

# CONSOLIDATED CORPORATE GOVERNANCE REPORT 2024

This report explains the structures, processes, and rules implemented vis-à-vis shareholders that ANDRITZ follows in the area of corporate governance. As a listed stock corporation headquartered in Austria, the framework for corporate governance results from Austrian law, the articles of association and the rules of procedure for the company's governing bodies as well as from the Austrian Corporate Governance Code.

## Commitment to the Austrian Corporate Governance Code

ANDRITZ is fully committed to complying with the rules of conduct set out in the Austrian Corporate Governance Code and sees this as an essential prerequisite for responsible corporate governance aimed at sustainable and long-term value creation and a high degree of transparency towards shareholders and other stakeholders. The Executive Board and the Supervisory Board as well as all employees of the ANDRITZ Group have committed themselves to complying with the Code.

The Austrian Corporate Governance Code (January 2023 version) valid for fiscal year 2024 is available and publicly available on the website of the ANDRITZ Group under [andritz.com/governance-en](https://andritz.com/governance-en) and on the website of the Working Group on Corporate Governance in Austria under [corporate-governance.at](https://corporate-governance.at).

The Austrian Corporate Governance Code is based on voluntary commitment and goes beyond the legal requirements for a stock corporation. ANDRITZ fully complies with the rules of the Code.

## Composition of the Executive Board

As of December 31, 2024, the Executive Board of ANDRITZ AG consisted of five members, i.e. a reduction of one member compared to 2023. Based on his decision using a contractual option to terminate his Executive Board contract early (originally running until September 30, 2027), Norbert Nettesheim will leave the Executive Board by the end of the Annual General Meeting in 2025 that is on March 27, 2025. Vanessa Hellwing has already been nominated as his successor. Vanessa Hellwing, member of the Executive Board since January 1, 2025, will take over the CFO agendas from March 28, 2025. (For further information on the selection and appointment process, see below in the chapter "Selection Procedure for the Appointment of Executive Board Members")

Name (Date of birth)	Function	Date of first appointment to Executive Board	End of the current mandate	Supervisory Board mandates in other companies in Austria and abroad
Joachim Schönbeck (January 30, 1964)	President and CEO of the Executive Board	October 1, 2014 (Member of the Executive Board) April 8, 2022 (President & CEO of the Executive Board)	April 7, 2027	none
Norbert Nettesheim (November 17, 1962)	CFO, member of the Executive Board	December 6, 2019	March 27, 2025*	Groz-Beckert KG
Frédéric Sauze (October 1, 1967)	Member of the Executive Board	March 30, 2023	March 29, 2026	none
Dietmar Heinisser (March 8, 1971)	Member of the Executive Board	April 1, 2023	March 31, 2026	none
Jarno Matias Nymark (September 27, 1974)	Member of the Executive Board	October 1, 2023	September 30, 2026	none

\*Norbert Nettesheim is leaving early at his own request. Vanessa Hellwing has been nominated as his successor, who is member of the Executive Board since 1, 2025 and will take over the CFO agendas as of March 28, 2025.

## **Joachim Schönbeck**

### **Areas of responsibility**

CEO of the Executive Board and Head of the Metals Business Unit and Central Group Functions: Business Development, Human Resources, Quality and Safety Management, Site Installation, Corporate Communications & Marketing, Internal Auditing, Information Technology and Automation & Digitalization

### **Professional career**

Spokesman of the Executive Board of SMS Holding GmbH and Chairman of the Management Board of SMS Meer GmbH, Management Positions at SMS Group, Siemens and Mannesmann

## **Norbert Nettesheim**

### **Areas of responsibility**

Central group functions: Controlling/ Accounting/ Taxes, Finance, Investor Relations, Legal, Compliance, Supply Chain Management

### **Professional career**

Management positions in the Voith Group, including as Commercial Director in various Group companies

## **Frédéric Sauze**

### **Areas of responsibility**

Hydropower and Group Corporate Security

### **Professional career**

Senior Vice President of the ANDRITZ Hydropower Service & Rehab Division in North America; CEO of ANDRITZ S.A. de C.V., Mexico; President of ANDRITZ Hydro Corp., USA; various management positions at Alstom

## **Dietmar Heinisser**

### **Areas of responsibility**

Environment & Energy and Group Manufacturing Management

### **Professional career**

Head of Paper Service, various management positions in the ANDRITZ Group

## **Jarno Nymark**

### **Areas of responsibility**

Pulp & Paper (Capital Systems + Service)

### **Professional career**

Head of the Fiber Technologies Division, various global leadership positions in the ANDRITZ Group in Finland, Germany, and China

## Composition of the Supervisory Board

When selecting the members of the Supervisory Board, the focus is on professional qualifications, personal competence and many years of experience in management positions. In addition, aspects of diversity, the internationality of its members, the representation of both genders and the age structure are also taken into account in the best possible way. The Supervisory Board of ANDRITZ AG consists of six shareholder representatives and three representatives from the Works Council. The Supervisory Board consists of three women, which means that the proportion of women has increased to 33% in 2024 (11% in 2023). At the Annual General Meeting, Barbara Steger will be proposed as another woman for election as member to the Supervisory Board, resulting in a 50% share of women on the capital side of members. The members of the Supervisory Board are between 49 and 71 years old as of the reporting date, two members of which are not Austrian citizens and have knowledge and experience as former members of the Executive Board of major global German companies. The members of the Supervisory Board have a wide range of professional skills and experience.

### Information on the independence of the members of the Supervisory Board

The Supervisory Board of ANDRITZ AG bases its criteria for independence on the guidelines set out in the Corporate Governance Code. The Supervisory Board is independent of the Company and its board members. With the exception of Wolfgang Leitner, who represents the shareholder Custos Vermögensverwaltungs GmbH, all members of the Supervisory Board elected by the Annual General Meeting are members who are not shareholders with a shareholding of more than 10% and are independent. This complies with C-Rules 53 and 54 of the Austrian Corporate Governance Code.

Competences / Experience	Wolfgang Leitner	Elisabeth Stadler	Wolfgang Bernhard	Jürgen Hermann Fechter	Alexander Isola	Regina Prehofer
<b>FUNCTIONAL EXPERIENCE</b>						
- Finance	X	X		X	X	X
- Internal Audit	X	X		X		X
- Legal					X	X
- Sales / Marketing / Branding			X	X		X
- Human Resources	X	X	X		X	
- M&A	X	X	X	X	X	
- R&D / New Technologies	X	X	X	X		
- IT / Cyber Security			X			X
- Digitalization / Automation			X			
- Procurement / Logistics			X			
- Strategy	X	X	X	X	X	
<b>INDUSTRIAL EXPERIENCE</b>						
- Pulp & Paper	X					
- Automotive	X		X			
- Steel, Metals	X	X	X	X		
- Energy Production	X	X				
- Process-dominated Industries	X		X	X		
- Projects-dominated Industries	X			X		
<b>International experience</b>	X	X	X	X		X
<b>ESG integration</b>	X	X	X			
<b>Governance</b>	X	X	X	X	X	X
<b>Risk Management</b>	X	X	x			
<b>Capital Markets</b>	X	X	X		X	X
<b>Supervisory B. (excl. ANDRITZ)</b>		X	X	X	X	X
<b>Independence</b>		X	X	X	X	X

Name (Date of birth)	Function	Date of first appointment	End of current mandate	Supervisory Board mandates in other (stock exchange listed) companies in Austria and abroad
<b>MEMBERS APPOINTED BY SHAREHOLDERS</b>				
Alexander Leeb (May 16, 1959)	Chairman of the Supervisory Board	March 27, 2019	Until the Annual General Meeting in 2024, since then retired from position	Mayr-Melnhof Karton AG
Wolfgang Leitner (March 27, 1953)	Deputy Chairman and Chairman of the Supervisory Board since April 8, 2024, Chairman of the Nomination and Remuneration Committee	April 7, 2022	Until the Annual General Meeting in 2026	none
Wolfgang Bernhard (September 3, 1960)	Member of the Supervisory Board	7 July 2020	Until the Annual General Meeting in 2025	AMAG Austria Metall AG
Jürgen Hermann Fechter (November 30, 1962)	Member of the Supervisory Board	March 30, 2016	Until the Annual General Meeting in 2026	none
Alexander Isola (July 24, 1957)	Member of the Supervisory Board	March 30, 2016	Until the Annual General Meeting in 2026*	none
Monika Kircher (July 8, 1957)	Member of the Supervisory Board	March 21, 2014	Until the Annual General Meeting in 2024, since then retired from position	RWE AG SIEMENS AG Österreich (not listed on the stock exchange)
Prof. Elisabeth Stadler (December 1, 1961)	Deputy Chairwoman of the Supervisory Board	March 21, 2024	Until the Annual General Meeting in 2028	WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group InterRisk Lebensversicherungs- AG Vienna Insurance Group InterRisk Versicherungs-AG Vienna Insurance Group DONAU Versicherung AG Vienna Insurance Group voestalpine AG OMV Aktiengesellschaft Österreichische Post Aktiengesellschaft Institute of Science and Technology - Austria (IST Austria)
Regina Prehofer (August 2, 1956)	Member of the Supervisory Board, Chairwoman of the Audit Committee	March 21, 2024	Until the Annual General Meeting in 2028	Aufsichtsratsmitglied SPAR Holding AG Aufsichtsratsmitglied SPAR Österreichische Warenhandels- AG Stv. Vorsitzende des Beirats Austria Wirtschaftsservice (aws) für die Maßnahme „Venture- Capital-Initiative“
<b>DELEGATED MEMBERS</b>				
Georg Auer (October 12, 1974)	Member of the Supervisory Board	July 1, 2011		none
Andreas Martiner (November 11, 1964)	Member of the Supervisory Board	February 14, 2001		none
Alexander Mori (May 5, 1976)	Member of the Supervisory Board	June 30, 2021	March 6, 2024	none
Tania Sandtner (September 13, 1975)	Member of the Supervisory Board	March 7, 2024		none

\*Alexander Isola has announced that he intends to resign his mandate with effect from the end of the Annual General Meeting over the 2024 financial year.

## Functioning of the Executive Board and the Supervisory Board

### Cooperation with the Executive Board and distribution of responsibilities in the board

The Supervisory Board determines the rules of procedure and the schedule of responsibilities of the Executive Board. The Executive Board of ANDRITZ AG holds regular meetings on key topics relevant to the Group and on individual business areas. The competencies and responsibilities of the individual members of the Executive Board are set out in the notes to the members of the Executive Board in this Corporate Governance Report. The rules of procedure of the Executive Board contain a comprehensive catalogue of those business transactions that require the prior approval of the Supervisory Board, which go beyond the mandatory provisions of the German Stock Corporation Act. The Executive Board and the Supervisory Board, in particular their chairperson, are engaged in ongoing discussions on the development and strategic direction of the company that go beyond the Supervisory Board meetings.

The Executive Board reports regularly and comprehensively on the course of the Group's business at the Supervisory Board meetings and obtains the necessary approvals from the Supervisory Board for material measures. In addition, the Executive Board discusses the development and implementation of the corporate strategy, aspects of sustainability and associated opportunities and risks with regard to the environment, social issues and corporate governance with the Supervisory Board. The corporate strategy is regularly the subject of discussions between the Executive Board and the Supervisory Board at the Supervisory Board meetings, with a medium-term plan being presented for each business unit as well as for the entire group of companies.

### Committees of the Supervisory Board

The Supervisory Board of ANDRITZ AG has established an Audit Committee, which held two meetings in fiscal year 2024 to discuss the 2023 annual financial statements and consolidated financial statements, to prepare the audit of the 2024 annual and consolidated financial statements and the proposal for the appropriation of profit, to discuss matters related to the auditors, and to implement the internal control system and risk management in the ANDRITZ Group. After the departure of Monika Kircher, Regina Prehofer took over the chairmanship of the Audit Committee, both are proven financial experts.

The Supervisory Board has also set up a Nomination and Remuneration Committee. In six meetings in the 2024 financial year, the Supervisory Board discussed, partially with the involvement of external experts, the features of the new compensation policy, the filling and replacement of Executive Board positions, as well as advising on the further development of the composition of the Supervisory Board. The main measure in 2024 was the identification of a successor for the retiring CFO Norbert Nettesheim, who will be succeeded by Vanessa Hellwing as well as the selection and nomination of a candidate for the position of a member of the supervisory board which was opened.

In fiscal year 2024, the Supervisory Board of ANDRITZ AG held seven meetings (five ordinary meetings, one constituent meeting, and one extraordinary meeting for the purpose of appointing a new Executive Board), which were always attended by all members. As in previous years, participation was possible in person or virtually. All members have agreed to this procedure. Participation was mainly in person.

	Supervisory Board		Audit Committee		Nomination & Remuneration Committee	
Shareholder representatives	Wolfgang Leitner	7/7	Wolfgang Leitner <sup>3)</sup> (One participation as a guest)	2/2	Wolfgang Leitner	6/6
	Wolfgang Bernhard	7/7			Wolfgang Bernhard <sup>5)</sup>	5/6
	Jürgen Hermann Fechter	7/7	Jürgen Hermann Fechter	2/2		
	Alexander Isola	7/7	Alexander Isola (as a guest)	1/2	Alexander Isola	6/6
	Elisabeth Stadler <sup>1)</sup>	6/7			Elisabeth Stadler <sup>5)</sup>	5/6
	Regina Prehofer <sup>1)</sup>	6/7	Regina Prehofer <sup>3)</sup>	1/2		
Employee representatives	Monika Kircher <sup>2)</sup>	1/7	Monika Kircher <sup>4)</sup>	1/2		
	Alexander Leeb <sup>2)</sup>	1/7	Alexander Leeb <sup>4)</sup>	1/2	Alexander Leeb <sup>6)</sup>	1/6
	Georg Auer	7/7	Georg Auer (as a guest)	1/2		
	Andreas Martiner	7/7	Andreas Martiner	2/2		
	Tania Sandtner <sup>1)</sup>	6/7	Tania Sandtner <sup>3)</sup>	1/2		
	Alexander Mori <sup>2)</sup>	1/7	Alexander Mori <sup>4)</sup>	1/2		

1) Member of the Supervisory Board since March 7, 2024

2) Member of the Supervisory Board until March 7, 2024

3) Member of the Audit Committee since March 21, 2024

4) Member of the Audit Committee until March 21, 2024

5) Member of the Nomination & Remuneration Committee since March 21, 2024

6) Member of the Nomination & Remuneration Committee until March 21, 2024

In order to also provide the Supervisory Board with the opportunity to gain an insight into the company's international organization, as well as the expectations of customers on other regions, one Supervisory Board meeting was held in 2024 at the Foshan site in China, which also offered the opportunity to visit an automobile factory. The focus of these meetings was on monitoring the ongoing business development of the ANDRITZ Group, including possible deviations from the budget, the earnings development of key orders, the status of occupational safety including accident statistics and measures initiated, the strategic goals, the medium-term planning of the individual business units, as well as special occasions such as the acquisition of companies or the granting of power of attorney and other transactions subject to approval.

All members of the Supervisory Board receive a monthly presentation of the main developments in form of a monthly report, the content of which is being discussed in monthly meetings between the chairman of the supervisory board, its deputy chairman and the CEO. The reports used for this purpose were expanded again in the year under review and made more informative. At the regular Supervisory Board meetings, a business unit is presented in detail and its strategy is discussed. At a meeting of the Supervisory Board, a comprehensive report is given on Group-wide compliance.

Committee	Members
Audit Committee	<p>Until the 2024 Annual General Meeting:</p> <ul style="list-style-type: none"><li>▪ Monika Kircher (Chairwoman) until the 2024 Annual General Meeting,</li><li>▪ Alexander Leeb (Deputy) until the 2024 Annual General Meeting,</li><li>▪ Jürgen Hermann Fechter</li><li>▪ Andreas Martiner</li></ul> <p>Since reconstitution on April 8, 2024:</p> <ul style="list-style-type: none"><li>▪ Regina Prehofer (Chairwoman)</li><li>▪ Jürgen Hermann Fechter (Deputy)</li><li>▪ Wolfgang Leitner</li><li>▪ Andreas Martiner</li><li>▪ Tania Sandtner</li></ul>
Nomination and Remuneration Committee	<p>Until the 2024 Annual General Meeting:</p> <ul style="list-style-type: none"><li>▪ Alexander Leeb (Chairman)</li><li>▪ Wolfgang Leitner (Deputy)</li><li>▪ Alexander Isola</li></ul> <p>Since the reconstitution on April 8, 2024:</p> <ul style="list-style-type: none"><li>▪ Wolfgang Leitner (Chairman)</li><li>▪ Elisabeth Stadler (Deputy)</li><li>▪ Alexander Isola</li><li>▪ Wolfgang Bernhard</li></ul>

## Corporate Governance Roadshow 2024 of the Supervisory Board

Under the leadership of the Chairman and Deputy Chairmen of the Supervisory Board, ANDRITZ AG conducted a Corporate Governance Roadshow in November and December 2024. Institutional investors and proxy advisors ISS and Glass Lewis were primarily presented with the plans for the composition and work of the Supervisory Board and the Executive Board, the key features of the new remuneration policy of the Executive Board and the progress made in the area of ESG (Environmental, Social and Governance). The valuable feedback collected in this way will be taken into account in the design of future corporate governance instruments, in particular in the preparation of the remuneration report 2024 and the new remuneration policy, which will be submitted to the Annual General Meeting for resolution in 2025.

## Diversity concept

The members of the Supervisory Board should have the following special knowledge, skills and professional experience with regard to the structure and business area of the company as a whole:

- The Supervisory Board is to consist of shareholder representatives who have international experience or special expertise in one or more markets outside Austria that are important to the company.
- The Supervisory Board is to include personalities from business, science, technology, or research who have gained experience in industries that are important to ANDRITZ.
- In addition, the Supervisory Board is to include personalities who have already gained experience in the management and/or supervision of another listed company as shareholder representatives.

- In the search for qualified personalities for the Supervisory Board, who will strengthen the body as a whole in the best possible way with professional and leadership skills, attention should also be paid to diversity. In the preparation of appointment proposals, mutually complementary professional profiles, professional and life experience and appropriate representation of both genders in the Supervisory Board's work should be taken into account.
- At least one member of the Supervisory Board should have special expertise in the areas of accounting or auditing.
- The Supervisory Board should not include a person who performs a corporate function or advisory function with the Company's main competitors or with its suppliers.
- Efforts are being made to ensure that women are adequately represented on the Supervisory Board, regardless of any legal obligation.

### **Selection procedure for the appointment of Executive Board members**

The Supervisory Board ensures long-term succession planning for Executive Board positions. In the view of the Supervisory Board, the Supervisory Board's basic suitability criteria are their professional qualifications for the area to be taken over, convincing leadership qualities, previous performance and knowledge of the company. As part of the consideration of which personality would best complement the Executive Board, the Supervisory Board also considers diversity as a decision-making criterion. Diversity means different, mutually complementary profiles, professional and life experiences, including in the international arena, as well as appropriate representation of both genders.

In its decision, the Supervisory Board takes into account the following aspects:

- The members of the board should have many years of management experience and, if possible, have experience from different professions.
- The members should have international leadership experience.
- Strong communication skills both externally and internally are required, as well as the ability to make a positive contribution to strengthening a contemporary corporate culture that corresponds to the values defined in the #1ANDRITZway.
- At least one member of the Executive Board should have technical training or many years of technical professional experience.
- The Executive Board as a whole should have many years of experience in the areas of development, production, sales, finance and personnel management.
- A target for the proportion of women on the board is not set. The Supervisory Board decides on the specific filling of the Executive Board position in the interests of the company and exclusively on a case-by-case basis, taking into account professional and personal qualifications. The Executive Board reports to the Nomination Committee at regular intervals on the proportion and development of female managers, especially among senior managers and at the first management level.
- The Supervisory Board will set an age limit of 70 years for members of the Executive Board; when appointing members of the Executive Board, attention should be paid to an appropriate age mix.

## Measures to promote women

As of January 1, 2025, the Executive Board of ANDRITZ AG will have one woman and three members of the Supervisory Board are female. At the Annual General Meeting, Barbara Steger will be proposed as another woman for election to the Supervisory Board, resulting in a 50% share of women on the capital side of representatives. Women hold management positions in many areas of the first and second reporting levels. As of December 31, 2024, the proportion of women in the total number of employees was 17.2% Group-wide (2023: 17%). The proportion of women at ANDRITZ AG alone was 20.31% in 2024, so ANDRITZ AG is subject to the scope of application of Section 86 (7) of the German Stock Corporation Act (AktG) and must take into account the minimum share requirement pursuant to Section 86 (7) of the Austrian Stock Corporation Act, according to which the Supervisory Board must consist of at least 30% women. ANDRITZ AG already meets this criterion based on the composition of its current Supervisory Board.

The ANDRITZ Group supports and promotes the employment of women, especially in technical fields. However, ANDRITZ is very often confronted with the situation that in many countries there are still significantly fewer women than men taking up technical professions or completing technical studies. ANDRITZ therefore implements various initiatives to encourage women to choose a technical profession or a technical course of study. These initiatives include regular participation in various events such as recruiting and career orientation days for young women at universities and universities of applied sciences.

Furthermore, ANDRITZ has deliberately reduced the requirements for professional experience to attract more female students and university alumni on university job platforms. In 2024, global internet and social media campaigns were conducted targeting the female target group, highlighting career paths with flexible working conditions and ANDRITZ's promotion of gender diversity.

ANDRITZ also implements measures and investments that promote the compatibility of work and family life. The kindergartens set up at the ANDRITZ Group's headquarters in Graz and at the site in Vienna, as well as flexible working time models for employees with families, are examples of this. When creating office space in the context of new construction projects, considerations regarding new childcare facilities for employees' children are always considered.

Furthermore, in the recruitment process, great attention is paid to strict equal treatment of the sexes. Recruiting training courses were conducted worldwide to eliminate unconscious biases in the selection process together with the HR managers. ANDRITZ also offers training on eliminating gender bias in job descriptions. In addition, job layouts, career page branding, banners, and marketing content will be made more diverse to represent women at ANDRITZ in general. However, in all its efforts to promote female employees, ANDRITZ will refrain from anything that would lead to discrimination against men.

## Remuneration policy and remuneration report for the Executive Board and Supervisory Board

Reporting on the remuneration of the members of the Executive Board and the Supervisory Board for the 2024 financial year will be carried out in accordance with Sections 78c and 98a of the Austrian Stock Corporation Act as part of the remuneration report to be prepared. The 2024 remuneration report will be submitted to the Annual General Meeting on March 27, 2025 for resolution and can be viewed on the ANDRITZ website [andritz.com/governance-en](https://www.andritz.com/governance-en). There is no separate reporting on remuneration in the Consolidated Corporate Governance Report.

In addition, a new version of the remuneration policy will be submitted to the upcoming Annual General Meeting, which on the one hand is based on the requirements of the Corporate Governance Report and on the other hand takes up the insights and suggestions gained from the investor community in consultations with stakeholders.

## Share capital measures in the 2024 financial year

### Share buyback program 2024

On July 30, 2024, the Executive Board of ANDRITZ AG resolved to repurchase treasury no-par value bearer shares via the stock exchange (including multilateral trading facilities) on the basis of the authorization granted at the 116<sup>th</sup> Annual General Meeting on March 29, 2023 in accordance with Section 65 (1) no. 8 of the Austrian Stock Corporation Act (AktG) and published on March 30, 2023 in accordance with Section 119 (9) of the Austrian Stock Exchange Act (BörseG) via an electronically operated information dissemination system. The resolution provides for the purchase of up to 2,080,000 shares from August 5, 2024 (inclusive) to January 31, 2025 (inclusive) – corresponding to a 2.00% stake in the voting share capital of ANDRITZ AG. Highest and lowest consideration to be paid and/or achieved per share: In accordance with the authorization of the Annual General Meeting and the resolution of the Executive Board, the consideration to be paid for the acquisition of a no-par value share may not exceed the average unweighted closing price on the Vienna Stock Exchange during the last ten trading days prior to the exercise of this authorization by more than 10%. The maximum price for the share buyback is therefore EUR 61.699 in accordance with this authorization. The minimum price per share may not be less than the pro rata amount of the Company's share capital per share, which corresponds to EUR 1 each. The buyback program was terminated when the maximum number of units was reached on December 2, 2024.

As of December 2, 2024, the Company held a total of 6,443,716 treasury shares, corresponding to 6.20% of the share capital. A detailed overview of the result of the buyback program can be found under <https://www.andritz.com/group-en/investors/share/sale-and-buy-back-of-shares>.

### Share Option Program 2024

Around 200 senior executives and top global talents of the ANDRITZ Group as well as members of the Executive Board will have the opportunity to participate in the stock option program and thus participate in a positive development of the share price. The prerequisite for participation in the stock option programs is an own investment in ANDRITZ shares of up to EUR 20,000 for senior executives and EUR 40,000 for members of the Executive Board, depending on the position. This own investment must be held uninterrupted by the persons participating in the option program until the options are exercised and must be proven upon exercise. The number of shares allocated per person entitled to participate is up to 20,000 shares, depending on the area of responsibility, and 37,500 for each member of the Executive Board.

Note: In the context of the adoption of the Stock Option Program 2024, Rule C28 of the ÖCGC regarding the criteria for the design of Stock Option Programs was complied with, but this program was not submitted to the Annual General Meeting for a vote. This is due to the fact that the allocation of options to the Executive Board was reported in detail as part of the remuneration policy presented to and approved by the Annual General Meeting in 2021 and in the annual remuneration reports for the Executive Board, which were submitted to the previous Annual General Meetings and will be submitted to the upcoming Annual General Meeting for the year 2024. Furthermore, the stock options represent only a subordinate part of the Executive Board's compensation overall.

These options are to be allocated from the share pool accumulated as part of the company buyback program. The maximum number of stock options that can be issued is 1,500,000. Of these, 187,500 are accounted for by the five members of the Executive Board and the rest by the persons in question. The ANDRITZ Stock Option Program 2024 takes into account financial and non-financial targets.

In accordance with the EU Remuneration Recommendation and the Austrian Corporate Governance Code (Rules C28 and 28a), stock options are to be exercised at the earliest three years after their grant and are linked to measurable, long-term and sustainable criteria. In addition, participants in the stock option program must hold investments in ANDRITZ shares from their own funds for the entire term of the program. Such employee participation plans are common and widespread among listed companies. Offering individuals the opportunity to acquire their own shares is an essential means of strengthening employee loyalty and helping to make the company more attractive as an employer. By allowing employees to participate in the company's success as shareholders and co-owners, the stock option program creates an additional incentive for ANDRITZ senior management and top global talents to contribute to the success of the ANDRITZ Group.

The intention to implement this stock option program was announced prior to adoption in accordance with Section 95 (6) in conjunction with Section 159 (2) (3) of the Austrian Stock Corporation Act (AktG). (Details of the exercise criteria of the Stock Option Program can be found on the Company's website at the following link: <https://www.andritz.com/group-en/investors/share/share-option-plans-sop>)

**Note:** As part of the new remuneration policy, which will be presented to the Annual General Meeting in 2025, a complete restructuring of the share allocation to Executive Board members is to be proposed, which is then to largely replace the provisions from the 2024 Stock Option Program for the Executive Board.

## Financial auditors and auditors of the sustainability report

At the 117<sup>th</sup> Annual General Meeting of ANDRITZ AG held on March 21, 2023, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was elected as the independent auditor for the 2024 annual financial statements and the consolidated financial statements of ANDRITZ AG as well as for the Sustainability Report for the 2024 financial year, the latter under the condition that the Sustainability Report must be audited by an external auditor due to legal requirements.

## Compliance

In accordance with Rule 18a of the ÖCGC, the Executive Board reports to the Supervisory Board on a quarterly basis on the precautions taken to combat corruption in the company. In addition, the Group Compliance Officer also reports directly to the audit committee annually on the status of the Compliance Management System (CMS) and on significant investigations in the event of violations as well as compliance audits.

Compliance and ethical conduct form the basis of all ANDRITZ's business activities. The corresponding values and principles are laid down in the company's Code of Business Conduct and Ethics. The basic work is available in 14 languages as well as a booklet, which is handed over to new employees at the beginning of their employment. In addition, a training video summarizes the contents of the Code of Conduct in an easy-to-understand way for all employees of the company.

Key processes that ensure compliance with applicable laws, internal regulations, and rules of conduct on insider trading, competition law, anti-corruption, data protection, export controls, equal treatment/non-discrimination, and supplier compliance are brought together in the Group-wide ANDRITZ Compliance Management System.

In order to verify and further improve the effectiveness of the system, ANDRITZ undergoes regular certifications. The ISO 37301 certification for the ANDRITZ Compliance Management System and the ISO 37001 certification for the anti-corruption management system were first achieved in 2018.

On the basis of the surveillance audit carried out in the year under review, the certificates can be continued. A re-certification audit was carried out in 2024. A major innovation worth mentioning is the roll-out of the certification process to all operating subsidiaries of the Group.

The Compliance Group function has established a Group Compliance Committee, chaired by the Group Compliance Officer, which is responsible for the development and implementation of the compliance program and reports directly to the Executive Board. Operationally, the Compliance department is divided into experts with specialist areas (insider trading, anti-corruption, anti-antitrust law, export control, human relations, data protection and suppliers) and compliance officers with regional responsibilities. In addition, Compliance Officers are assigned to specific anti-corruption tasks in the individual business units. In addition, compliance directors are appointed for companies with a turnover of at least 20 MEUR and more than 50 employees, who are usually located at the level of managing directors and who continuously monitor the most important compliance performance indicators (CPI) of the individual companies with the help of a compliance cockpit. The Regional Compliance Officers are available to advise them.

### **Work processes, guidelines and training of the compliance management system**

Within the compliance management system, there are various work processes throughout the Group, which are supported by appropriate tools. These include the online-based whistleblower system "Speak UP!", which allows both employees and all other stakeholders to report compliance-relevant incidents anonymously.

In addition, a Global Sales Network has been set up in which the qualification process and approval for sales agents are handled.

The Compliance Management System also has an eLearning platform and various databases for checking third parties in connection with sanctions or export controls, an instrument for providing information on the ownership structure of companies and a database in connection with the General Data Protection Regulation, in which processes and information on personal data are documented.

In addition to the Code of Business Conduct and Ethics, ANDRITZ has other guidelines on insider trading, preventing and combating corruption, and complying with global antitrust and competition regulations.

ANDRITZ offers interactive training courses for all employees in numerous languages on these and other topics, which are mandatory. New employees are subjected to compliance training, and refresher training is carried out at regular intervals. In addition to the general compliance training, additional specific training courses are rolled out depending on the position. There are currently a total of twelve training courses that are held worldwide. In addition, there are two trainings only for the USA and Canada. A training course consists of several modules that include practical case studies on various issues and raise awareness of the respective compliance issues. The number of training courses to be completed is determined on the basis of the job description. In any case, basic training is mandatory for all employees and must also be refreshed regularly. The online training courses are conducted via #APeople, the global ANDRITZ information system of Human Resources.

In the 2024 financial year, 27,109 (2023: 11,290) mandatory training modules were allocated to employees based on the function and working environment of the individual employee. The completion rate was around 90% (2023: 92%). Of these, about 16,000 were refresher training courses for compliance basics, data protection and corruption prevention.

## Compliance priorities in 2024

In cooperation with the ESG team, an intensive risk evaluation was carried out according to the criteria of the CSRD, with the compliance department playing a leading role in numerous ESRS in the area of "S1", "S2" and "G1". As a result of this risk assessment, a total of 70 disclosure items were identified as material (45 for S2 and 25 for G1), for which the Group Compliance function is responsible in the CSRD report. Together with other measures in the field of ESG audits and reports, the compliance function makes a significant contribution to the improvement and development of ESG goals of the ANDRITZ Group.

In the area of supply chain compliance, one focus was on the implementation of German supply chain Act compliance and the implementation of risk evaluations. This was also accompanied by the expansion of the supplier database to include an ESG assessment module, which provides ESG information for a large part of the ANDRITZ suppliers of the purchasing organization.

In addition, the EU sanctions packages against Russia triggered by the Ukraine conflict, which were further tightened in the year under review, required high attention on behalf of the export compliance team.

## Internal Audit

In accordance with Rule 18 of the ÖCGC, an internal audit department has been established as a separate staff unit of the Executive Board. The audit committee is reported annually on the audit plan and key findings. The Internal Auditing group function conducts comprehensive audits of ANDRITZ subsidiaries and group functions with a focus on financial and operational issues. In cases of suspicion, event-related, unannounced inspections are also carried out. The aim is to ensure compliance with internal guidelines and basic principles of profitability and to identify potential for improvement in operational processes. The identification of risks and their appropriate management are also within the scope of the group function.

The department reports directly to the Chairman of the Executive Board, and the audit reports are submitted to the Executive Board and, in summary form, to the members of the Supervisory Board. In the 2024 financial year, 31 audits were carried out (2023: 25 audits). Improvement measures listed in this report are coordinated directly with the management of the audited company or group function. The agreed improvement measures are continuously monitored in a specially implemented system and the processing status is reported to the Executive Board on a quarterly basis.

## External evaluation of the Consolidated Corporate Governance Report

The Austrian Corporate Governance Code provides for a regular external evaluation of the company's compliance with the Code. This was most recently done in the 2022 financial year by BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (as the universal legal successor of BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna), Vienna. The result of the evaluation was determined by the auditors that ANDRITZ AG complied with the C rules of the Austrian Corporate Governance Code. The full report on the external evaluation is available on the ANDRITZ website [andritz.com/governance-en](https://andritz.com/governance-en). A new evaluation is planned for the 2025 financial year.

## Changes after the reporting date

There were no major changes between the reporting date and the date of preparation of the Consolidated Corporate Governance Report.

Graz, February 2025

The Executive Board of ANDRITZ AG

Joachim Schönbeck

e.h.

(President & CEO)

Dietmar Heinisser

e.h.

Norbert Nettesheim

e.h.

(CFO)

Jarno Nymark

e.h.

Frédéric Sauze

e.h.

Vanessa Hellwing

e.h.