance officer, which is responsible for developing and implementing the compliance program and reports directly to the Executive Board. Operationally, the Compliance department is divided into experts with specialist areas of expertise (insider trading, anti-corruption, anti-trust law, export control, human relations, data protection and suppliers) and compliance officers with regional responsibilities. In addition, compliance officers are appointed in the individual divisions for specific tasks in the area of anti-corruption.

In addition, compliance directors are appointed for companies with a turnover of at least 20 MEUR and more than 50 employees. These directors are generally based at the managing director level and use a compliance cockpit to monitor the key compliance performance indicators (CPI) of the individual companies on an ongoing basis. The regional compliance officers support them in an advisory capacity.

ANDRITZ has also established local data protection coordinators and local export control managers who provide support in day-to-day operational activities. The #1ANDRITZway initiative is a further development of the ONE ANDRITZ campaign for corporate culture, which has been running internally for several years. #1ANDRITZway defines four key behaviors that govern collaboration within the ANDRITZ GROUP: customer focus, a sense of responsibility, shared commitment, and openness. In 2024, the initiative was rolled out even more broadly in the ANDRITZ GROUP. The #1ANDRITZway survey shows that 69.5% of employees often or always apply the core behaviors in their work environment. ANDRITZ has set itself the goal of increasing this figure to over 70% by 2026.

The following section describes the mechanisms used by ANDRITZ to identify, report, and investigate concerns about unlawful behavior or behavior in contradiction to the Code of Conduct. As part of the compliance management system at ANDRITZ, employees are obliged to report any violations of the Code of Conduct and Ethics or suspected violations. Remedial and corrective measures are applied as described in the ANDRITZ Code of Conduct and Ethics, depending on the severity of the violation.

This whistleblowing process is described in detail under S2-3, but its main features are outlined again here: ANDRITZ's whistleblowing system "Speak Up!" has been in place for many years. This complies with the relevant legal principles, in particular the EU Whistleblowing Directive and the national implementation laws. This tool can be used by anyone and everyone. Complaints can of course also be submitted by other means (e.g., by email to the Compliance department).

The ANDRITZ whistleblower channel is an internet-based whistleblowing system and is operated in a high-security data center that ensures communication in accordance with the latest security standards. If required, reports can also be submitted anonymously or by third parties

All reports submitted via the channel are followed up on by the Group Corporate Compliance Team. The process for dealing with the received reports is set out in the Internal Investigations Guideline, which defines, among other things, how investigations are to be conducted and the principles to be observed by the persons involved in the report. One of the most important principles is that reports and complaints are treated confidentially and in compliance with the right to privacy and data protection of the people who use the channel.

In addition, all cases are tracked and regularly reported to the Executive Board, including in the Compliance Committee, which meets quarterly and is made up of the CFO, the Group compliance officer, the head of Group Internal Audit, the Group legal counsel, the head of Accounting and Reporting and the Group sustainability director. The number and maturity level of the reports serve as the basis for assessing the effectiveness of the compliance management system.

In addition, the internal audit team conducts audits in which compliance aspects are taken into account and checked as standard, such as the sales representative process. External audits are also carried out.

ANDRITZ follows several external standards and initiatives as part of the implementation of its corporate policy. In connection with the ANDRITZ Whistleblowing Policy, this includes the EU Whistleblowing Directive. The processing of personal data under the Whistleblowing Policy is carried out in accordance with the General Data Protection Regulation (GDPR) and other applicable data protection standards to ensure the protection of personal data. In addition, the Whistleblowing Policy also applies to suppliers covered by the German Supply Chain Act who implement a complaints mechanism.

The compliance management system is regularly audited according to the relevant ISO standards (ISO 37301 and ISO 37001 for anti-corruption management systems).

The ANDRITZ whistleblowing tool is provided by a specialized provider, and this system is operated in a high-security data center, which ensures communication in accordance with the currently valid technical and organizational security measures. The ANDRITZ whistleblowing tool complies with the requirements of the EU Whistleblowing Directive 2019/1937 and the national implementing laws.

Confidentiality and, if desired, anonymity are guaranteed as one of the key principles in the handling of whistleblowing cases. Furthermore, it is ensured that no retaliatory measures are taken against the whistleblower.

All reports submitted via the channel are followed up on by the Corporate Compliance team. The process for dealing with the received reports is set out in the Internal Investigations Guideline, which specifies, among other things, how investigations are to be conducted and the principles to be observed by the persons involved in the report.

One of the most important principles is that reports and complaints are treated confidentially and in compliance with the right to privacy and data protection of the persons using the channel. Furthermore, cases are handled promptly, independently, objectively, and in accordance with the principles of proper investigation.

The content of the Code of Conduct and Ethics is summarized in an easy-to-understand training video for all employees of the company. The corresponding "Compliance Basics" e-learning, which summarizes the basics of the Code of Conduct and Ethics, is mandatory for all employees. In addition to the training assigned at the beginning of the employment relationship, refresher training is rolled out on a regular basis (approximately every two years) to ensure that knowledge remains up to date. In 2024, the e-learning modules were given a new look and feel so that the courses can be rolled out even more specifically for the target group. To complete the training and receive a certificate, a final test is mandatory at the end of the training to check what has been learned. The test on the various modules covers several topics, giving employees feedback on whether they are right or wrong. The training can only be completed with a positive test.

In addition to the online training courses, training courses are held in the individual regions and locations, which take place either on site (classroom training) or via MS Teams. We are increasingly designing our own targeted training programs for people who are not connected to the ANDRITZ IT network and are not provided with information technology equipment, such as workers (“blue collars”). In addition, specific, tailor-made training programs are offered, which are assigned according to professional group, such as supply chain, antitrust law, fraud prevention.

Typically, those functions that are in contact with customers or other external business partners are more exposed to risk; these are typically Sales, Commercial Management and Supply Chain Management.

The principles and obligations set out in the Group Anti-Corruption and Anti-Bribery Policy apply to everyone within ANDRITZ: the Executive Board, directors, managers, and all employees and representatives of all ANDRITZ companies worldwide. They apply to all people of affiliated companies, subsidiaries, partnerships, joint ventures related to ANDRITZ, and all other business organizations that are either directly or indirectly controlled by ANDRITZ. They apply to contract workers, temporary workers, agency workers, and other company representatives, regardless of where ANDRITZ conducts its business. They also apply to all other persons working for or on behalf of ANDRITZ, such as sales representatives or management consultants as well as to our suppliers. This policy should be read in conjunction with other similar ANDRITZ compliance policies, which are available for all employees on the ANDRITZ intranet.

- Global Code of Conduct and Ethics (“Code”)
- Group Policy in Respect of Agency and Business Consulting Agreements (“Representation Policy”)
- Supplier Code of Business Conduct and Ethics (“Supplier Code”)
- ANDRITZ (USA) Inc. Government Business Compliance Policy (“Government Policy”)

As described in more detail in the Commercial Agency Policy and the Supplier Code, ANDRITZ only intends to work with third parties who agree to comply with ANDRITZ’s zero-tolerance policy on corruption and bribery and otherwise uphold the values set out in the Code.

This circumstance is taken into account insofar as these areas receive special training; specifically, they are assigned more and targeted compliance training. Furthermore, risk profiling as part of e-learning takes this into account; specifically, more modules are assigned to high-risk functions. In addition, face-to-face training courses are rolled out that target these individuals.

The ANDRITZ Group and those companies located in the EU are subject to the EU Whistleblower Directive and the national implementing legislation. This has been fully implemented throughout the company, including through the introduction of the Whistleblowing Policy. Furthermore, the ANDRITZ whistleblowing channel complies with this directive and other applicable whistleblower protection laws. In addition, basic principles regarding whistleblower protection, such as protection against retaliation, apply throughout the Group, regardless of where the whistleblower is based.

G1-2 Management of relationships with suppliers

Since 2015, there has been a supplier compliance and sustainability officer within the Group Supply Chain Management (GSC) Group function, who is also a supplier compliance field expert in the Compliance organization. This officer supports the local purchasing organizations with regard to supplier compliance and sustainability, monitors the compliance watch and blacklisting process, initiates training courses and coordinates the activities of the regional auditors in China and India. This role is also responsible for implementing the ANDRITZ Code of Conduct and Ethics for Suppliers.

With regard to the description of the guideline for avoiding late payment, particularly of SMEs, it is a general principle that ANDRITZ generally applies the same payment terms as those specified in customer contracts. In addition, ANDRITZ supports smaller suppliers with working capital, for example.

New suppliers must address the issue of compliance and sustainability already during the qualification process. Cooperation only takes place after written consent to the contents of the ANDRITZ Code of Conduct and Ethics for Suppliers, which was drawn up in 2015 on the basis of the general Code of Business Conduct and Ethics and is updated on an ongoing basis. The last update was made to fulfill the requirements of the German Supply Chain Act. The latest version of the Supplier Code (V.03) was rolled out in the first quarter of 2024. This new version has been communicated to the workforce within the organization, for example via the intranet page and other relevant internal communication channels. Furthermore, the new version of the Supplier Code of Conduct is available on the website and stored in the Supplier Management (SRM) tool. During the onboarding process, suppliers must also complete a mandatory questionnaire on compliance and sustainability. This was revised in the reporting year and adapted to the German Supply Chain Duty of Care Act, among other things. The ANDRITZ Supplier Relationship Management (SRM) tool is used for processing. This is used to check, approve/qualify, and document all suppliers.

As part of the ANDRITZ sustainability strategy, the target was formulated in 2021 that 85% of the delivery volume (cumulative external purchasing volume by suppliers with an average annual purchasing volume of more than 250,000 EUR in one of the last two consecutive years) should be covered by suppliers evaluated in the SRM tool by the end of 2025. By the end of 2024, 90% had already been covered, meaning that the target has already been achieved. A re-evaluation of the evaluation process and the target is planned for 2025.

In order to explain the contents of the Supplier Code of Conduct and the qualification process in the SRM system to suppliers, they and the employees of the ANDRITZ purchasing organization are offered training courses. Webinars and presentations on these topics have also been held regularly for several years. In addition, all information for suppliers can be found on the relevant ANDRITZ websites.

If a supplier is entered into the system, an invitation to pre-qualify is sent to the supplier by the responsible purchaser. The supplier must register accordingly and provide the required data, including answering the compliance questionnaire.

Once the supplier has filled in and answered all the questions, it transmits this information to us in the SRM. The responsible purchaser checks the answers and the completeness and correctness of the information received and can release the pre-qualification accordingly. Once the supplier profile has been released, the pre-qualification appears as green and released. This information is visible to all purchasers with access to the SRM and is an important part of the source selection documentation.

In 2017, ANDRITZ launched the Supplier Compliance and Sustainability Audit (SCSA) program (supplier social audits) in China and India, with a focus on conducting audits and deriving corrective measures for suppliers. Since the regional auditors began their work, 219 audits (including follow-ups) have been carried out in India with 154 suppliers, 41 of which were audited in 2024. 226 audits (including follow-ups) were carried out in China with 161 suppliers, 26 of which were audited in 2024.

As part of the onboarding process for suppliers, sustainability and environmental issues are covered in a mandatory questionnaire. Answering the questionnaire is a prerequisite for the start and continuation of the relationship with the supplier. The questionnaire was updated during the reporting period and now includes more detailed questions on human rights and environmental issues and all aspects arising from the German Supply Chain Duty of Care Act. Sustainability and social aspects are incorporated into the procurement strategy and taken into account accordingly.

G1-3 Prevention and detection of corruption and bribery

Intentional or negligent violations of laws, internal guidelines, or rules by employees or managers represent a potential risk for ANDRITZ. The consequences of compliance violations can include fines, loss of profits, loss of sales generated by improper means or dubious business partners, claims for damages from contractual partners or third parties, exclusion from public tenders, loss of image, reduced business opportunities, government sanctions, and jeopardizing of the company's assets. Employees may be subject to disciplinary measures up to and including dismissal and, under certain circumstances, criminal prosecution and claims for damages.

To counteract these risks, the individual departments monitor compliance with laws and internal guidelines. In addition, the Group-wide compliance management system (CMS), which was introduced by Group Corporate Compliance, focuses on measures in the areas of capital market law, competition law, anti-corruption, data protection, export control, human rights, equal treatment/non-discrimination, and supply chain compliance. To ensure the effectiveness of compliance measures and to continuously improve the CMS, it is certified in accordance with ISO 37301 and the anti-corruption management system in accordance with ISO 37001. The management systems are also subject to internal and external audits.

One important foundation of the CMS is the systematic identification of compliance risks. Compliance measures to minimize risks are implemented on this basis. For example, regular training courses are held on the basis of the Group-wide Code of Conduct and Ethics and other regulations. Depending on their area of responsibility, employees and managers receive tailored training. These are conducted both via online training programs and in person. Each region has a regional compliance officer who reports directly to the Group compliance officer. In addition, a compliance director has been appointed at the management level in all major companies, whose responsibilities include the implementation of compliance measures for the respective company.

In order to better monitor risks at the company level and facilitate easier analysis, compliance performance indicators (CPI) have been introduced for the various compliance fields, which are made available to the compliance directors in the compliance cockpit on a quarterly basis. In addition, general compliance tasks are assigned in the compliance cockpit and tasks specifically tailored to the individual companies are also recorded and monitored. The Executive Board and Supervisory Board regularly monitor the implementation of compliance measures and are informed by the Group compliance officer in this regard.

With an anonymous whistleblowing system, we encourage all our employees, business partners, and other stakeholders to contact us and report any concerns. ANDRITZ's system fully complies with the EU Whistleblowing Directive and the implementing laws of the EU member states.

The main measures and activities in the area of compliance can also be found in the consolidated corporate governance report on the ANDRITZ website [ANDRITZ.com/governance-en](https://www.andritz.com/governance-en).

Compliance and ethically correct behavior form the basis of all ANDRITZ business activities. The corresponding values and principles are set out in the company's Code of Conduct and Ethics. The basic work is available in 14 languages and also as a booklet, which is given to new employees at the start of their employment. In addition, a training video summarizes the contents of the Code of Conduct in an easily understandable way for all employees of the company.

Key processes ensuring that applicable laws, internal regulations, and rules of conduct on insider trading, competition law, anti-corruption, data protection, export control, equal treatment/non-discrimination, and supplier compliance are complied with are brought together in the Group-wide ANDRITZ compliance management system (CMS).

The Compliance Group function has set up a Group Compliance Committee chaired by the Group compliance officer, which is responsible for developing and implementing the compliance program and reports directly to the Executive Board. Operationally, the Compliance department is divided into experts with specialist areas of expertise (insider trading, anti-corruption, anti-trust law, export control, human relations, data protection, and suppliers) and compliance officers with regional responsibilities. In addition, compliance officers have been appointed in the individual divisions for specific tasks in the area of anti-corruption. Compliance directors are also appointed at companies with a turnover of at least 20 MEUR and more than 50 employees, who are generally based at managing director level and who use a compliance cockpit to monitor the key compliance performance indicators (CPI) of the individual companies on an ongoing basis. The regional compliance officers support them in an advisory capacity.

Within the compliance management system, there are various work processes across the Group that are supported by appropriate tools. These include the online-based whistleblowing system "Speak UP!," which employees and all other stakeholders can use to report compliance-relevant incidents anonymously.

In addition to the Code of Conduct and Ethics, ANDRITZ has further guidelines on insider trading, preventing and combating corruption, compliance with global antitrust and competition regulations, and export control.

As part of the Group-wide compliance management system (CMS), anti-corruption is organized as a separate compliance field at ANDRITZ, for which a dedicated compliance field expert has been appointed.

The company has had its own anti-corruption policy since 2007, which is regularly revised and updated. The anti-corruption guideline aims to prevent all forms of bribery and corruption within the company.

The most important points of the directive are:

- Prohibition of bribery: Any form of bribery, whether through money, gifts or other benefits, is strictly prohibited. This applies to both employees and business partners.
- Transparency and documentation: All business transactions must be transparent and properly documented to ensure that they comply with legal and internal regulations.
- Training and awareness: Employees are regularly trained and sensitized to ensure that they understand and comply with the anti-corruption guidelines.
- Reporting of violations: There are clear procedures for reporting violations of the Anti-Corruption Policy. Employees are encouraged to report any suspicious activity without fear of retaliation.
- Monitoring and enforcement: Compliance with the Anti-Corruption Policy is regularly monitored and violations are consistently punished.

This policy is an integral part of ANDRITZAG's corporate ethics and helps to maintain the trust of customers, partners, and the public.

Compliance directors have been appointed to implement specific anti-corruption measures in the local companies. They are provided with specific compliance indicators (CPIs) using the compliance cockpit, for example to track whether there have been cases of corruption in the organization or how high the completion rate for anti-corruption training is.

In order to check particularly critical business processes, a global sales network has been set up, among other things, in which the qualification process and approval for sales agents is handled. The compliance management system also has an e-learning platform and various databases for checking third parties in connection with sanctions and export controls as well as a tool for providing information on the ownership structure of companies.

ANDRITZ has had its CMS as well as its anti-corruption management system certified according to the relevant ISO standards since 2018 and currently holds ISO 37301 certification for the ANDRITZ compliance management system and ISO 37001 certification for the anti-corruption management system for ANDRITZ AG and the Austrian ANDRITZ Hydro GmbH as well as their subsidiaries and the US operating companies. Both systems were re-certified in 2024.

As mandatory training in the form of e-learning, ANDRITZ has had its own anti-corruption module for many years, which is rolled out to all employees who are connected to the ANDRITZ IT network.

Incoming reports are processed exclusively by the Corporate Compliance Team. Compliance reports are handled in accordance with a predefined and established process and in compliance with the relevant standards, such as strict confidentiality and safeguarding the rights of the whistleblower. This is set out in the "Internal Investigations Guideline".

The Corporate Compliance Team acts as an autonomous body and operates independently of instructions and management, which is involved in certain compliance functions (including preventive work). The "Internal Investigations Guideline" explicitly states that compliance directors, who are primarily local managers, may not initiate an investigation on their own. Rather, the Corporate Compliance Team has the authority to investigate.

In cases that exceed a certain threshold, the Compliance Committee is involved in addition to the Group Corporate Compliance Team. If necessary, local management and the HR department are involved in assessing and sanctioning cases.

As part of quarterly reporting, an overview of compliance cases is communicated to the Compliance Committee and the Executive Board. The Supervisory Board is also provided with an overview of compliance cases.

The ANDRITZ Compliance Policies are primarily communicated via internal communication channels, such as compliance communication campaigns. Furthermore, compliance policies are assigned to each employee via onboarding and in the course of an e-learning. To ensure that the employees fully understand the implication of the training, the training contains a test at the end and also the various modules include several questions which give the employees feedback if they have understood the content. They can only complete the training with a positive test. The Group Policies apply to all employees, all subsidiaries and all affiliated companies of ANDRITZ, as this is the foundation of ANDRITZ. There are no exceptions.

ANDRITZ has a specific eLearning program that focuses on anti-corruption, which is mandatory for all employees. In addition, on-site training sessions on anti-corruption are held. The anti-corruption eLearning includes the following modules: definition of corruption (what is corruption?), corruption worldwide, prevention and legal basis. Depending on their level of knowledge, employees have to work through more or fewer modules.

The allocation of training programs is risk-based. All risk functions (100%) are covered by the training program, such as the Finance department with regard to fraud prevention and Sales with regard to export control.

In addition, face-to-face or MS Teams-based trainings on dealing with and auditing commercial agents are offered to risk-exposed groups, such as (local) management, sales, and commercial management.

The Executive Board promotes the corporate culture, which is based on integrity and transparency, by clearly communicating the values and standards of conduct. This is done on the one hand with the ANDRITZ Code of Conduct and Ethics, which defines clear rules and standards for ethical behavior, and on the other hand through the “tone from the top.” The Chairman of the Executive Board has personally issued a statement on compliance, which is distributed internally via the various communication channels. The statement is also part of the ANDRITZ Code of Conduct and Ethics and is also published externally via the official ANDRITZ website.

In addition, the Executive Board has commissioned the Compliance function to implement the ISO 37001 anti-bribery management systems globally alongside the ISO 37301 compliance management systems certification.

The Supervisory Board is informed at least once a year of the targets for the following year and the achievement of the targets set. The Supervisory Board reviews ANDRITZ’s compliance management system and certifies, as for 2024, that ANDRITZ’s compliance management system is set up and implemented appropriately and efficiently.

The compliance management system has also integrated a risk analysis and corresponding risk management system. The risk of corruption is assessed at company level on the basis of parameters (CPI, sales in risk countries, use of representatives, etc.) in accordance with Group guidelines. The Executive Board monitors the implementation of the risk analysis and ensures that suitable risk mitigation measures are implemented.

The compliance management system also includes a training concept in which every employee is assigned a package of mandatory compliance training courses when they join the company. Completion of the training is monitored by the Compliance function or by the regional compliance officers and the local compliance directors. As standard, the quarterly or annual compliance report also includes statistics on the completion rate of mandatory compliance training. The ANDRITZ training concept provides for refresher training of all mandatory compliance training courses after 2 years.

All members of the Executive Board undergo compliance training in the form of e-learning courses, as do all employees, and members of the Supervisory Board are informed about compliance content in briefings that focus on specific topics as required. In addition, members of the Executive Board and Supervisory Board are also trained in person by the Group compliance officer at least once a year.

ANDRITZ offers all employees interactive training courses in numerous languages on these and other topics, which are mandatory. New employees undergo compliance training, and refresher courses are held at regular intervals. In addition to general compliance training, additional specific training courses are rolled out depending on the position. There are currently a total of twelve training courses held worldwide. In addition, there are two training courses for the USA and Canada only. A training course consists of several modules that include practical case studies on various issues and raise awareness of the respective compliance topics. The number of training courses to be completed is determined on the basis of the job description. Basic training is mandatory for all employees and must be refreshed regularly. The online training courses are conducted via #APeople, the global ANDRITZ information system from Human Resources. In the 2024 financial year, all training courses were given a new look and feel and brought completely up to date.

In total, 22,601 (2023: 11,290) mandatory training modules were assigned to employees in 2024, based on the individual employee’s function and working environment. The completion rate was 89% (2023: 92%). Almost 18,000 of these were refresher training courses on compliance basics, data protection, corruption prevention, export control, and harassment in the workplace.

Information on anti-corruption and anti-bribery training

	At-risk function	Managers	AMSB*	Other own workers
Training coverage				
Classroom training	200	30		0
Computer-based training	5 500	600	4	6 900
Delivery method and duration				
Classroom training	90 min			
Computer-based training	30 min	60 min	30 min	30 min
Voluntary computer-based training				
Frequency				
How often training is required	Every 2 years	Every 2 years	Every 2 years	-
Topics covered				
Definition of corruption	X	X	X	X
Strategies	X	X	X	X
Procedures on suspicion/detection	X	X	X	X
Officer	X	X	X	X

* administrative, management and supervisory bodies

Metrics and targets

G1-4 Incidents of corruption or bribery

ANDRITZ has had a web-based whistleblower system for more than 10 years, and as described in the Code of Conduct, there are also other channels through which reports can be submitted to the ANDRITZ Compliance organization. In the web-based whistleblower system, reports can be categorized in advance, including the category "Corruption." The reports are collected centrally in the Global Compliance department. If a report is incorrectly categorized or it turns out in the course of the investigation that it is (also) a corruption violation, the category is corrected. In addition, as already described, a whistleblower guideline and internal guidelines on how reports must be processed have been issued. These guidelines are also reviewed by the "Internal Audit" Group function. In addition, the decision was made to be certified in accordance with the ISO 37001 standard. This standard covers the management system for combating bribery. The last surveillance audit took place in January 2025 and no deficiencies were identified. This audit also included a global extension of the certificate, which was successfully completed. The new certificate will therefore cover all operating companies of the ANDRITZ GROUP and will be issued for 3 years as of March 1, 2025.

The Global Compliance organization also includes the compliance-relevant field of anti-corruption and bribery, which is managed by an expert in this field. In addition, ANDRITZ has installed compliance directors to strengthen the compliance management system and integrate it into the individual companies and locations. The compliance cockpit provides the compliance director with compliance performance KPIs.

A compliance director is appointed in each company (each company with a turnover of at least 20 MEUR and more than 50 employees; approved by the relevant Executive Board). In addition, individuals have been nominated in the individual business units to support the topic of anti-corruption and bribery within these business units, in close coordination with the Global Compliance department.

The tasks of a compliance director include:

- Tone from the top to support compliance, i.e., “walk the talk,” get in front of employees and convincingly communicate the priorities and requirements of compliance
- Implementation and monitoring of the introduction of the Group’s compliance guidelines within the organization policies & guidelines (ANDRITZ.com)
- Risk assessment + setting targets to focus on the areas of the company’s business that require particular attention
- Feedback to the Group Compliance department to improve our systems

A web-based compliance cockpit has been developed to monitor ANDRITZ’s compliance performance indicators. These key performance indicators are updated centrally on a quarterly basis. The compliance cockpit also serves as the basis for the annual setting of targets and the documentation of achievements in collaboration with the responsible regional compliance officer.

This compliance cockpit also includes key performance indicators relating to corruption. The cockpit records the reports relating to corruption violations, the training statistics for anti-corruption and bribery training, and key figures that measure the external use of representatives and also show the associated costs.

ANDRITZ has an anti-corruption and bribery policy. Employees must regularly complete online training on these topics. The principles and obligations set out in the Group Anti-Corruption and Anti-Bribery Policy apply to everyone within ANDRITZ: the Executive Board, managing directors, managers, and all employees and representatives of all ANDRITZ companies worldwide. They apply to all stakeholders of affiliated companies, subsidiaries, partnerships, joint ventures related to ANDRITZ, and all other business organizations either directly or indirectly controlled by ANDRITZ. They apply to contract workers, temporary workers, agency workers, and other company representatives, regardless of where ANDRITZ conducts its business. They also apply to all other persons working for or on behalf of ANDRITZ, such as sales representatives or management consultants, as well as to our suppliers.

The most important points of the directive are:

- Prohibition of bribery: Any form of bribery, whether in the form of money, gifts, or other benefits, is strictly prohibited. This applies to both employees and business partners.
- Transparency and documentation: All business transactions must be transparent and properly documented to ensure that they comply with legal and internal regulations.
- Training and awareness-raising: Employees receive regular training and awareness-raising to ensure that they understand and comply with the anti-corruption guidelines.
- Reporting violations: There are clear procedures for reporting violations of the Anti-Corruption Policy. Employees are encouraged to report any suspicious activity without fear of retaliation.
- Monitoring and enforcement: Compliance with the Anti-Corruption Policy is regularly monitored, and violations are consistently punished.

This guideline is an integral part of ANDRITZ AG’s corporate ethics and helps to maintain the trust of customers, partners, and the public.

The following are the individual measures that were implemented in 2024 specifically with regard to the prevention of corruption and bribery:

- New version (v04) of the ANDRITZ Code of Conduct and Ethics
- Joining the UN Global Compact
- Compliance Directors Days in India and for the “Nordics” region; working groups on various topics launched
- Roll-out of the compliance communication campaign “Sophia says”
- Updating/refreshing the online compliance training courses
- ISO certification for ISO 37301 and 37001

New version (v04) of the ANDRITZ Code of Conduct and Ethics

Compliance and ethically correct behavior form the basis of all ANDRITZ business activities. The corresponding values and principles are set out in the company's Code of Conduct and Ethics. The basic document is available in 14 languages and also as a booklet, which is given to new employees at the start of their employment. In addition, a training video summarizes the content of the Code of Conduct in an easily understandable way for all employees of the company. The ANDRITZ Code of Conduct and Ethics was first published in 2010 and was last revised and updated in 2024. The new edition of the Code (version 4) incorporates in particular adaptations resulting from the relevant supply chain laws.

Key processes ensuring that applicable laws, internal regulations, and rules of conduct on insider trading, competition law, anti-corruption, data protection, export control, equal treatment/non-discrimination, and supplier compliance are complied with are brought together in the Group-wide ANDRITZ compliance management system (CMS).

Joining the UN Global Compact

ANDRITZ decided to join the UN Global Compact in 2024. The UN Global Compact is the world's largest initiative for corporate sustainability. It was launched to encourage companies to align their strategies and activities with universal principles in the areas of human rights, labor, the environment, and anti-corruption. The initiative is based on ten principles designed to encourage companies to promote responsible business practices and contribute to the achievement of the United Nations' global goals, such as the Sustainable Development Goals (SDGs). The UN Global Compact provides a platform for companies to share best practices and collaborate with UN organizations, working groups, and civil society.

Compliance Director Days in India and for the “Nordics” region

A separate Compliance Directors Day was held for the Indian and ANDRITZ companies based in Denmark, Finland, Norway, and Sweden, with guest speakers and a comprehensive agenda including corruption and bribery prevention topics. In India, this was combined with a compliance town hall. Similar days are planned for Brazil, China, and Central Europe in 2025.

Working groups launched on various topics

Various working groups were launched in 2024. On the one hand, this was to strengthen cooperation in the Group function and, on the other, to better coordinate topics that have a global impact. The working groups initiated are as follows: "Updating the Code of Conduct and Ethics," "Risk Assessment," "Working through Tips / Investigations," "Compliance in Customer Contracts."

Updating/refreshing the online compliance training courses

Training courses are held both electronically (e-learning) and in person. These trainings effectively communicate compliance to employees and make it easier for them to understand using practical examples. In addition, various compliance communication measures are implemented, including the compliance communication campaign "Sophia Says," in which a mascot explains basic compliance principles and illustrates them to employees. In particular, these measures are intended to ensure that compliance becomes daily practice. In addition to the training courses listed above, training courses are held in the individual regions and locations, either on site (classroom training) or via MS Teams. We are increasingly designing our own targeted training programs for people who are not connected to the ANDRITZ IT network and are not provided with IT work equipment, such as blue-collar workers. In addition, specific, tailor-made training programs are offered, which are assigned according to professional group, such as supply chain, antitrust law, or fraud prevention.

ISO certification for ISO 37301 and 37001

To ensure the effectiveness of compliance measures and to continuously improve the CMS, it is certified in accordance with ISO 37301 and the anti-corruption management system in accordance with ISO 37001. The management systems are also subject to internal and external audits.

Finally, it should be noted that ANDRITZ continuously improves all measures and actions that ANDRITZ implements to achieve its (compliance) goals.

A global compliance budget for investments and operating costs is available annually to implement the measures described in the short, medium, and long term. The funds provided, which are appropriate, amounted to over 2 MEUR for the entire global compliance organization in 2024.

Number of convictions for violation of anti-corruption and anti-bribery laws

There were zero incidents or cases of corruption and bribery in the reporting period.

Due to the fact that there were no incidents of corruption and bribery in the reporting period, ANDRITZ had to pay fines amounting to EUR 0.00.

G1-6 Payment practices

The average time ANDRITZ takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated is below 60 days. ANDRITZ always bases its decisions on the due date. The standard payment terms are therefore also 60 days. No distinction is made between different categories of suppliers.

ANDRITZ attaches great importance to compliance with contractually agreed payment terms and payment deadlines. For this reason, there are currently no known legal proceedings against ANDRITZ Group companies that can be attributed to ANDRITZ's mere failure to comply with payment terms and/or payment deadlines.

However, ANDRITZ reserves the right not to make payments or not to make payments in full if the deliveries and services of the SME partner companies are incomplete or do not meet the contractually agreed quality.

Graz, February 28, 2025

Joachim Schönbeck e.h.
(President & CEO)

Dietmar Heinisser e.h.

Vanessa Hellwing e.h.

Norbert Nettesheim e.h.
(CFO)

Jarno Nymark e.h.

Frédéric Sauze e.h.

ATTACHMENT 1

Attachment to ANDRITZ Sustainability Statement 2024

List of ANDRITZ locations and their coordinates

The following assessments were performed in 2024:

- Climate risk assessment: 1) EU Taxonomy related assessment, 2) Full third-party assessment
- Water risk assessment: locations in areas of water risk. Assessment methodology combines areas of water risk and high water risk.
- Biodiversity risk assessment: 1) Overlap with Protected Area (PA), 2) Overlap with Key Biodiversity Area (KBA)

	ANDRITZ location	Country	Latitude	Longitude	Location type	ANDRITZ Business Area	Climate risk assessment		Water risk assessment	Biodiversity assessment	
							1 EU Taxonomy only	2 Full		1 PA overlap	2 KBA overlap
1	Graz	AUT-Austria	47,10851	15,423346	Production facility	Multiple	X	X			
2	Vienna	AUT-Austria	48,16903	16,3359	Office building	Multiple		X			
3	Raaba-Grambach	AUT-Austria	47,028064	15,494317	Office building	Multiple		X			
4	Varkaus	FIN-Finland	62,31095	27,89008	Office building	Pulp & Paper		X			
5	Kotka	FIN-Finland	60,51544	26,92759	Office building	Pulp & Paper		X			
6	Lahti	FIN-Finland	60,97633	25,67033	Office building	Pulp & Paper		X			
7	Helsinki	FIN-Finland	60,16099	24,90394	Office building	Pulp & Paper		X			
8	Savonlinna	FIN-Finland	61,86771	28,91475	Office building	Pulp & Paper	X	X		X	
9	Muncy	USA-United States	41,205	-76,7897	Production facility	Pulp & Paper		X			

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10	Alpharetta	USA-United States	34,086981	-84,272542	Production facility	Pulp & Paper		X		X
11	Muncy	USA-United States	41,201448	-76,796955	Production facility	Pulp & Paper		X		
12	Springfield	USA-United States	39,9732	-83,8433	Production facility	Pulp & Paper		X		
13	Pell City	USA-United States	33,59194	-86,244113	Production facility	Pulp & Paper		X		
14	Oldsmar	USA-United States	28,041882	-82,676861	Production facility	Pulp & Paper		X		
15	Glens Falls	USA-United States	43,294068	-73,644422	Production facility	Pulp & Paper		X		X
16	Spartanburg	USA-United States	34,9681	-81,9935	Production facility	Pulp & Paper		X		X
17	Växjö	SWE-Sweden	56,8711671	14,8282198	Production facility	Pulp & Paper		X	X	
18	Iggesund	SWE-Sweden	61,640927	17,076445	Production facility	Pulp & Paper		X		
19	Karlstad	SWE-Sweden	59,372939	13,504579	Production facility	Pulp & Paper		X		
20	Örnsköldsvik	SWE-Sweden	63,2908	18,7148	Office building	Pulp & Paper		X		
21	Savonlinna	FIN-Finland	61,86772	28,91474	Production facility	Pulp & Paper	X	X		
22	Tokyo	JPN-Japan	35,65740086	139,782722	Office building	Pulp & Paper		X		X
23	Curitiba	BRA-Brazil	-25,435402	-49,282206	Production facility	Pulp & Paper		X		
24	Araucaria	BRA-Brazil	-25,55404	-49,37885	Production facility	Pulp & Paper		X		
25	Daerah Khusus Ibukota Jakarta	IDN-Indonesia	-6,29371	106,78515	Production facility	Pulp & Paper		X		
26	Lachine	CAN-Canada	45,465428	-73,712254	Office building	Pulp & Paper		X		
27	Saskatoon	CAN-Canada	52,1685	-106,6559	Production facility	Pulp & Paper		X		
28	Brantford	CAN-Canada	43,173417	-80,225945	Production facility	Pulp & Paper		X		
29	Carrum Downs	AUS-Australia	-38,091905	145,16592	Production facility	Environment & Energy		X		
30	Talcahuano	CHL-Chile	-36,768488	-73,114969	Production facility	Pulp & Paper		X	X	
31	Santiago de Chile	CHL-Chile	-33,4146	-70,60467	Production facility	Pulp & Paper		X	X	
32	Santiago de Chile	CHL-Chile	-33,302011	-70,71752	Production facility	Pulp & Paper		X	X	

33	Foshan	CHN-China	23,02205409	113,053623	Production facility	Multiple	X	X		
34	Foshan	CHN-China	23,01441368	113,0651575	Production facility	Multiple		X		
35	Foshan	CHN-China	23,052	113,1199	Production facility	Multiple		X		
36	Foshan	CHN-China	23,03913259	113,053623	Production facility	Multiple		X		
37	Beijing	CHN-China	39,914143	116,454651	Office building	Multiple		X		
38	Shanghai	CHN-China	31,26144	121,51122	Office building	Multiple		X	X	
39	Wuxi	CHN-China	31,55851248	120,4513141	Production facility	Multiple		X		
40	Chengdu	CHN-China	30,86828	104,29193	Production facility	Multiple		X		
41	Regensburg	DEU-Germany	49,06166	12,12689	Production facility	Pulp & Paper		X		
42	Châteauroux	FRA-France	46,802689	1,72734	Production facility	Environment & Energy		X		
43	Esbjerg	DNK-Denmark	55,489115	8,470266	Production facility	Environment & Energy		X		
44	Vierkirchen	DEU-Germany	48,35631	11,44047	Production facility	Environment & Energy		X		
45	Köln	DEU-Germany	50,91401	7,05257	Office building	Environment & Energy		X		
46	Krefeld	DEU-Germany	51,31198	6,55208	Production facility	Environment & Energy		X		
47	Hemer	DEU-Germany	51,372311	7,78468	Production facility	Metals		X	X	
48	Krefeld	DEU-Germany	51,31198	6,55208	Production facility	Metals		X		
49	Bretten-Goelshausen	DEU-Germany	49,04742	8,73504	Production facility	Metals		X		
50	Geldrop	NLD-Netherlands	51,4368	5,5593	Production facility	Environment & Energy		X		
51	Newcastle-under-Lyme	GBR-United Kingdom	53,048641	-2,242524	Production facility	Environment & Energy		X		
52	Düren	DEU-Germany	50,81297	6,443	Production facility	Pulp & Paper		X	X	
53	Pomerode	BRA-Brazil	-26,70813	-49,16785	Production facility	Environment & Energy		X		
54	Senden	DEU-Germany	48,32996	10,04417	Production facility	Environment & Energy		X		
55	Chennai	IND-India	13,02453	80,01103	Production facility	Environment & Energy		X	X	

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56	Arlington	USA-United States	32,62	-97,1289	Production facility	Environment & Energy		X		
57	Pittsburg	USA-United States	32,9944	-94,9708	Production facility	Environment & Energy		X		
58	Charlotte	USA-United States	35,335731	-80,766935	Production facility	Hydropower		X		
59	Spokane	USA-United States	47,681283	-117,192471	Production facility	Hydropower	X	X	X	
60	Ravensburg	DEU-Germany	47,783409	9,602255	Production facility	Hydropower	X	X		X
61	Asnières-sur-Seine	FRA-France	48,91663	2,30939	Office building	Metals		X		
62	Weiz	AUT-Austria	47,2202	15,624	Production facility	Hydropower	X	X		
63	Vienna	AUT-Austria	48,16903	16,3359	Office building	Hydropower		X		
64	Linz	AUT-Austria	48,26761	14,34392	Office building	Hydropower		X		
65	Chennai	IND-India	13,0398718	80,2101775	Office building	Pulp & Paper		X	X	
66	Bangalore	IND-India	77,592627	13,068705	Office building	Pulp & Paper		X	X	
67	Tiruchirappalli	IND-India	10,79696	78,68323	Office building	Pulp & Paper		X		
68	Ravensburg	DEU-Germany	47,77466	9,60094	Production facility	Environment & Energy		X		
69	Humenné	SVK-Slovakia	48,9286	21,9068	Production facility	Multiple		X		
70	Spišská Nová Ves	SVK-Slovakia	48,9502	20,5684	Production facility	Multiple		X		
71	Kriens	CHE-Switzerland	47,0344	8,2761	Production facility	Hydropower	X	X		
72	Vevey	CHE-Switzerland	46,46425	6,84234	Production facility	Hydropower		X		
73	Jevnaker	NOR-Norway	60,227	10,349	Production facility	Hydropower	X	X		
74	Morelia	MEX-Mexico	19,72272007	-101,1462019	Production facility	Hydropower	X	X		
75	Krefeld	DEU-Germany	51,31198	6,55208	Production facility	Pulp & Paper		X		
76	Schio	ITA-Italy	45,712832	11,364412	Production facility	Hydropower		X	X	
77	Pointe-Claire	CAN-Canada	45,46559	-73,82097	Production facility	Hydropower		X		
78	Peterborough	CAN-Canada	44,264603	-78,350955	Production facility	Hydropower	X	X		

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79	Chambly	CAN-Canada	45,41473	-73,28598	Production facility	Hydropower		X		
80	Porto Alegre	BRA-Brazil	-30,00836	-51,19644	Production facility	Pulp & Paper		X	X	
81	Tiszaékéske	HUN-Hungary	46,93328	20,07811	Production facility	Hydropower	X	X	X	
82	Prithla Village	IND-India	28,220642	77,300148	Production facility	Hydropower	X	X	X	
83	Mandideep	IND-India	23,112686	77,518656	Production facility	Hydropower	X	X	X	
84	New Delhi	IND-India	28,566818	77,26139	Office building	Hydropower		X	X	
85	Tampere	FIN-Finland	61,4818	23,85985	Production facility	Hydropower		X	X	
86	Praha 10	CZE-Czech Republic	50,08292	14,50958	Office building	Hydropower		X		
87	Jakarta	IDN-Indonesia	-6,1997	106,8547	Production facility	Hydropower		X	X	
88	Montevideo	URY-Uruguay	-34,7904663	-56,07328534	Office building	Pulp & Paper		X	X	
89	Levice	SVK-Slovakia	48,203244	18,599614	Production facility	Pulp & Paper		X		
90	Tekeli - Menderes-IZMIR	TUR-Turkey	38,195013	27,204587	Production facility	Hydropower		X		
91	Kerava	FIN-Finland	60,38463	25,09985	Production facility	Pulp & Paper		X		
92	Geelong	AUS-Australia	-38,18013	144,37407	Production facility	Pulp & Paper		X		
93	Foshan	CHN-China	0	0	Production facility	Multiple		X		
94	Lainate	ITA-Italy	45,57874	9,01609	Production facility	Pulp & Paper		X		X
95	Villafranca di Verona	ITA-Italy	45,36855	10,85956	Production facility	Metals		X		
96	St. Louis	USA-United States	38,52518759	-90,33285677	Production facility	Metals		X		
97	Slavonski Brod	HRV-Croatia	45,1649361	18,0105359	Production facility	Pulp & Paper		X		
98	Zagreb	HRV-Croatia	15,960029	45,799649	Office building	Multiple		X		
99	Araraquara	BRA-Brazil	-21,76253884	-48,14288378	Production facility	Hydropower	X	X		
100	Barueri	BRA-Brazil	-23,5021264	-46,8511381	Production facility	Hydropower		X		
101	Varkaus	FIN-Finland	62,32537	27,81841	Production facility	Pulp & Paper	X	X		

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102	Montbonnot Saint-Martin	FRA-France	45,2208	5,81846	Production facility	Pulp & Paper	X			
103	Kyalami	ZAF-South Africa	-25,99408456	28,06362929	Production facility	Environment & Energy	X	X		
104	Elbeuf	FRA-France	49,28891	1,00448	Production facility	Pulp & Paper	X			
105	Neftenbach	CHE-Switzerland	47,523591	8,656769	Production facility	Metals	X			X
106	Shanghai	CHN-China	31,01750779	121,2490021	Production facility	Environment & Energy	X	X		
107	Waddinxveen	NLD-Netherlands	52,0277	4,657	Production facility	Environment & Energy	X			
108	Göppingen	DEU-Germany	48,70403	9,64759	Production facility	Metals	X			
109	Göppingen	DEU-Germany	48,70403	9,64759	Production facility	Metals	X			
110	Erfurt SPU	DEU-Germany	51,00665	11,03376	Production facility	Metals	X			
111	Gemmingen	DEU-Germany	49,14874	8,98373	Production facility	Metals	X			
112	Weingarten	DEU-Germany	47,81188	9,64105	Production facility	Metals	X			
113	Heßdorf	DEU-Germany	49,6221	10,90683	Production facility	Metals	X	X		X
114	Erfurt STC	DEU-Germany	51,006489	11,033407	Production facility	Metals	X			
115	Netphen	DEU-Germany	50,86384	8,19479	Production facility	Metals	X			
116	Gettnau	CHE-Switzerland	7,98443	47,1439	Production facility	Metals	X			
117	Canton	USA-United States	42,35094832	-83,45144387	Production facility	Metals	X			
118	Puebla	MEX-Mexico	19,062503	-98,101236	Production facility	Metals	X			
119	Diadema	BRA-Brazil	-23,676482	-46,616243	Production facility	Metals	X			
120	Shanghai	CHN-China	31,2776324	121,4365903	Production facility	Metals	X	X		
121	Dalian	CHN-China	38,95296	121,52547	Production facility	Metals	X	X		
122	Porto	PRT-Portugal	41,15624	-8,63008	Office building	Hydropower	X			
123	Araraquara	BRA-Brazil	-21,76235	-48,14297	Production facility	Hydropower	X			
124	Barueri	BRA-Brazil	-23,501557	-46,851059	Production facility	Hydropower	X			

125	Scorbé Clairvaux	FRA-France	46,81337	0,43252	Production facility	Environment & Energy	X		
126	Blenheim	CAN-Canada	42,326991	-82,023805	Production facility	Environment & Energy	X		
127	Yangzhou City	CHN-China	32,392697	119,436576	Production facility	Metals	X		
128	Aue	DEU-Germany	50,580704	12,716796	Production facility	Metals	X		
129	St. Egidien	DEU-Germany	50,7777	12,62521	Production facility	Metals	X		
130	Mandideep	IND-India	23,112686	77,518656	Production facility	Hydropower	X	X	
131	Capannori (Lucca)	ITA-Italy	43,89297	10,56147	Production facility	Pulp & Paper	X		X
132	Collecervino (Pescara)	ITA-Italy	42,43985	14,0415	Production facility	Pulp & Paper	X	X	
133	Suello (LC)	ITA-Italy	45,82016	9,31673	Production facility	Metals	X		
134	Callery	USA-United States	40,7363869	-80,0358598	Production facility	Metals	X		
135	Chesterton	USA-United States	41,590984	-87,123445	Production facility	Metals	X	X	
136	Ambridge	USA-United States	40,612364	-80,226321	Production facility	Metals	X		
137	Rock Hill	USA-United States	34,951915	-80,995294	Production facility	Metals	X		X
138	Canonsburg	USA-United States	40,286776	-80,177555	Office building	Metals	X		
139	Amsterdam	NLD-Netherlands	52,33492	4,9185	Production facility	Metals	X		
140	Piracicaba	BRA-Brazil	-22,73829	-47,59152	Production facility	Pulp & Paper	X	X	
141	Petropolis	BRA-Brazil	-21,729105	-48,101702	Production facility	Pulp & Paper	X	X	
142	Sumare	BRA-Brazil	-22,305223	-49,072743	Production facility	Pulp & Paper	X	X	
143	Gloggnitz	AUT-Austria	47,67552	15,92931	Production facility	Pulp & Paper	X		
144	Düren	DEU-Germany	50,83378	6,46373	Production facility	Pulp & Paper	X	X	
145	Schloß Holte-Stukenbrock	DEU-Germany	51,91497	8,58829	Production facility	Pulp & Paper	X		
146	Changzhou	CHN-China	31,84166527	119,947007	Production facility	Pulp & Paper	X	X	
147	Latina	ITA-Italy	41,45863	12,88027	Production facility	Pulp & Paper	X	X	

148	Cardano al Campo	ITA-Italy	45,63925	8,78476	Production facility	Pulp & Paper	X		
149	Griffin	USA-United States	33,2261064	-84,282447	Production facility	Pulp & Paper	X		
150	Neenah	USA-United States	40,21799	-79,49156	Production facility	Pulp & Paper	X		
151	Ruston	USA-United States	32,527269	-92,6137216	Production facility	Pulp & Paper	X		
152	Reutlingen	DEU-Germany	48,50362	9,21018	Production facility	Pulp & Paper	X		
153	Queretaro	MEX-Mexico	20,854258	-99,84756	Production facility	Pulp & Paper	X		X
154	Neenah	USA-United States	44,18582	-88,46261	Production facility	Pulp & Paper	X		
155	Kunshan City	CHN-China	31,43817604	120,9142998	Production facility	Pulp & Paper	X		
156	Shanghai (Kunshan City)	CHN-China	31,3524617	121,5848498	Production facility	Pulp & Paper	X		
157	Starkville	USA-United States	33,4503998	-88,8183872	Production facility	Pulp & Paper	X		X
158	Youngsville	USA-United States	36,01642	-78,51686	Office building	Pulp & Paper	X		
159	Ibaraki-Ken	JPN-Japan	36,2277778	140,5288113	Production facility	Pulp & Paper	X		
160	Kentville	CAN-Canada	45,07267201	-64,53841209	Production facility	Pulp & Paper	X		

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL REPORTING PURSUANT TO SECTION 267A UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial statement pursuant to Section 267a UGB (hereafter „consolidated non-financial reporting“) for the financial year 2024 of the

Andritz AG,

Graz

(hereinafter also referred to as „Andritz“ or „Company“).

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter „consolidated non-financial reporting“) is not prepared, in all material respects, in compliance with:

- the statutory provisions of the Austrian Sustainability and Diversity Improvement Act Sections 267a of the Austrian Commercial Code (UGB),
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as „EU-Taxonomy-Regulation“),
- the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as „ESRS“), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process“); with the description set out in disclosure IRO-1 Description of the process to identify and assess material impacts, risks and opportunities.

in the currently valid version.

Basis for conclusion with limited assurance

Our limited assurance engagement on the consolidated non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting“ section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

This report is a translation of the original report in German, which is solely valid.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other matters

We draw attention to the fact that the company's consolidated non-financial reporting for the fiscal year ending 31 December 2023 has not been audited by us or by any other auditor. Our conclusion is not modified in this context.

Other information

Management is responsible for the other information. The other information comprises all information included in the annual financial report but does not include consolidated non-financial reporting and our independent assurance report.

Our conclusion on the consolidated non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the consolidated non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management

Management is responsible for the preparation of a non-financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a consolidated non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to section 267a UGB including compliance with the ESRS,
- inclusion of disclosures in the consolidated non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for consolidated non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

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Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibility of the auditor of the consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures - Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We evaluate whether the structure and presentation of the consolidated non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of section 267a UGB, including the ESRS.

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- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- We reconcile selected disclosures in the consolidated non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a voluntary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at <https://ksw.or.at/berufsrecht/mandatsverhaeltnis/>). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims.

Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of the consolidated non-financial reporting is Wirtschaftsprüfer Mag. Dr. Johannes Bauer.

Vienna

4 March 2025

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Mag. Dr. Johannes Bauer

Wirtschaftsprüfer

(Austrian Chartered Accountant)

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