



STATEMENT ON TAX BEHAVIOR

1 INTRODUCTION

The ANDRITZ Group's Statement on Tax Behavior aims to give an insight on how ANDRITZ is handling tax matters, with focus on maintaining the highest level of tax honesty and compliance. Furthermore, this statement provides high-level information on approaches and principles regarding all tax matters within the ANDRITZ Group and describes the framework conditions we have set ourselves for dealing with all kinds of tax related matters. To provide an overall picture of how ANDRITZ acts in the world of taxes, this Statement does not only apply for corporate income taxes, but also for VAT, withholding taxes, customs duties, and all kinds of other taxes.

Our commitment to tax compliance is in line with our broader dedication to responsible corporate citizenship. We firmly believe that businesses, as integral members of society, have a responsibility to contribute to the common good, and paying taxes is one of the fundamental ways through which we fulfill that responsibility.

We recognize that taxes are the lifeblood of our society and the foundation upon which our communities thrive. Taxes are essential for funding critical public services, infrastructure development, education, healthcare, and numerous other programs that enhance the quality of life for individuals and families across our nation.

By paying taxes, we contribute to the stability and growth of our economy, promote social equity, and support the overall well-being of our fellow citizens. Without a doubt, tax payments are one of the drivers of society's prosperity and secure the development of countries in which ANDRITZ operates in, with the ANDRITZ Group taking its responsibility to contribute its fair share.

As the global tax environment is ever changing, the ANDRITZ Group's Statement on Tax Behavior is updated on a regular basis to present changes in both the legal surroundings and the ANDRITZ business model. Whenever changes or new developments make it necessary, ANDRITZ adopts new approaches or improves internal processes to maintain the highest level of tax compliance.

ANDRITZ stands firmly behind its commitment to paying taxes responsibly and recognizes the importance of taxes in shaping our society for the better. As we navigate the complexities of the modern business landscape, we remain steadfast in our pledge to maintain the highest standards of tax ethics and transparency. We will continue to uphold our tax obligations as we strive to make a positive impact on the communities we serve.



2 TAX APPROACH AND PRINCIPLES OF THE ANDRITZ GROUP

Our approach to taxes and transfer pricing is based on international tax standards, including the OECD Guidelines. ANDRITZ has the entitlement to always pay the correct amount of tax in the country where value is created, to file all the tax returns required by law or regulation in a timely and correct manner, and to comply with tax regulations, to manage, control and mitigate the risk of breaching tax rules or abusing principles or objectives of the applicable tax regulations.

As part of our corporate responsibility, we place a strong emphasis on ensuring compliance with all tax laws and regulations, and we do not engage in aggressive tax practices that exploit gaps or ambiguities in tax laws for the artificial reduction of our tax liability.

Specifically, ANDRITZ refrains from participating in activities that may erode the tax base of any jurisdiction or inappropriately shift profits to lower-tax jurisdictions. Furthermore, the decisions about how the ANDRITZ Group is structured has always been based primarily on business considerations. ANDRITZ never has a presence in a jurisdiction simply because it offers tax advantages or a lower level of tax reporting requirements; in each case, operational business or projects are the sole reason for establishing a legal entity. Naturally, while doing business, all applicable tax laws and regulations as well as all guidelines of the ANDRITZ Group on rule-compliant behavior are complied with.

While ANDRITZ may have entities in certain jurisdictions that may have historically enabled tax base erosion and profit shifting, it is essential to clarify that such entities are the residual outcomes of prior acquisitions, and they do not currently engage in any professional or operational activities. As part of our commitment to transparency and responsible corporate governance, we are actively working towards simplifying the structure of our organization and undertaking measures to close these entities at the earliest opportunity.

Andritz AG, the ultimate parent entity of the ANDRITZ Group, is an Aktiengesellschaft incorporated under the laws of the Republic of Austria and has been listed on the Vienna Stock Exchange since June 2001. The high level of just under 70% of public free float of ANDRITZ's total outstanding shares and its intensive investor relations activities have led to relatively active trading in ANDRITZ shares in the past. The shareholders expect ANDRITZ to manage its business in an optimal way, to maximize returns, and to continuously raise the total corporate value. ANDRITZ' responsibility towards the shareholders requires that taxes, just like any other business, are subject to planning, controlling, evaluation, and expense management. However, this neither contradicts nor limits the responsibility ANDRITZ has towards societies as a contributing taxpayer, since the Group is always striving to comply with applicable laws and regulations in each country. In cases where laws leave room for interpretation or remain undefined, ANDRITZ



will render decisions under the light of cautiousness and transparency and will always act within the limits established by the legal framework.

While conducting our business, we comply with relevant laws, practices and international guidelines and act in accordance with them. Within the ANDRITZ Group our Tax Principles provide direction on how we conduct our tax affairs with a view to achieve a compliant and competitive tax position. Whenever changes or new developments in the legal landscape require reassessments, ANDRITZ adopts new approaches or improves internal processes to stay tax compliant. We are committed to all relevant transparency frameworks, i.e. the OECD Country-by-Country reporting, and we claim to continuously work towards a higher level of tax transparency over time.

We are also fully aware of the paramount role of Pillar 2 in the ongoing global efforts to combat profit evasion and profit shifting (BEPS) while promoting fair international taxation. Pillar 2, also known as the Global Anti-Base Erosion (GloBE) rules, is an essential cornerstone within these comprehensive initiatives. As a responsible and globally engaged company, we strictly adhere to Pillar 2 rules, contributing equitably to the countries in which we operate.

Our commitment to transparency in our tax practices is unwavering, and we are committed to actively cooperating with tax authorities and relevant stakeholders in fulfilling our obligations under Pillar 2. Our goal is to create a climate of open and honest communication while maintaining the highest global tax standards. To achieve this goal, ANDRITZ will proactively and carefully align our practices with the applicable legal and regulatory framework. We will continuously review and improve our internal policies to ensure compliance with Pillar 2 principles.

The steady development of global transparency regulations will gain further importance and ANDRITZ will continue to support aspirations to implement suitable measures to raise tax transparency for multinational companies.

ANDRITZ strives to focus and coordinate transfer pricing matters at the Group level to ensure that transfer pricing results are more consistent with the Group's value creation in accordance with the arm's length principle as set out in the OECD Transfer Pricing Guidelines. The group's transfer pricing documentation approach is fully aligned with the OECD's three-tier documentation standards (Master File, Local File and Country-by-Country Report).

As stated already, all actions regarding taxes must be in line with internal regulations and guidelines, particularly the ANDRITZ Code of Conduct and Ethics. The Code of Conduct and Ethics sets the basis for all corporate values and the professional and ethical behavior that is mandatory for all ANDRITZ employees. Any violation of these strict internal rules must be reported according to the Group's standards on whistleblowing.



3 TAX RISK MANAGEMENT AND INTERNAL ORGANIZATIONAL STRUCTURE

The operational business of ANDRITZ bears inevitable risks which are unable to be eliminated entirely, causing challenges in both the operational business and compliance functions. To reduce these risks to a minimum, the Group has implemented various policies, guidelines, and procedures, while of course all actions regarding taxes must be in line with these internal regulations.

On group level, the Group Tax Team, which is part of the Group Controlling function, sets the internal guidelines for the Group's tax strategy, tax related policies and the global transfer pricing model. It also handles the tax calculations during the creation of quarterly and annual group financial statements and periodic risk reports and provides interpretations of tax related policies. In addition, the Group Tax Team works closely with the Chief Financial Officer and the Vice President of Group Controlling on an ongoing basis.

Additional Regional Tax Managers have been appointed in the most important parts of the world for the Group. They act as a link between the headquarter and the entities, assuring a better connection to the various countries ANDRITZ is active in.

In local entities, finance teams and (if established) tax teams are responsible for tax compliance and for dealing with everyday tax issues in correspondence with the guidelines created by the Group Tax Team. In any case, ANDRITZ uses the knowledge of internal and external tax experts to secure a high level of accuracy.

As described, ANDRITZ uses a tight network to make sure that all kinds of tax risk within the organization are identified, mastered, and communicated. A strong control environment and a functional tax risk framework set the basis for an efficient risk reduction. With close correspondence between all levels of responsibility and continuous training and information ANDRITZ seeks to guarantee a certain level of tax risk understanding to all relevant parties within the Group.

4 TAX AUDITS AND GENERAL COOPERATION WITH AUTHORITIES

Transparency and cooperation with tax authorities are essential to maintain a reputation as a responsible taxpayer and a trusted business partner. We are committed to providing accurate and comprehensive financial information to stakeholders, regulatory authorities, and the general public. Our commitment also extends to ensuring the accurate payment of taxes in the country where value has been created. Additionally, we are committed resolving any disagreements with all kinds of governmental bodies in a constructive and respectful way.

If any ANDRITZ Entity is a subject to tax audit, subsidiaries are required to inform the Group Tax Team in a timely manner, and the Group Tax Team is required to assist subsidiaries as needed. All entities are also obliged to inform the Group Tax Team on the



results of tax audits on a prompt basis. ANDRITZ will fully cooperate with the tax authorities in order to resolve any issues and ensure compliance with applicable laws and regulations. As an organization committed to responsible corporate citizenship and full compliance with all applicable tax laws and regulations, we believe in open and accountable communication regarding our financial interactions with government entities. The principles in details are:

- Responding promptly to all requests for information or documents from the tax authorities,
- Keeping accurate and complete records of all information provided to the tax authorities during the audit,
- Seeking advice of internal and external advisors, as needed, to ensure that the responses to the tax authorities are accurate and complete,
- Maintaining open and transparent communication with the tax authorities throughout the audit process.

At ANDRITZ, we understand the vital role of government in delivering essential public services, maintaining infrastructure, and supporting the well-being of communities. ANDRITZ maintains financial relations with various government bodies, including local, state, and federal agencies, as part of our ongoing operations. We view our financial relations with governments as a partnership in ethical stewardship. We work collaboratively with government agencies to ensure that our financial contributions are directed toward projects and initiatives that align with our values and contribute to the common good. These financial transactions are conducted in accordance with the law, regulatory requirements, and established protocols.

We are committed to continuous improvement in our financial relations with governments. This includes monitoring and adapting to changes in tax laws and regulations, enhancing internal controls, and promoting best practices in financial management.

As doing business globally always creates the risk of double taxation, ANDRITZ may end up with substantial cash-flow disadvantages if discrepancies between the affected countries are not resolved as quickly as possible. To eliminate this risk, ANDRITZ will always work closely with tax authorities in different jurisdictions to resolve situations where the views differ. However, ANDRITZ will pursue all available remedies to resolve the dispute in an efficient manner. This may include negotiating settlements with the tax authorities, initiating mutual agreement procedures, or appealing the dispute through other appropriate administrative or judicial channels. To secure the highest certainty possible, it may be necessary to seek the support of individual tax rulings issued by tax authorities. In any case, ANDRITZ will deliver all the relevant documents and fully disclose all



considerations to put the authorities in a position to render a ruling based on factual circumstances.