



Fighting Against Forced Labour and Child Labour in Supply Chains Act

Disclosure Report

I. Disclosing Entity

This disclosure report is submitted by **ANDRITZ Ltd. / ANDRITZ Ltee.** (hereinafter referred to “ANDRITZ”).

II. About this Disclosure Report

This disclosure report is submitted in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Bill S-211) and guidance issued by Public Safety Canada.

III. Introduction

ANDRITZ and its affiliated companies are committed to integrity, respect, and fair dealing in their business activities. This commitment includes the fair and equitable treatment of employees, business partners (and their employees), members of the community, and all other stakeholders with whom we engage. ANDRITZ does not tolerate forced labour, child labour, or any other human rights abuses in any its business activities.

IV. Business Structure, Activities, and Supply Chains

ANDRITZ designs, engineers, manufactures, and installs equipment for customers in the pulp and paper industry. In addition, as part of its service and repair business, ANDRITZ supports these customers by supplying spare parts and rebuilding machines and equipment. The ANDRITZ automation and digitalization business group provides electrical, instrument, and control engineering systems and services for a range of industrial facilities including pulp and paper, mining, oil sands, potash, lime, power, chemicals, and material handling. Lastly, ANDRITZ maintains a service center in support of the ANDRITZ Separation business. As part of its business activities, ANDRITZ produces goods in Canada, sells and distributes goods inside and outside of Canada, and imports goods manufactured outside of Canada into Canada.

ANDRITZ is incorporated as a limited liability company in New Brunswick, Canada and headquartered in Lachine, Quebec, Canada. It also has offices and facilities in other locations, including Brantford, Ontario, Canada; Edmonton, Alberta, Canada; Richmond, British Columbia, Canada; and Saskatoon, Saskatchewan, Canada. ANDRITZ has approximately 300 employees.

ANDRITZ maintains a global supply chain that includes:

- Suppliers of direct materials (e.g., castings, machine and weld services, bearings, custom sheet and plate metal, fans, burners, fabricated parts including hoods, ductwork, casings, screws, pulper vats, and dampers), manufacturing materials, and packaging materials. These materials are procured from affiliated ANDRITZ entities as well as non-affiliated third-party vendors and suppliers located all around the world including in Canada, the United States, Mexico, Slovakia, China, and Czech Republic.



- Suppliers of indirect goods and services including professional services, facilities, office supplies, and sales and marketing services.
- Customers located primarily in Canada and the United States with some in Mexico, Chile, Peru, Columbia, Brazil, and Malaysia.

V. Policies Related to Forced Labour and Child Labour

ANDRITZ's *Code of Conduct and Ethics* requires all personnel to adhere to the highest levels of ethics and integrity in all of their business activities. This includes compliance with applicable laws and legal standards, and the responsibility to maintain a safe, healthy, and respectful work environment. A fundamental principal of the *Code of Conduct and Ethics* is that personnel treat each other with respect, dignity, and fairness – and to protect human rights in their daily business activities. Employees receive a copy of the ANDRITZ *Code of Conduct and Ethics* when onboarded to the company and are expected to comply with the standards of conduct articulated therein. Moreover, employees receive periodic training and communications explaining their responsibility to act ethically and in compliance with the law.

The company's commitment to protecting human rights is further demonstrated in the ANDRITZ *Supplier Code of Conduct and Ethics Policy* and *Supplier Code of Conduct and Ethics*. The *Supplier Code of Conduct and Ethics*, which addresses a range of topics including human rights and fair working conditions, sets forth the minimum requirements for any third-party vendor or supplier engaged to transact business with ANDRITZ. For example, the Code specifically requires ANDRITZ vendors or suppliers to refrain from engaging in, or benefiting from, any form of forced, involuntary or child labour. These vendors and suppliers are also required to acknowledge and adhere to the principles articulated in the *Supplier Code of Conduct and Ethics*. This includes the commitment that these vendors or suppliers request the same, or similar, compliance standards from their business partners. ANDRITZ has developed a *Supplier Code of Conduct and Ethics* training module which is available to third-party vendors and suppliers on a voluntary basis.

To build a more transparent, safe, and ethical workplace, ANDRITZ has also implemented a highly secure whistleblowing system known as Speak Up!. This online reporting tool allows employees and third-party business partners to report instances of actual or suspected misconduct to Group Compliance in a safe and confidential manner. The Speak Up! reporting tool can be accessed online and by QR code.

VI. Due Diligence Process Related to Forced Labour and Child Labour

Vendors and suppliers are screened through a prequalification and onboarding process. This process includes the completion and evaluation of a detailed *Prequalification Questionnaire*. The questionnaire addresses a range of topics including human rights and fair working conditions. In some instances, there will also be an on-site audit of the vendor or supplier. The results of the vendor and supplier evaluation will determine whether the potential business partner may be engaged and/or whether any additional controls are needed to mitigate any risk.

VII. Risk of Forced Labour and Child Labour

ANDRITZ evaluates supplier compliance risk, which considers the risk of forced labour and child labour,



as part of its annual Risk Management review. In addition, ANDRITZ uses the information collected from its *Prequalification Questionnaire* and onboarding process to identify risks of forced labour and child labour in its supply chain. ANDRITZ also considers the regions where its third-party vendors and suppliers are located, the materials and products they source, and their relationship history to assess relevant risk. In some cases, ANDRITZ will conduct on-site audits of vendor or supplier facilities.

VIII. Remediation

ANDRITZ has not identified any instances of forced labour or child labour in its business activities or supply chains. Accordingly, ANDRITZ has not had cause to implement any forced labour or child labour related remediation measures.

IX. Training

ANDRITZ provides training on the ANDRITZ *Code of Conduct and Ethics*. This training module addresses human rights issues and the importance of treating employees and third-party business partners fairly and with integrity and respect. ANDRITZ tracks completion of this training on a regular basis.

ANDRITZ has also developed a training module on the *Supplier Code of Conduct and Ethics*, which is available to employees and third-party vendors and suppliers on a voluntary basis.

X. Assessing Effectiveness

ANDRITZ has developed and tracks metrics designed to assess its effectiveness in mitigating the risk of forced labour and child labour in its supply chain. This includes tracking supplier compliance with the ANDRITZ prequalification and onboarding requirements on a regular basis. In addition, ANDRITZ tracks the number of reports related to supplier-related misconduct (including the use of forced and child labour) through Speak Up! and other internal reporting tools.

XI. Approval

This report has been approved by the Board of Directors of **ANDRITZ Ltd.** in accordance with section 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("Act").

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Dated: 30 May 2024

Signature: _____

Full Name: Phillip B. Kennedy

Title: Secretary

